

For immediate release

**Cleveland House
33 King Street
St James's, London
SW1Y 6RJ
United Kingdom**

**Telephone: + 44 20 7808 0988
Fax: + 44 20 7930 7578
info@antofagasta.co.uk**

**APPROVAL OF THE ANTUCOYA PROJECT AND MEMORANDUM OF UNDERSTANDING
WITH MARUBENI IN RESPECT OF THEIR PARTNERSHIP IN THE PROJECT**

London, 14 December 2011

Antofagasta plc (“Antofagasta” or “the Group”) announces that its Board of Directors has today approved the development of the Antucoya copper project (“Antucoya” or “the project”), with an estimated capital cost of US\$1.3 billion. The Group is also pleased to announce that it has signed a Memorandum of Understanding (“MoU”) with Marubeni Corporation (“Marubeni”) pursuant to which (subject to conclusion of definitive agreements) Marubeni will become a 30% partner in the project for consideration totalling US\$350 million (plus certain customary closing adjustments) and a commitment to fund its pro rata share of the development costs of the project. Antofagasta and Marubeni expect, subject to the satisfaction of certain conditions set forth in the MoU, to enter into definitive agreements during the first quarter of 2012 and to close the transaction during the second half of 2012 upon satisfaction of certain conditions to be set forth in the definitive agreements.

Antucoya is a copper oxide deposit located in Chile’s Antofagasta Region approximately 45 kilometres east of the Group’s Michilla mine. The project 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 642 million tonnes of 0.35% copper (using a cut-off grade of 0.21%). While the project will be one of the lowest copper-grade green-field projects to be developed in Chile, there are a number of compensating factors. The deposit is relatively shallow, reducing the duration and cost of the pre-stripping, and the operational stripping ratio is also low, with a waste to ore ratio of approximately 1:1. The deposit is located within a well developed mining area, with good pre-existing infrastructure. The operation will use untreated seawater in its process. A sulphur burning plant is expected to be constructed to supply sulphuric acid to the operation, reducing the overall cost of the acid supply. Construction of the project is expected to take approximately two and a half years, followed by a ramp up period of production which is expected to start during 2014. The environmental impact assessment for the project was approved in June 2011.

Marcelo Awad, Chief Executive Officer of Antofagasta Minerals S.A., commented:

“We are very pleased to announce both the approval of the Antucoya project and also the participation by Marubeni in the project. Antucoya represents another important step in the growth of the Group, which should lift total Group production to around 800,000 tonnes of copper by 2015.

“We have worked closely with Marubeni for many years, firstly as one of our partners at Los Pelambres, and more recently as our partner at Esperanza and El Tesoro. We are delighted that we have this opportunity to further extend this relationship.

“Despite recent volatility in commodity markets, we remain confident about the long-term fundamentals of copper. Our strong pipeline of organic growth opportunities in Chile, of which Antucoya represents the next step, means that we are well placed to capitalise on that.”

Competent Person Statement

The information in this release that relates to Ore Reserves is based on information compiled by Mr. Murray Canfield, Technical Manager Operations of Antofagasta Minerals, who is a member of a Recognised Overseas Professional Organisation (Professional Engineers Ontario). Mr. Canfield has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Canfield consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Enquiries

London

Investor relations - Antofagasta plc

Tel: +44 20 7808 0988
www.antofagasta.co.uk

Desmond O’Conor - doconor@antofagasta.co.uk
Hussein Barma - hbarma@antofagasta.co.uk
Philip Holden - pholden@antofagasta.co.uk

Media enquiries - Bankside Consultants

Tel: +44 20 7367 8871

Simon Rothschild – simon.rothschild@bankside.com

Santiago

Antofagasta Minerals S.A.

Tel: +562 798 7000

Alejandro Rivera - arivera@aminerals.cl
Sebastian Gil – sgil@aminerals.cl
Luis Eduardo Bravo - lbravo@aminerals.cl