

31 October, 2012

Highlights

- Group copper production was 179,800 tonnes in Q3 2012 and 515,800 tonnes in the first nine months of 2012, a 3.8% increase compared with the previous quarter and an 11.5% increase compared with the first nine months of 2011. This was mainly due to higher production at Esperanza as a result of steadily increasing throughput levels following the start of operations in 2011.
- Copper production for the 2012 full year is still expected to be approximately 700,000 tonnes.
- Gold production was 77,400 ounces in Q2 2012 and 213,500 ounces in the first nine months of 2012 compared with 72,600 ounces in the previous quarter and 125,000 ounces in the first nine months of 2011 also reflecting the higher throughput at Esperanza.
- Molybdenum production at Los Pelambres was 3,000 tonnes in Q3 2012 and 9,500 tonnes in the first nine months of 2012. The 30.1% increase in production in the first nine months of 2012 compared to 2011 reflects the particularly high molybdenum grades in the current year.
- Group cash costs (net of by-product credits) in Q3 were 99.3 cents per pound, in line with the previous quarter's costs. Cash costs excluding by-product credits decreased slightly to 157.1 cents per pound in Q3 2012 compared with 158.2 cents in the previous quarter.
- Group cash costs (net of by-product credits) in the first nine months of 2012 were 99.0 cents per pound, a 4.7 cent decrease compared with 103.7 cents per pound in the first nine months of 2011. This decrease mainly reflected an increase in by-product credits as a result of the higher gold production at Esperanza as well as to a lesser extent increased molybdenum production at Los Pelambres.

Group Total	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Acc 2012	Acc 2011	Full Year 2011
Total production of payable copper ('000 tonnes)	162.9	173.2	179.8		515.8	453.5	640.5
Total production of payable moly ('000 tonnes)	3.1	3.4	3.0		9.5	7.3	9.9
Total production of payable gold ('000 ounces)	63.5	72.6	77.4		213.5	125.0	196.8
Weighted average cash costs before by-product credits (cents per pound)	163.6	158.2	157.1		159.5	156.8	155.2
Weighted average cash costs (cents per pound)	98.1	99.3	99.3		99.0	103.7	101.9

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Mining operations

Los Pelambres

Los Pelambres produced 98,800 tonnes of payable copper in Q3 2012 compared with 101,300 tonnes in Q2, reflecting a decrease in ore grades from 0.71% in Q2 to 0.67% in Q3, partly offset by a slight increase in plant throughput. Copper production in the first nine months of 2012 was 296,000 tonnes compared with 297,400 tonnes in the comparable period in 2011, due to a decrease in ore grades, partly offset by an increase in plant throughput and higher recoveries.

Molybdenum production decreased to 3,000 tonnes in Q3 2012 compared with 3,400 tonnes in Q2 2012 mainly due to the impact of in-process inventory movements and a decrease in molybdenum recoveries. Molybdenum production increased by 30.1% to 9,500 tonnes in the first nine months of 2012 compared with the first nine months of 2011, mainly reflecting the increase in grades from 0.018% to 0.023%.

Gold production was 12,500 ounces in Q3 2012 compared with 14,500 ounces in the previous quarter. Gold production was 38,800 ounces in the first nine months of 2012 compared with 26,800 ounces in the comparable period of 2011.

Cash costs were 89 cents per pound in Q3 2012 compared with 78 cents per pound in the previous quarter. This 11 cent increase was due to lower by-product credits and an increase in on-site and shipping costs, partially offset by lower tolling charges. By-product credits decreased approximately 7 cents from 56 cents per pound in Q2 2012 to 49 cents per pound in Q3 2012 reflecting a decrease in the realised molybdenum price and a decrease in production volumes. The approximately 5 cent per pound increase in on-site and shipping costs mainly reflects the impact of the lower copper production on unit costs.

Cash costs for the first nine months of 2012 were 81 cents per pound, compared with 78 cents per pound in the first nine months of 2011 as a result of a 10 cent increase in on-site and shipping costs partially offset by a 3 cent decrease in tolling charges and a 4 cent increase in by-product credits. The increase in on-site and shipping costs reflects a range of minor cost increases including maintenance and general inflation. The increase in by-product credits was due to the higher gold production volumes and a higher average gold price; the increase in molybdenum volumes was offset by lower average molybdenum prices.

Two claims have recently been filed with the Court of Appeals of La Serena in respect of Los Pelambres' Mauro tailings dam. These claims have been made by many of the same individuals involved in the existing litigation against the tailings dam which dates from 2008. The first claim alleges that the tailings dam is affecting the quality of the water of the Caimanes community located near the Mauro valley. In a hearing before the Court, Los Pelambres made submissions strongly refuting the allegation. In particular, Los Pelambres submitted evidence that all previous measurements of the water quality at Caimanes undertaken by Los Pelambres and the competent authorities who permanently supervise the quality of the water at the same point have shown that the quality of the water is well within the stringent legal limits. The second claim alleges that the Mauro tailings dam poses a danger to the population of Caimanes because it would not resist an earthquake of certain magnitudes, and there are indications of leaks that threaten the dam's stability. Los Pelambres will strongly refute these claims. Antofagasta is confident that both claims are without merit and will be rejected. The claimants have unsuccessfully made similar, related claims in several different courts more than ten times in the past four years.

Esperanza

Esperanza produced 45,600 tonnes of payable copper in Q3 2012, a 21.0% increase compared with 37,700 tonnes in the previous quarter. This was due to a 12.5% increase in ore grades as well as a 6.8% increase in average plant throughput from 79,700 tonnes per day in Q2 2012 to 85,100 tonnes per day in the current quarter. The increase in average throughput reflects on-going improvements in the reliability of the operation following further optimisation of the plant. Production in the first nine months of 2012 was 113,700 tonnes, more than doubling production in the comparable period in 2011. This reflects both a 61% increase in plant throughput levels compared with the prior year when Esperanza was ramping-up, as well as a 22.2% increase in copper grades.

Gold production was 64,900 ounces in Q3, 11.7% higher than in the previous quarter due to the increase in daily throughput as well as higher recoveries. The production in the first nine months of 2012 was 174,600 ounces compared with 98,200 ounces in the comparable period of 2011 as a result of the higher plant throughput.

Cash costs were 46 cents per pound in Q3 compared with 59 cents per pound in the previous quarter, reflecting a 12 cent decrease in on-site and shipping costs and a marginal increase in by-product credits. On-site and shipping costs decreased from 162 cents per pound in Q2 to 150 cents in Q3; this decrease is due to an adjustment of 7 cents per pound relating to Q2 costs which was made subsequent to the previous quarterly

release, and which has therefore been reflected in the Q3 figures. Excluding the impact of this adjustment results in a marginal increase in underlying costs from Q2 to Q3. On-site and shipping costs are expected to increase in Q4 to over 200 cents per pound mainly due to maintenance relating to mine equipment as well as increased waste movement.

Cash costs for the first nine months of 2012 were 54.2 cents per pound, compared with 99.0 cents per pound in the comparable period in 2011, mainly due to a decrease in on-site and shipping costs reflecting 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 decrease in on-site and shipping costs has been partially offset by lower by-product credits in cents per pound of copper produced mainly reflecting the lower ratio of gold to copper production in 2012 to date compared with 2011.

El Tesoro

El Tesoro achieved production of 25,500 tonnes in Q3 compared to 24,500 tonnes in Q2 as a result of increased throughput and recoveries, partially offset by a decrease in ore grades. Production was 78,200 tonnes in the first nine months of 2012 compared with production of 69,700 tonnes in the same period of 2011 due to the processing of higher grade ore from the Mirador pit, which entered into production during Q3 of 2011.

Cash costs were 152 cents per pound in Q3, a 10% decrease compared with 167 cents per pound in Q2, mainly due to planned maintenance in Q2 which resulted in higher input costs in that quarter as well as lower acid costs in Q3. Cash costs for the first nine months of 2012 were 155 cents, compared with 176 cents per pound in the comparable period in 2011, due to the higher grade Mirador ore as well as lower acid and energy costs.

Michilla

Michilla produced 9,900 tonnes of copper in Q3 compared with 9,700 tonnes in Q2, reflecting an increase in throughput and recoveries partially offset by a reduction in ore grade. Production was 27,800 tonnes in the first nine months of 2012 compared with 32,000 tonnes in the first nine months of 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 Q3 were 316 cents per pound compared with 306 cents per pound in the previous quarter. This increase was mainly due to the impact of lower production on unit costs and the processing of lower grade ore. Cash costs in the first nine months of 2012 were 315 cents per pound compared with 197 cents per pound in the comparative period in 2011 reflecting an increase in costs related to processing lower grade ore, the purchase of higher volumes of ore from ENAMI, and costs associated with processing ore from the spent ore piles. Given that Michilla represented approximately 5% of total Group copper production in the first nine months of 2012 this increase in cash costs had a minor impact on Group weighted average cash costs.

Exploration

In September 2012 the Group has entered into a strategic alliance with Lara Exploration Ltd in relation to exploration in Brazil.

Commodity prices and exchange rates

The LME copper price averaged 349.5 cents per pound in Q3 2012, compared with 356.9 cents per pound in Q2 2012. The LME copper price for the first nine months of 2012 averaged 361.2 cents per pound, compared with 419.8 cents per pound for the first nine months of 2011. The LME spot copper price at the end of Q3 2012 was 375.0 cents per pound.

The market molybdenum price averaged US\$11.9 per pound in Q3 2012, compared with US\$13.8 per pound in Q2 2012. The market molybdenum price for the first nine months of 2012 averaged US\$13.3 per pound, compared with US\$16.2 per pound for the first nine months of 2011. The average market molybdenum price for September 2012 was US\$11.8 per pound.

The market gold price averaged US\$1,651 per ounce in Q3 2012, compared with US\$1,609 per ounce in Q2 2012. The market gold price for the first nine months of 2012 averaged US\$1,651 per ounce, compared with US\$1,534 per ounce for the first nine months of 2011. The spot gold price at the end of Q3 2012 was US\$1,779 per ounce.

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\$137.9 million for the first nine months of 2012 and an average realised price of 374.1 cents per pound. The provisional pricing adjustments with respect to molybdenum sales have resulted in a total negative provisional pricing adjustment of US\$24.6 million for the first nine months of 2012 and an average realised price of US\$12.3 per pound. The provisional pricing adjustments with respect to gold sales have resulted in a total positive provisional pricing adjustment of US\$4.1 million for the first nine months of 2012 and an average realised price of US\$1,668 per ounce.

The Chilean peso / US dollar exchange rate averaged Ch\$483.0 / US\$1 in Q3 2012, compared with Ch\$496.5 / US\$1 in Q2 2012. The Chilean peso / US dollar exchange rate averaged Ch\$489.7 / US\$1 for the first nine months of 2012, compared with Ch\$474.1 / US\$1 for the first nine months of 2011. The exchange rate at 28 September 2012 was Ch\$470.5 / US\$1.

Transport

The transport division maintained a solid operational performance in Q3 2012 with total volumes transported of 1.9 million tonnes, in line with volumes in Q2 2012. Total volumes for the first nine months of 2012 were 5.7 million tonnes compared with 6.2 million tonnes in the first nine months of 2011.

Water

The water business continued to perform well, with Q3 2012 volumes of 12.3 million cubic metres compared with 12.7 million cubic metres in the previous quarter. Total volumes for the first nine months of 2012 were 38.0 million cubic metres compared with 35.8 million cubic metres in the first nine months of 2011.

Interim Management Statement

This report represents the Interim Management Statement for the purposes of the UK Listing Authority's Disclosure and Transparency Rules. Other than as set out above, there have been no significant changes in the financial position of the Group in the quarter ended 30 September 2012 since the release of the Group's Half Yearly Financial Report on 29 August 2012.

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	Acc 2012	Acc 2011	Full Year 2011
Production statistics							
Daily average ore treated ('000 tonnes)	171.5	179.4	180.0		177.0	173.8	176.6
Copper concentrate produced ('000 tonnes)	298.5	319.7	315.0		933.2	901.3	1,228.0
Average copper ore grade (%)	0.71	0.71	0.67		0.70	0.72	0.74
Average copper recovery (%)	89.6	90.9	91.0		90.5	89.4	89.7
Payable copper in concentrate - production volumes ('000 tonnes)	95.9	101.3	98.8		296.0	297.4	411.8
Payable copper in concentrate - sales volumes ('000 tonnes)	92.5	98.5	97.2		288.2	287.0	415.5
Average moly ore grade (%)	0.024	0.023	0.023		0.023	0.018	0.019
Average moly recovery (%)	81.6	84.6	82.3		82.8	82.6	82.3
Payable moly - production volumes ('000 tonnes)	3.1	3.4	3.0		9.5	7.3	9.9
Payable moly - sales volumes ('000 tonnes)	2.9	3.9	3.0		9.8	7.2	9.4
Payable gold - production volumes ('000 ounces)	11.9	14.5	12.5		38.8	26.8	39.8
Payable gold - sales volumes ('000 ounces)	11.9	14.5	12.5		38.8	26.8	39.8
Cash costs statistics							
On-site and shipping costs (cents per pound)	125.1	117.2	121.8		121.3	110.7	110.0
Tolling charges for concentrates (cents per pound)	15.9	16.3	15.6		15.9	19.0	18.0
By - product credits (cents per pound) ⁽¹⁾	(65.4)	(55.5)	(48.5)		(56.1)	(51.9)	(49.7)
Cash costs (cents per pound)	75.6	78.0	88.9		81.2	77.8	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	Acc 2012	Acc 2011	Full Year 2011
Production statistics							
Daily average ore treated ('000 tonnes)	70.4	79.7	85.1		78.5	48.7	55.7
Copper concentrate produced ('000 tonnes)	137.7	157.8	205.0		500.5	228.2	367.2
Average copper ore grade (%)	0.60	0.64	0.72		0.66	0.54	0.56
Average copper recovery (%)	85.6	87.0	88.3		87.1	84.6	85.3
Payable copper in concentrate - production volumes ('000 tonnes)	30.5	37.7	45.6		113.7	54.4	90.1
Payable copper in concentrate - sales volumes ('000 tonnes)	30.0	29.7	45.0		104.8	44.8	86.3
Average gold ore grade (g/t)	0.39	0.34	0.34		0.36	0.35	0.36
Average gold recovery (%)	70.4	75.5	82.0		76.1	72.5	72.8
Payable gold - production volumes ('000 ounces)	51.7	58.1	64.9		174.6	98.2	157.1
Payable gold - sales volumes ('000 ounces)	51.5	49.7	62.6		163.8	79.6	153.4
Cash costs statistics							
On-site and shipping costs (cents per pound)	189.4	162.0	150.4		164.7	241.7	219.4
Tolling charges for concentrates (cents per pound)	16.7	18.2	17.9		17.7	15.4	15.5
By - product credits (cents per pound)	(144.4)	(121.4)	(122.8)		(128.1)	(158.1)	(151.7)
Cash costs (cents per pound)	61.7	58.9	45.5		54.2	99.0	83.2

El Tesoro	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Acc 2012	Acc 2011	Full Year 2011
Daily average ore treated ⁽³⁾ (‘000 tonnes)	22.5	18.7	19.1		20.1	25.0	23.8
Average ore grade ⁽³⁾ (%)	1.59	1.76	1.71		1.68	1.12	1.26
Average recovery ⁽³⁾ (%)	74.4	73.9	76.6		75.0	70.9	71.0
Copper cathodes from the heap- leach process ⁽³⁾ (‘000 tonnes)	24.7	22.0	23.2		69.9	53.1	75.9
Copper cathodes from ROM (‘000 tonnes)	3.5	2.5	2.4		8.3	16.6	21.1
Total copper cathodes - production volumes (‘000 tonnes)	28.2	24.5	25.5		78.2	69.7	97.1
Total copper cathodes - sales volumes (‘000 tonnes)	27.8	25.4	21.3		74.5	68.8	96.0
Cash costs (cents per pound)	147.8	167.4	151.6		155.2	175.6	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	Acc 2012	Acc 2011	Full Year 2011
Daily average ore treated (‘000 tonnes)	11.3	10.6	11.2		11.0	12.6	12.5
Average ore grade (%)	0.99	1.26	1.06		1.10	1.21	1.18
Average recovery (%)	76.4	71.7	73.4		73.7	75.4	75.6
Copper cathodes from the heap- leach process (‘000 tonnes)	7.9	8.7	8.2		24.9	31.2	40.5
Copper cathodes from secondary leaching of spent ore (‘000 tonnes)	0.3	1.0	1.6		3.0	0.8	1.1
Total Copper Cathodes - production volumes (‘000 tonnes)	8.3	9.7	9.9		27.8	32.0	41.6
Total Copper Cathodes - sales volumes (‘000 tonnes)	8.4	9.8	9.4		27.5	32.6	42.2
Cash costs (cents per pound)	323.2	306.0	315.8		314.6	196.7	213.3

Transport	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Acc 2012	Acc 2011	Full Year 2011
Rail tonnage transported (‘000 tonnes) ⁽⁴⁾	1,490	1,538	1,516		4,544	4,792	6,419
Road tonnage transported (‘000 tonnes) ⁽⁴⁾	442	380	362		1,184	1,415	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	Acc 2012	Acc 2011	Full Year 2011
Water volume sold – potable & untreated (‘000 m³)	12,960	12,695	12,297		37,952	35,751	48,296