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Highlights

- Group copper production was 187,000 tonnes in Q4, a 13.3% increase compared with the previous quarter, mainly due to increased production at Esperanza and Los Pelambres. Copper production in the full year 2011 was 640,500 tonnes, a 22.9% increase compared with 521,100 tonnes in 2010, as a result of the start-up of Esperanza and the increased throughput at Los Pelambres.
- Molybdenum production at Los Pelambres was 2,600 tonnes in Q4 and 9,900 tonnes in 2011, 12.5% above 2010 full year production, mainly due to the higher plant throughput as a result of the plant expansion which was completed during 2010.
- Gold production was 71,800 ounces in Q4, compared with 54,300 ounces in the previous quarter, mainly due to the ramp-up of Esperanza. Gold production in 2011 was 196,800 ounces, compared with 35,100 ounces in 2010 reflecting the start-up of Esperanza in 2011.
- Group cash costs (net of by-product credits) for 2011 were 101.9 cents per pound compared with 104.0 cents per pound in 2010, mainly due to the impact of the start-up of Esperanza where net costs were below the Group's weighted average.
- Group production in 2012 is expected to be approximately 700,000 tonnes of copper, 280,000 ounces of gold and 11,000 tonnes of molybdenum. Group cash costs in 2012 are expected to be approximately 105 cents per pound (net of by-product credits) and 165 cents per pound before by-products credits.

Group Total	Q1	Q2	Q3	Q4	Full Year	Full Year
	2011	2011	2011	2011	2011	2010
Total production of payable copper ('000 tonnes)	129.8	158.7	165.0	187.0	640.5	521.1
Total production of payable moly ('000 tonnes)	2.3	2.6	2.4	2.6	9.9	8.8
Total production of payable gold ('000 ounces)	22.1	48.6	54.3	71.8	196.8	35.1
Weighted average cash costs before by-product credits (cents per pound)	155.8	159.4	155.1	151.3	155.2	137.3
Weighted average cash costs (cents per pound)	107.8	103.8	100.5	97.3	101.9	104.0

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Mining operations

Los Pelambres

Los Pelambres produced 114,400 tonnes of payable copper in Q4 and 411,800 tonnes in the 2011 full year. The 9.1% increase in production in Q4 compared to the previous quarter was mainly due to higher plant throughput. The 7.1% increase in production in the full year 2011 compared with the same period of 2010 was mainly due to the 10.8% higher plant throughput as a result of the plant expansion which was completed during 2010, partly offset by lower ore grades. The plant throughput is currently limited by environmental permits to an average of 175,000 tonnes per day, averaged over a 12 month period running from May to April. The plant is able to operate at above this level during parts of the 12 month period, which has resulted in an average throughput level of 176,600 tonnes per day during the 2011 calendar year.

Molybdenum production was 2,600 tonnes in Q4 compared to 2,400 in the previous quarter, mainly reflecting higher molybdenum grades as well as higher plant throughput. Molybdenum production was 9,900 tonnes in 2011, 12.5% above 2010, mainly due to higher plant throughput as a result of the 2010 plant expansion, and to a lesser extent, higher recoveries. Gold production was 12,900 ounces in Q4 and 39,800 ounces in the full year 2011. Silver production was 569,300 ounces in Q4 compared with 361,400 ounces in Q3, and cumulative full year silver production was 1,774,300 ounces.

Cash costs were 79.5 cents per pound in Q4, a 3.6% decrease compared with the previous quarter mainly due to lower tolling charges, partly offset by lower by-product credits. Cash costs for the full year 2011 were 78.3 cents per pound, marginally below the previous year cash costs of 79.3 cents per pound, reflecting higher molybdenum, silver and gold by-product credits partially offset by higher on-site and shipping costs.

Production of payable copper in 2012 is expected to be approximately 390,000 tonnes as a result of lower expected grades. Molybdenum production is expected to be approximately 11,000 tonnes. Gold production is expected to be approximately 28,000 ounces. Cash costs (net of by-product credits) are expected to be 90 cents per pound (based on a molybdenum price of approximately US\$13 per pound and a gold price of approximately US\$1,850 per ounce) and cash costs before by-product credits are expected to be 140 cents per pound.

Esperanza

Esperanza produced 35,600 tonnes of payable copper in Q4, compared with 25,200 tonnes in Q3 giving cumulative production in the full year 2011 of 90,100 tonnes. Gold production was 58,900 ounces in Q4 compared with the 45,500 ounces in Q3, giving cumulative gold production for the year of 157,100 ounces. The increased production of both metals was due mainly to higher daily throughput of the plant and also higher copper and gold grades.

Plant throughput has been increasing steadily throughout the year. During Q4 the plant operated at a daily throughput rate of 76,500 tonnes per day compared with 65,300 tonnes per day in Q3, 53,300 tonnes per day in Q2 and 27,100 tonnes per day in Q1, reflecting the progress of the operation. The main ramp-up activities have now been completed, and currently the focus is on optimising the reliability of the plant in a steady state of operation, in particular the area downstream of the grinding lines.

Cash costs in Q4 were 59.1 cents per pound, compared with 72.4 cents per pound in the previous quarter mainly as a result of a decrease in on-site and shipping costs partly offset by a decrease in the by-product credits as a result of lower gold production per tonne of copper produced. The reduction in on-site and shipping costs was mainly due to the impact of increased production volumes on unit costs. For Q4 Esperanza remained the lowest cost Group operation on a net basis.

Production of payable copper in 2012 is expected to be in the range of 160,000 to 175,000 tonnes based on an average plant throughput between 80,000 and 86,000 tonnes per day. Gold production is expected to be in the range of 240,000 to 260,000 ounces. Cash costs (net of by-product credits) are expected to be in the range of 55 to 65 cents per pound (based on a gold price of approximately US\$1,850 per ounce) and cash costs before by-product credits are expected to be in the range of 190 to 200 cents per pound.

El Tesoro

Copper production at El Tesoro was 27,400 tonnes in Q4, compared with 24,500 in the previous quarter. This 11.8% increase was mainly due to higher ore grades, reflecting the impact of the increased ore feed from the higher grade Mirador pit. Cumulative production of 97,100 tonnes was marginally higher than the production of 95,300 tonnes in 2010.

Cash costs were 161.4 cents per pound in Q4, compared with 161.9 cents per pound in the previous quarter. This marginal decrease was mainly due to the impact of higher production on unit costs resulting from the use of ore from the higher grade Mirador pit.

Cash costs in the 2011 full year were 171.6 cents per pound compared with 169.2 cents per pound in 2010 mainly as a result of higher sulphuric acid prices, and the strengthening of the Chilean peso partially offset by the impact of ore from the higher grade Mirador pit.

Cathode production in 2012 is expected to be approximately 100,000 tonnes and cash costs are expected to be approximately 160 cents per pound.

Michilla

Michilla produced 9,600 tonnes of copper in Q4, achieving 41,600 tonnes during the full year, which was marginally higher than 2010 production of 41,200 tonnes due to the higher ore grade and the treatment of spent ore.

Cash costs in Q4 were 268.5 cents per pound, 62.9 cents per pound higher than the previous quarter, due to increased ore volumes from the higher cost Aurora open pit which has a higher waste to ore ratio than the Lince pit. Cash costs were 213.3 cents per pound in the full year 2011 compare with 183.8 cents per pound in 2010, due to mining of the Aurora pit, higher acid and energy costs, and the appreciation of the Chilean peso.

Cathode production in 2012 is expected to be approximately 40,000 tonnes. Cash costs are expected to be approximately 285 cents per pound, reflecting higher costs associated with processing ore from spent ore piles and the opening up of new phases at the Lince and Nucleo X pits with higher strip ratios.

Projects and exploration

The Group has entered into a new exploration agreement under the strategic alliance with Eurasian Minerals Inc relating to the Normyrn exploration project in Sweden, and has entered into an agreement with Avrupa Minerals Limited relating to exploration opportunities in Portugal, an agreement with Codelco in relation to exploration in Chile and a strategic alliance with Monax Mining Limited relating to exploration opportunities within South Australia.

As previously announced on 14 December 2011 the Group Board of Directors approved the development of Antucoya copper project, with an estimated capital cost of US\$1.3 billion. The Group also signed a Memorandum of Understanding with Marubeni Corporation pursuant to which Marubeni will become a 30% partner in the project for a consideration totalling US\$350 million. Antofagasta and Marubeni expect to enter into definitive agreements during the first quarter of 2012 and to close the transaction during the second half of 2012. Antucoya is a copper oxide deposit that is expected to produce an average of 80,000 tonnes of copper cathodes per annum through a standard heap-leach process, and is expected to have a mine life of approximately 20 years, with proved and probable Ore Reserves of 643 million tonnes of 0.35% copper.

As previously announced on 16 November 2011 the Group joint venture company, Tethyan Copper Company Pty. Limited ("Tethyan") was notified by the Government of Balochistan that it has rejected the application submitted by Tethyan's fully controlled subsidiary Tethyan Copper company Pakistan Limited in February 2011 for a mining lease to cover an area including the Reko Diq copper-gold deposit. On 29 November Tethyan filed for international arbitration in order to protect its legal rights.

As previously disclosed, in November 2011 Los Pelambres signed a 20 year agreement with Pattern Energy Group LP ("Pattern") for the supply of up to 40MW of power. Pattern will develop and operate the 115MW El Arrayan wind power plant which is expected to begin construction in early 2012 and achieve commercial operation in the second half of 2013. In December 2011 the Group exercised an option to acquire a 30% interest in the El Arrayan project, for a consideration of US\$4.5 million, and will be responsible for its share of development costs.

Commodity prices and exchange rates

The LME copper price averaged 339.7 cents per pound in Q4 2011, compared with 407.4 cents per pound in Q3 2011. The average LME copper price for the 2011 full year was 399.7 cents per pound, compared with 342.0 cents per pound in the 2010 full year. The LME spot copper price at the end of Q4 2011 was 342.6 cents per pound).

The market molybdenum price averaged US\$13.4 per pound in Q4 2011, compared with US\$14.6 per pound in Q3 2011. The market molybdenum price in 2011 full year averaged US\$15.5 per pound, compared with US\$15.7 per pound in the 2010 full year. The average price in December 2011 was US\$13.4 per pound.

The market gold price averaged US\$1,686 per ounce in Q4 2011, compared with US\$1,704 per ounce in Q3 2011. The market gold price in 2011 full year averaged US\$1,572 per ounce, compared with US\$1,226 per ounce in the 2010 full year. The spot gold price at the end of Q4 2011 was US\$1,575 per pound.

The realised copper, molybdenum and gold prices which the Group will recognise for its sales in the year 2011 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 adjustments with respect to copper sales have resulted in a total negative provisional pricing adjustment of approximately US\$285 million for the 2011 full year and an average realised price of approximately 370 cents per pound. The provisional pricing adjustments with respect to molybdenum sales have resulted in a total negative provisional pricing adjustment of approximately US\$25 million for the 2011 full year and an average realised price of approximately US\$15 per pound. The provisional pricing adjustments with respect to gold sales have resulted in a total positive provisional pricing adjustment of approximately US\$5 million for the 2011 full year and an average realised price of approximately US\$1,650 per ounce.

The Chilean peso / US dollar exchange rate averaged Ch\$512.5/ US\$1 in Q4 2011, compared with Ch\$471.1 / US\$1 in Q3 2011. The Chilean peso / US dollar exchange rate averaged Ch\$483.4 / US\$1 in the full year 2011, compared with Ch\$510.4 / US\$1 in the 2010 full year. The exchange rate at 31 December 2011 was Ch\$519.2/ US\$1.

Transport

The transport division had a solid operational performance in Q4 with total volumes transported of 2.1 million tonnes, in line with volumes in the previous quarter. Total volumes for full year 2011 were 8.3 million tonnes compared with 8.1 million tonnes in the full year 2010.

Water

The water business continued to perform well, with Q4 volumes of 12.5 million cubic metres, 6.6% ahead of Q3 volumes. Total volumes for the full year 2011 were 48.3 million cubic metres, a 4.3% increase on the comparative period in 2010 as a result of increased demand from both regulated and unregulated clients.

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

Los Pelambres	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Acc 2011	Acc 2010
Production statistics						
Daily average ore treated ('000 tonnes)	171.3	175.5	174.6	184.7	176.6	159.4
Copper concentrate produced ('000 tonnes)	274.8	308.3	318.2	326.7	1,228.0	1,160.7
Average copper ore grade (%)	0.68	0.73	0.76	0.77	0.74	0.76
Average copper recovery (%)	89.3	89.9	89.0	90.6	89.7	90.0
Payable copper in concentrate ('000 tonnes)	91.2	101.2	104.9	114.4	411.8	384.6
Average moly ore grade (%)	0.017	0.020	0.017	0.021	0.019	0.019
Average moly recovery (%)	82.4	82.7	82.6	81.7	82.3	81.3
Payable moly ('000 tonnes)	2.3	2.6	2.4	2.6	9.9	8.8
Payable gold ('000 ounces)	7.2	10.9	8.8	12.9	39.8	35.1
Cash costs statistics						
On-site and shipping costs (cents per pound)	110.5	113.2	108.4	108.2	110.0	106.8
Tolling charges for concentrates (cents per pound)	20.3	17.5	19.4	15.3	18.0	17.6
By - product credits (cents per pound) ⁽¹⁾	(55.6)	(55.5)	(45.3)	(44.0)	(49.7)	(45.1)
Cash costs (cents per pound)	75.2	75.2	82.5	79.5	78.3	79.3

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

Esperanza	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Acc 2011	Acc 2010
Production statistics						
Daily average ore treated ('000 tonnes)	27.1	53.3	65.3	76.5	55.7	
Copper concentrate produced ('000 tonnes)	43.5	83.8	101.0	139.0	367.2	
Average copper ore grade (%)	0.54	0.54	0.53	0.60	0.56	
Average copper recovery (%)	80.9	84.7	86.0	86.5	85.3	
Payable copper in concentrate ('000 tonnes)	7.4	21.9	25.2	35.6	90.1	
Average gold ore grade (g/t)	0.41	0.34	0.34	0.38	0.36	
Average gold recovery (%)	69.0	71.9	73.8	74.0	72.8	
Payable gold ('000 ounces)	15.0	37.7	45.5	58.9	157.1	
Cash costs statistics						
On-site and shipping costs (cents per pound)	287.0	244.6	226.0	185.4	219.4	
Tolling charges for concentrates (cents per pound)	15.4	15.5	15.3	15.6	15.5	
By - product credits (cents per pound) ⁽²⁾	(157.4)	(146.0)	(168.9)	(141.9)	(151.7)	
Cash costs (cents per pound)	144.9	114.1	72.4	59.1	83.2	

⁽²⁾ By-products credits for the 2011 full year include 8.3 cents per pound relating to the sale of Run-Of-Mine oxides from Esperanza to El Tesoro.

El Tesoro	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Acc 2011	Acc 2010
Daily average ore treated⁽³⁾ ('000 tonnes)	25.2	26.0	23.9	20.2	23.8	26.4
Average ore grade⁽³⁾ (%)	0.97	1.10	1.31	1.75	1.26	1.10
Average recovery⁽³⁾ (%)	68.9	72.2	71.2	72.1	71.0	71.7
Copper cathodes from the heap-leach process⁽³⁾ ('000 tonnes)	15.1	18.0	20.0	22.8	75.9	76.1
Copper cathodes from ROM ('000 tonnes)	5.2	6.9	4.5	4.6	21.1	19.2
Total copper cathodes ('000 tonnes)	20.3	24.9	24.5	27.4	97.1	95.3
Cash costs (cents per pound)	195.2	173.0	161.9	161.4	171.6	169.2

⁽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 2011	Q2 2011	Q3 2011	Q4 2011	Acc 2011	Acc 2010
Daily average ore treated ('000 tonnes)	14.9	12.5	10.4	12.1	12.5	14.1
Average ore grade (%)	1.03	1.31	1.34	1.08	1.18	1.03
Average recovery (%)	76.2	74.8	75.2	75.3	75.6	77.6
Copper cathodes ('000 tonnes)	11.0	10.7	10.3	9.6	41.6	41.2
Cash costs (cents per pound)	192.2	192.7	205.6	268.5	213.3	183.8

Transport	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Acc 2011	Acc 2010
Rail tonnage transported (‘000 tonnes) ⁽⁴⁾	1,524	1,651	1,618	1,627	6,419	6,184
Road tonnage transported (‘000 tonnes) ⁽⁴⁾	461	473	481	481	1,896	1,919

⁽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 2011	Q2 2011	Q3 2011	Q4 2011	Acc 2011	Acc 2010
Water volume sold – potable and untreated (‘000 m³) ⁽⁵⁾	12,296	11,689	11,765	12,545	48,296	46,302

⁽⁵⁾ Water volumes include water transportation of 15,000 m³ in Q1, 0 m³ in Q2, 0 m³ in Q3 and 0 m³ in Q4 (185,000 m³ in Q1 2010; 253,000 m³ in Q2 2010; 318,000 m³ in Q3 2010 and 299,000 m³ in Q4 2010).