

30 January, 2013

Highlights

- Group copper production in 2012 was 709,600 tonnes, a 10.8% increase compared with 640,500 tonnes in 2011, mainly due to higher production at Esperanza as a result of increased throughput levels. Copper production was 193,800 tonnes in Q4, a 7.8% increase compared with the previous quarter, mainly due to increased production at Los Pelambres and Esperanza.
- Gold production was 299,900 ounces in 2012 compared with 196,800 ounces in the 2011 full year reflecting the higher throughput at Esperanza.
- Molybdenum production at Los Pelambres was 12,200 tonnes in the 2012 full year compared with 9,900 tonnes in 2011 reflecting the particularly high molybdenum grades in the current year.
- Group cash costs (net of by-product credits) for the full year 2012 were 103.0 cents per pound, in line with the previous year of 101.9 cents per pound.
- Group cash costs (net of by-product credits) in Q4 were 113.5 cents per pound compared with 99.3 cents per pound in Q3, mainly due to higher on-site and shipping costs at Esperanza which were in line with previously announced forecasts.
- Group production in 2013 is expected to be approximately 700,000 tonnes of copper, 260,000 ounces of gold and 8,000 tonnes of molybdenum. Group cash costs in 2013 are expected to be approximately 140 cents per pound (net of by-product credits) and 185 cents per pound before by-product credits, reflecting higher on-site costs at Esperanza and Los Pelambres.
- As previously announced on 21 December 2012, Minera Antucoya decided to temporarily suspend development of the Antucoya project so as to enable Minera Antucoya to undertake a full review of the project given existing and potential levels of cost escalation. This review remains in progress.

Group Total	Q1	Q2	Q3	Q4	Full	Full
	2012	2012	2012	2012	Year	Year
	2012	2012	2012	2012	2012	2011
Total production of payable copper ('000 tonnes)	162.9	173.2	179.8	193.8	709.6	640.5
Total production of payable moly ('000 tonnes)	3.1	3.4	3.0	2.7	12.2	9.9
Total production of payable gold ('000 ounces)	63.5	72.6	77.4	86.4	299.9	196.8
Weighted average cash costs before by-product credits (cents per pound)	163.6	158.2	157.1	171.6	162.8	155.2
Weighted average cash costs (cents per pound)	98.1	99.3	99.3	113.5	103.0	101.9

Investor relations –
Antofagasta plc:

Hussein Barma
hbarma@antofagasta.co.uk
London: (44-20) 7808 0988

Clare Wood
cwood@antofagasta.co.uk
London: (44-20) 7808 0988

Alejandro Rivera
arivera@aminerals.cl
Santiago: (56-2) 2798 7145

Media enquiries –
Bankside Consultants:

Simon Rothschild
simon.rothschild@bankside.com
London: (44-20) 7367 8871

Mining operations

Los Pelambres

Los Pelambres produced 107,700 tonnes of payable copper in Q4 compared with 98,800 tonnes in Q3, reflecting a 5.7% increase in plant throughput as well as higher ore grades. Copper production in 2012 was 403,700 tonnes compared with 411,800 tonnes in 2011 due to a decrease in ore grades, partly offset by an increase in plant throughput from 176,600 tonnes per day in 2011 to 180,300 tonnes per day in 2012. This was due to the approval in April 2012 of the Environmental Impact Declaration to lift the previous annual average processing capacity limit of 175,000 tonnes per day which was based on the annual average throughput between May and April.

Molybdenum production decreased to 2,700 tonnes in Q4 compared with 3,000 tonnes in Q3 mainly due to a decrease in molybdenum recoveries and the impact of inventory movements in the process, partly offset by higher plant throughput. Molybdenum production increased by 23.2% to 12,200 tonnes in 2012 compared with 2011, mainly reflecting the increase in grades from 0.019% to 0.023%.

Gold production was 12,600 ounces in Q4 compared with 12,500 ounces in the previous quarter. Gold production was 51,500 ounces in 2012 compared with 39,800 ounces in 2011.

Cash costs were 98.9 cents per pound in Q4 compared with 88.9 cents per pound in the previous quarter. This 10.0 cent per pound increase was due to increased on-site costs and lower by-product credits partially offset by lower tolling charges. The 7.2 cent per pound increase in on-site and shipping costs over the quarter was due to a major maintenance in October. The 3.1 cent per pound decrease in by-product credits mainly reflects lower molybdenum volumes in Q4.

Cash costs for 2012 were 85.9 cents per pound, compared with 78.3 cents per pound in 2011 as a result of a 13.4 cent increase in on-site and shipping costs partially offset by a 2.2 cent decrease in tolling charges and a 3.5 cent increase in by-product credits. Accordingly, this resulted in cash costs before by-product credits of 139.1 cents per pound for the 2012 full year. The increase in on-site costs reflects higher maintenance and labour costs in 2012 compared with 2011. The increase in by-product credits was due to higher gold and molybdenum production, and a higher average gold price partly offset by lower average molybdenum prices.

Production of payable copper, molybdenum and gold in 2013 is expected to be approximately 390,000 tonnes, 8,000 tonnes and 30,000 ounces respectively. Cash costs (net of by-product credits) are dependent on by-product volumes and prices. For indicative purposes only, cash costs (net of by-product credits) would be expected to be approximately 130 cents per pound (based on a molybdenum price of US\$12 per pound and a gold price of US\$1,700 per ounce) and cash costs before by-product credits are expected to be approximately 165 cents per pound reflecting various factors including an increase in energy costs compared with 2012.

Esperanza

Esperanza produced 49,400 tonnes of payable copper in Q4 compared with 45,600 tonnes in the previous quarter. This was due to a 4.8% increase in average plant throughput to 89,200 tonnes per day in Q4 reflecting on-going improvements in the reliability of the operation and the impact of inventory movements in the process, partially offset by expected lower ore grades. Copper production in 2012 was 163,200 tonnes, an 81.1% increase compared with 2011, reflecting both a 45.6% increase in plant throughput levels compared with the prior year when Esperanza was ramping-up, as well as a 19.6% increase in copper grades.

Gold production was 73,800 ounces in Q4, 13.7% higher than in the previous quarter due to the increase in daily throughput. Production in 2012 was 248,400 ounces compared with 157,100 ounces in 2011 as a result of the higher plant throughput.

Cash costs were 92.6 cents per pound in Q4 compared with 45.5 cents per pound in the previous quarter. This was due to a 53.0 cent per pound increase in on-site and shipping costs to 203.4 cents per pound in Q4 which was in line with previously announced forecasts partly offset by a marginal increase in by-product credits. This increase in on-site and shipping costs was due to significant additional maintenance activities in Q4 at the mine and plant as well as the impact of inventory changes.

Cash costs in 2012 were 65.9 cents per pound, compared with 83.2 cents per pound in 2011 due to a 43.0 cent decrease in on-site costs which was partially offset by a 23.4 decrease in by-product credits. Accordingly, this resulted in cash costs before by-product credits of 194.2 cents per pound for the 2012 full year. The 43.0 cent per pound decrease in on-site and shipping costs reflects the high level of costs in 2011 associated with the ramp-up process, and the impact on unit costs of the plant operating at significantly below capacity during that process. The 23.4 cent decrease in by-product credits mainly reflects the lower ratio of gold to copper production in 2012 compared with 2011.

Production of payable copper and gold in 2013 is expected to be approximately 170,000 tonnes and 230,000 ounces respectively. Cash costs (net of by-product credits) are dependent on by-product volumes and prices. For indicative purposes only, cash costs (net of by-product credits) would be approximately 110 cents per pound (based on a gold price of US\$1,700 per ounce) and cash costs before by-product credits are expected to be approximately 225 cents per pound, reflecting the impact of inventory changes and increased mine movement compared with 2012.

El Tesoro

El Tesoro achieved production of 26,800 tonnes in Q4 compared with 25,500 tonnes in Q3 as a result of a 7.6% increase in ore grades and higher throughput. Production was at a record level of 105,000 tonnes in 2012 compared with 97,100 tonnes in 2011 due to the processing of higher grade ore from the Mirador pit, which entered into production during Q3 of 2011.

Cash costs were 132.1 cents per pound in Q4, a 12.9% decrease compared with 151.6 cents per pound in Q3 mainly due to the impact of higher production on unit costs as well as the impact of inventory variation. Cash costs in 2012 were 149.3 cents, compared with 171.6 cents per pound in 2011, due to the higher grade Mirador ore as well as lower acid and energy costs.

Cathode production in 2013 is expected to be approximately 100,000 tonnes and cash costs are expected to be approximately 165 cents per pound.

Michilla

Michilla produced 9,800 tonnes of copper in Q4, in line with production of 9,900 tonnes in Q3. Production from the heap leach process contributed 8,300 tonnes in Q4 compared with 8,200 tonnes in Q3 reflecting higher throughput partially offset by lower grades due to a reduction in ore feed from ENAMI. Production was 37,700 tonnes in 2012 compared with 41,600 tonnes in 2011. This decrease was mainly due to lower grades reflecting a reduction in ore feed from the higher grade Estefanía underground mine, as well as lower plant throughput reflecting a reduction in ore feed from third parties, partly offset by increased production from the secondary leaching process.

Cash costs in Q4 were 329.0 cents per pound compared with 315.8 cents per pound in the previous quarter. This increase was mainly due to the impact of higher levels of ore purchased from third parties as well as the impact of inventory variation. Cash costs in the 2012 full year were 318.3 cents per pound compared with 213.3 cents per pound in 2011 reflecting an increase in costs related to processing lower grade ore and costs associated with processing ore from the spent ore piles.

Copper cathode production in 2013 is expected to be approximately 38,000 tonnes and cash costs are expected to be approximately 305 cents per pound.

Projects

Antucoya

As previously announced on 21 December 2012, Minera Antucoya ("Antucoya") decided to temporarily suspend development of the Antucoya project so as to enable Antucoya to undertake a full review of the project given existing and potential levels of cost escalation. Accordingly, Antucoya also decided to immediately issue notices of termination under the principal construction contracts for the project. This review remains in progress and no decisions have been made by Antucoya in relation to the future of the project.

Reko Diq

The Group holds a 50% interest in Tethyan Copper Company Pty. Limited ("Tethyan"), its joint venture with Barrick Gold Corporation ("Barrick"). Tethyan has held a 75% interest in an exploration licence encompassing the Reko Diq deposit, with the Government of Balochistan (the provincial authority) holding the remaining 25% interest. The relationship between Tethyan and the Government of Balochistan in respect of their interests in the project is governed by the Chagai Hills Exploration Joint Venture Agreement ("CHEJVA") of 1993. On 7 January 2013, the Supreme Court in Pakistan announced a short order declaring the CHEJVA null and void.

Tethyan is pursuing two international arbitrations in order to protect its legal rights: one against the Government of Pakistan with the International Centre for Settlement of Investment Disputes ("ICSID") asserting breaches of the Bilateral Investment Treaty between Australia (where Tethyan is incorporated) and Pakistan, and another against the Government of Balochistan with the International Chamber of Commerce ("ICC"), asserting breaches of the CHEJVA. Tethyan strongly believes that it has complied with the requirements of the Balochistan Mineral Rules and the CHEJVA and is entitled to the grant of the mining lease.

Commodity prices and exchange rates

The LME copper price averaged 358.7 cents per pound in Q4 2012, compared with 349.5 cents per pound in Q3 2012. The average LME copper price for the 2012 full year was 360.6 cents per pound, compared with 399.7 cents per pound in the 2011 full year. The LME spot copper price at the end of Q4 2012 was 359.0 cents per pound).

The market molybdenum price averaged US\$11.2 per pound in Q4 2012, compared with US\$11.9 per pound in Q3 2012. The market molybdenum price in 2012 full year averaged US\$12.7 per pound, compared with US\$15.5 per pound in the 2011 full year. The average price in December 2012 was US\$11.4 per pound.

The market gold price averaged US\$1,721 per ounce in Q4 2012, compared with US\$1,651 per ounce in Q3 2012. The market gold price in 2012 full year averaged US\$1,669 per ounce, compared with US\$1,572 per ounce in the 2011 full year. The spot gold price at the end of Q4 2012 was US\$1,664 per pound.

The realised copper, molybdenum and gold prices which the Group will recognise for its sales in the year 2012 will differ from the average market prices shown above because, in line with industry practice, sales agreements generally provide for provisional pricing at the time of shipment with final pricing based on the average market price for the month in which settlement takes place. The typical period for which sales remain open until settlement occurs for copper concentrate sales is approximately three to four months from shipment date, for copper cathode sales approximately one month from shipment, for molybdenum sales approximately two months from shipment and for gold content of copper concentrate sales approximately one month from shipment. Additionally, under IFRS open sales are marked to market at the end of each period through adjustments to turnover in the income statements using forward prices in the case of copper concentrate (including the gold content) and copper cathode, and period-end prices for molybdenum sales.

The provisional pricing and hedging adjustments with respect to copper sales have resulted in a total positive provisional pricing adjustment of US\$81.7 million for the 2012 full year and an average realised price of 366.4 cents per pound (2011 – 372.6 cents per pound). The provisional pricing adjustments with respect to molybdenum sales have resulted in a total negative provisional pricing adjustment of US\$28.6 million for the 2012 full year and an average realised price of US\$11.9 per pound (2011 - US\$15.1 per pound). The provisional pricing adjustments with respect to gold sales have resulted in a total negative provisional pricing adjustment of US\$3.6 million for the 2012 full year and an average realised price of US\$1,675 per ounce (2011 - US\$1,637 per ounce).

The Chilean peso / US dollar exchange rate averaged Ch\$477.6 / US\$1 in Q4 2012, compared with Ch\$483.0 / US\$1 in Q3 2012. The Chilean peso / US dollar exchange rate averaged Ch\$486.8 / US\$1 in the full year 2012, compared with Ch\$483.4 / US\$1 in the 2011 full year. The exchange rate at 28 December 2012 was Ch\$478.6 / US\$1.

Transport

The transport division maintained a solid operational performance in Q4 with total volumes transported of 2.0 million tonnes, in line with volumes in Q3. Total volumes in 2012 were 7.7 million tonnes compared with 8.3 million tonnes in 2011.

Water

The water business continued to perform well, with Q4 volumes of 12.8 million cubic metres compared with 12.3 million cubic metres in the previous quarter. Total volumes in 2012 were 50.8 million cubic metres compared with 48.3 million cubic metres in 2011.

The totals in the tables below may include some small apparent differences as the specific individual figures have not been rounded.

Los Pelambres	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full Year 2012	Full Year 2011
Production statistics						
Daily average ore treated ('000 tonnes)	171.5	179.4	180.0	190.3	180.3	176.6
Copper concentrate produced ('000 tonnes)	298.5	319.7	315.0	338.2	1,271.4	1,228.0
Average copper ore grade (%)	0.71	0.71	0.67	0.71	0.70	0.74
Average copper recovery (%)	89.6	90.9	91.0	89.7	90.3	89.7
Payable copper in concentrate - production volumes ('000 tonnes)	95.9	101.3	98.8	107.7	403.7	411.8
Payable copper in concentrate - sales volumes ('000 tonnes)	92.5	98.5	97.2	108.7	396.9	415.5
Average moly ore grade (%)	0.024	0.023	0.023	0.023	0.023	0.019
Average moly recovery (%)	81.6	84.6	82.3	77.6	81.5	82.3
Payable moly - production volumes ('000 tonnes)	3.1	3.4	3.0	2.7	12.2	9.9
Payable moly - sales volumes ('000 tonnes)	2.9	3.9	3.0	2.8	12.6	9.4
Payable gold - production volumes ('000 ounces)	11.9	14.5	12.5	12.6	51.5	39.8
Payable gold - sales volumes ('000 ounces)	11.9	14.5	12.5	12.6	51.5	39.8
Cash costs statistics						
On-site and shipping costs (cents per pound)	125.1	117.2	121.8	129.0	123.4	110.0
Tolling charges for concentrates (cents per pound)	15.9	16.3	15.6	15.3	15.8	18.0
By - product credits (cents per pound) ⁽¹⁾	(65.4)	(55.5)	(48.5)	(45.4)	(53.2)	(49.7)
Cash costs (cents per pound)	75.6	78.0	88.9	98.9	85.9	78.3

⁽¹⁾ By-products credits do not include any costs attributable to the production of molybdenum concentrate.

Esperanza	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full Year 2012	Full Year 2011
Production statistics						
Daily average ore treated ('000 tonnes)	70.4	79.7	85.1	89.2	81.1	55.7
Copper concentrate produced ('000 tonnes)	137.7	157.8	205.0	193.8	694.3	367.2
Average copper ore grade (%)	0.60	0.64	0.72	0.68	0.67	0.56
Average copper recovery (%)	85.6	87.0	88.3	88.9	87.7	85.3
Payable copper in concentrate - production volumes ('000 tonnes)	30.5	37.7	45.6	49.4	163.2	90.1
Payable copper in concentrate - sales volumes ('000 tonnes)	30.0	29.7	45.0	58.2	163.0	86.3
Average gold ore grade (g/t)	0.39	0.34	0.34	0.34	0.35	0.36
Average gold recovery (%)	70.4	75.5	82.0	80.9	77.4	72.8
Payable gold - production volumes ('000 ounces)	51.7	58.1	64.9	73.8	248.4	157.1
Payable gold - sales volumes ('000 ounces)	51.5	49.7	62.6	84.8	248.6	153.4
Cash costs statistics						
On-site and shipping costs (cents per pound)	189.4	162.0	150.4	203.4	176.4	219.4
Tolling charges for concentrates (cents per pound)	16.7	18.2	17.9	18.0	17.8	15.5
By - product credits (cents per pound)	(144.4)	(121.4)	(122.8)	(128.8)	(128.3)	(151.7)
Cash costs (cents per pound)	61.7	58.9	45.5	92.6	65.9	83.2

El Tesoro	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full Year 2012	Full Year 2011
Daily average ore treated ⁽³⁾ (‘000 tonnes)	22.5	18.7	19.1	19.3	19.9	23.8
Average ore grade ⁽³⁾ (%)	1.59	1.76	1.71	1.84	1.72	1.26
Average recovery ⁽³⁾ (%)	74.4	73.9	76.6	76.9	75.5	71.0
Copper cathodes from the heap- leach process ⁽³⁾ (‘000 tonnes)	24.7	22.0	23.2	24.4	94.3	75.9
Copper cathodes from ROM (‘000 tonnes)	3.5	2.5	2.4	2.4	10.7	21.1
Total copper cathodes - production volumes (‘000 tonnes)	28.2	24.5	25.5	26.8	105.0	97.1
Total copper cathodes - sales volumes (‘000 tonnes)	27.8	25.4	21.3	31.3	105.9	96.0
Cash costs (cents per pound)	147.8	167.4	151.6	132.1	149.3	171.6

⁽³⁾ The average daily throughput, ore grade and recovery figures, relate to the heap leach process and do not include amounts relating to the ROM material.

Michilla	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full Year 2012	Full Year 2011
Daily average ore treated (‘000 tonnes)	11.3	10.6	11.2	13.0	11.5	12.5
Average ore grade (%)	0.99	1.26	1.06	0.94	1.05	1.18
Average recovery (%)	76.4	71.7	73.4	75.7	74.2	75.6
Copper cathodes from the heap- leach process (‘000 tonnes)	7.9	8.7	8.2	8.3	33.1	40.5
Copper cathodes from secondary leaching of spent ore (‘000 tonnes)	0.3	1.0	1.6	1.5	4.5	1.1
Total Copper Cathodes - production volumes (‘000 tonnes)	8.3	9.7	9.9	9.8	37.7	41.6
Total Copper Cathodes - sales volumes (‘000 tonnes)	8.4	9.8	9.4	9.8	37.4	42.2
Cash costs (cents per pound)	323.2	306.0	315.8	329.0	318.3	213.3

Transport	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full Year 2012	Full Year 2011
Rail tonnage transported (‘000 tonnes) ⁽⁴⁾	1,490	1,538	1,516	1,593	6,137	6,419
Road tonnage transported (‘000 tonnes) ⁽⁴⁾	442	380	362	359	1,543	1,896

⁽⁴⁾ Rail tonnages are the aggregate of the volumes of the FCAB rail network in Chile and the Andino rail network in Bolivia. Shipments from customers which are carried on both networks are included in both the FCAB and Andino volumes which are combined to calculate the total rail tonnages shown above. Similarly, shipments which are carried by rail and by road are included in both the rail and road volumes shown above.

Water	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full Year 2012	Full Year 2011
Water volume sold – potable & untreated (‘000 m³)	12,960	12,695	12,297	12,841	50,794	48,296