ANTOFAGASTA PLC

For immediate release

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Annual Financial Report 2010

London, 15 April 2011

Antofagasta plc (the "Company") will today post its 2010 annual report and financial statements (the "2010 Annual Report and Financial Statements") and notice of the Annual General Meeting of the Company (the "2011 AGM Notice") to shareholders.

The 2010 Annual Report and Financial Statements, which was approved by the Board of Directors on 7 March 2011, constitute the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006 and the Annual Financial Report for the purposes of DTR 4.1.

The Annual General Meeting to be held at Church House Conference Centre, Dean's Yard, Westminster, London SW1P 3NZ on 8 June 2011 from 10.30 a.m.

In compliance with LR 9.6.1, the Company has submitted to the Financial Services Authority each of the following documents:

- 2010 Annual Report and Financial Statements;
- 2011 AGM Notice;
- Form of Proxy for Ordinary Shareholders for Annual General Meeting;
- Form of Proxy for Preference Shareholders for Annual General Meeting; and
- Letter to Shareholders regarding Electronic Communications.

These documents will shortly be available for inspection via the National Storage Mechanism, www.hemscott.com/nsm.do, which may be searched by company name and filing date and/or document type. Each of these documents (other than the forms of proxy) is also available on the Company's website at www.antofagasta.co.uk.

In compliance with DTR 6.3.5, the following information is extracted from the 2010 Annual Report and Financial Statements and should be read in conjunction with the Company's Preliminary Results Announcement issued on 8 March 2011. Together, these constitute the material required by DTR 6.3.5 to be communicated to the media in full unedited text through a Regulatory Information Service. This material is not a substitute for reading the full 2010

Annual Report and Financial Statements and page numbers and cross-references in the extracted information below refer to page numbers and cross-references in the 2010 Annual Report and Financial Statements.

The information contained in this announcement and in the Preliminary Results Announcement does not constitute the Group's statutory accounts as defined in section 434 of the Companies Act 2006 but is derived from those accounts. The statutory accounts for the year ended 31 December 2010 have been approved by the Board and will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held on 8 June 2011. The auditors have reported on those accounts and their report was unqualified, with no matters by way of emphasis, and did not contain statements under section 498(2) of the Companies Act 2006 (regarding adequacy of accounting records and returns) or under section 498(3) (regarding provision of necessary information and explanations).

Directors' Responsibility Statement

The following information is extracted from page 86 of the 2010 Annual Report and Financial Statements.

"Directors' Responsibility Statement

We confirm to the best of our knowledge:

(a) the Group financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole;

(b) the Company financial statements have been prepared in accordance with UK GAAP, and give a true and fair view of the assets, liabilities, financial position and profit of the Company; and

(c) the Directors' Report, including those sections incorporated therein by reference, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

By order of the Board

J-P Luksic, Chairman, 7 March 2011
C H Bailey, Director, 7 March 2011"

Principal Risks and Uncertainties

The following description of Principal Risks and Uncertainties is extracted from pages 20 and 21 of the 2010 Annual Report and Financial Statements.

"Health safety and the environment

Risk

The Group operates in an industry that is subject to numerous health, safety and environmental laws and regulations as well as community expectations. Non-compliance could result in harm to the Group's workers, the environment and the communities in which the Group operates, disruption to the Group's operations, as well as fines and penalties and damage to its reputation.

Mitigation

The Group attaches a very high priority to health, safety and environmental matters. The Group monitors relevant legislation and regulations relating to health, safety and the environment to ensure the safety of its workforce, and continued compliance.

Potential environmental impacts are key considerations when assessing projects, including the integration of innovative technology in the project design where it can help to mitigate those effects.

The Group provides for future site closure and remediation costs, based on analysis produced by external expert advisors.

Reference

Further information in respect of the Group's activities in respect of health, safety and the environment is set out in the Corporate Sustainability section on pages 49 and 50 and 54 to 57.

Community relations

Risk

Failure to adequately manage relations with local communities could have a direct impact on the Group's reputation and ability to operate at existing operations and the progress and viability of development projects.

Mitigation

The Group aims to contribute to the local development of the communities in which it operates, in particular through education, training and employment of the local population. The Group endeavours to ensure clear and transparent communication with local communities, including through the use of local perception surveys, local media and community meetings.

Reference

Details of the Group's community relations activities are included in the Corporate Sustainability section on pages 52 to 54.

Political, legal and regulatory risks

Risk

The Group may be affected by political instability and regulatory developments in the countries in which it is operating, pursuing development projects or conducting exploration activities. Issues with the granting of permits, or the withdrawal or variation of permits already granted, and changes to regulations or taxation could adversely affect the Group's operations and development projects.

Mitigation

The Group assesses political risk as part of its evaluation of potential projects, including the nature of foreign investment agreements in place. Political, legal and regulatory developments affecting the Group's operations and projects are monitored closely.

Reference

Details of any significant political, legal or regulatory developments impacting the Group's operations are included within the Operational Review on pages 24 to 45.

Employees and contractors

Risk

The Group's highly skilled workforce is essential to maintain its current operations, to implement its development projects, and to achieve longer-term growth. The loss of skilled workers and failure to recruit new staff may lead to increased costs or delays. Labour disputes may lead to operational interruptions and higher costs and could have a negative impact on the Group's earnings.

Mitigation

The Group's performance management system is designed to provide reward and remuneration structures and personal development opportunities appropriate to attract and retain a highly skilled workforce. The Group has in place a talent management system to identify and develop internal candidates for critical management positions.

There are long-term labour contracts in place at each of the Group's mining operations which help to ensure labour stability.

Contractors' employees are an important part of the Group's workforce, and under Chilean law are subject to the same duties and responsibilities as the Group's own employees. The Group's approach is to treat contractors as strategic associates.

Reference

Details of the Group's relations with its employees and contractors are set out within the Corporate Sustainability section on pages 51 and 52 and within the Operational Review on pages 24 to 45.

Strategic resources

Risk

Disruption to the supply of any of the Group's key strategic inputs such as electricity, water, sulphuric acid and mining equipment could have a negative impact on production volumes. Longer-term restrictions could impact opportunities for the growth of the Group.

A portion of the Group's input costs are influenced by external market factors and are not entirely within the control of the Group.

Mitigation

Contingency plans are in place to address potential short-term disruptions to strategic resources such as electricity. The Group enters into medium and long-term supply contracts for a range of key inputs to help ensure continuity of supply.

Technological solutions, such as increased use of sea water in the Group's mining processes, can help address long term limitations on scarce resources such as fresh water.

Reference

Information on the Group's arrangements for the supply of key inputs are included within the Marketplace section on pages 14 and 15, and details of significant operational or cost factors related to key inputs are included within the Operational Review on pages 24 to 57.

Operational risks

Risk

Mining operations are subject to a number of circumstances not wholly within the Group's control, including damage to or breakdown of equipment or infrastructure, unexpected geological variations or technical issues, extreme weather conditions and natural disasters, which could adversely affect production volumes and costs.

Mitigation

The key operational risks relating to each operation are identified as part of the regular risk review process undertaken by the individual operations. This process also identifies appropriate mitigations for each of these specific operational risks.

Monthly Board reports present an analysis of operational and financial performance, with an analysis of significant variances, allowing potential key issues to be identified on a timely basis, and any necessary monitoring or control activities to be established.

The Group has appropriate insurance to provide protection from some, but not all, of the costs that may arise from such events.

Reference

Details of the operational performance of each of the Group's operations are included within the Operational Review on pages 24 to 45.

Development projects

Risk

A failure to effectively manage the Group's development projects could result in delays in the commencement of production and cost overruns. Demand for supplies, equipment and skilled personnel could affect capital and operating costs. Increasing regulatory and environmental approvals and litigation could result in delays in construction or increases in project costs.

Mitigation

Prior to project approval a detailed feasibility process is followed to assess the technical and commercial viability of the project. Detailed progress reports on the ongoing development projects are regularly reviewed, including assessments of the progress of the key project milestones and actual performance against budget.

Reference

Details of the progress of the Group's development projects are included within the Operational Review on pages 38 to 43.

Growth opportunities

Risk

The Group needs to identify new mineral resources and development opportunities in order to ensure continued future growth. The Group seeks to identify new mineral resources through exploration and acquisition. There is a risk that exploration activities may not identify viable mineral resources. The Group may fail to identify attractive acquisition opportunities, or may select inappropriate targets. The long-term commodity price forecasts used when assessing potential projects and other investment opportunities are likely to have a significant influence on the forecast return on investment.

Mitigation

The Group has teams conducting active exploration programmes both within Chile and elsewhere. The Group has entered into early-stage exploration agreements with third parties in a number of countries throughout the world, and has also acquired interests in companies with known geological potential.

The Group assesses a wide range of potential growth opportunities, both from its internal portfolio and external opportunities, to maximise its growth profile. A rigorous assessment process is followed to evaluate all potential business acquisitions.

Reference

A review of the Group's exploration activities, its exploration agreements and other growth opportunities are set out in the Operational Review on pages 38 to 43.

Commodity prices

Risk

The Group's results are heavily dependent on commodity prices – principally copper and to a lesser extent molybdenum. The prices of these commodities are strongly influenced by world economic growth, and may fluctuate widely and have a corresponding impact on the Group's revenues.

Mitigation

The Group considers exposure to commodity price fluctuations within reasonable boundaries to be an integral part of the Group's business, and its usual policy is to sell its products at prevailing market prices. The Group monitors the commodity markets closely to determine the effect of price fluctuations on *earnings and cash flows, and uses derivative instruments to manage its exposure to commodity price fluctuations where appropriate.*

Reference

The sensitivity of Group earnings to movements in commodity prices is set out in the Financial Review on page 65.

Details of hedging arrangements put in place by the Group are included within the Financial Review on page 65 and in Note 25 to the financial statements.

Ore reserves and mineral resources estimates

Risk

The Group's ore reserves and mineral resources estimates are subject to a number of assumptions and estimations, including geological, metallurgical and technical factors, future commodity prices and production costs. Fluctuations in these variables may result in lower grade reserves or resources being deemed uneconomic, and could lead to a reduction in reserves or resources.

Mitigation

The Group's reserves and resources estimates are updated annually to reflect material extracted during the year, the results of drilling programmes and updated assumptions. The Group follows the JORC code in reporting its ore reserves and mineral resources which requires that the reports are based on work undertaken by a Competent Person.

Reference

The ore reserves and mineral resources estimates, along with supporting explanations, are set out on pages 134 to 140."

Related Party Transactions

The following description of related party transactions is extracted from Note 37 on pages 127 and 128 of the 2010 Annual Report and Financial Statements. A condensed version of this note was published in the Preliminary Results Announcement as Note 28.

"37 Related Party Transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below. The transactions which Group companies entered into with related parties who are not members of the Group are set out below.

a) Quiñenco S.A.
Quiñenco S.A. ("Quiñenco") is a Chilean financial and industrial conglomerate, the shares of which are traded on the Santiago Stock Exchange. The Group and Quiñenco are both under the control of the Luksic family, and three Directors of the Company, Mr. J-P Luksic, Mr. G A Luksic and Mr. G S Menéndez, are also directors of Quiñenco. The following material transactions took place between the Group and the Quiñenco group of companies, all of which were on normal commercial terms:

- *the Group sold copper cathodes during the year for US$5.0 million (2009 – US$2.3 million) to Madeco S.A., a subsidiary of Quiñenco. The balance due from Madeco at the end of the year was nil (2009 – was nil);*
- *the Group bought copper wire from Madeco for less than US$0.1 million (2009 – less than US$0.1 million);*
- *the Group earned interest income of US$0.5 million (2009 – US$0.1 million) during the year on deposits with Banco de Chile S.A., a subsidiary of Quiñenco. Deposit balances at the end of the year were US$1.9 million (2009 – US$31.7 million).*

b) Compañía de Inversiones Adriático S.A.
In 2010, the Group leased office space on normal commercial terms from Compañía de Inversiones Adriático S.A., a company controlled by the Luksic family, at a cost of US$0.6 million (2009 – US$0.7 million).

c) Compañía Antofagasta Terminal Internacional S.A.
As explained in Note 17, the Group acquired a 30% interest in Antofagasta Terminal Internacional S.A. ("ATI") on 16 December 2004, which has been treated in these financial statements as an associate. During 2010, the Group received a dividend of US$0.8 million from ATI (2009 – US$0.7 million).

d) Antomin Limited, Antomin 2 Limited and Antomin Investors Limited
The Group holds a 51% interest in Antomin 2 Limited ("Antomin 2") and Antomin Investors Limited ("Antomin Investors"), which own a number of copper exploration properties. The Group originally acquired its 51% interest in these properties for a nominal consideration from Mineralinvest Establishment, a company controlled by the Luksic family, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. Antofagasta has the exclusive right to acquire at fair value under certain conditions the shareholding of Mineralinvest in Antomin 2 and Antomin Investors, or the underlying properties, for a period of five years from August 2008. The Group has also committed to meet in full any exploration costs relating to the properties held by these entities.

e) Tethyan Copper Company Limited
As explained in Note 18(a), during 2006 the Group entered into a joint venture agreement with Barrick Gold Corporation ("Barrick Gold") to establish a 50:50 joint venture over Tethyan's mineral interests in Pakistan.

During the year the Group contributed US$12.1 million (2009 – US$31.1 million) to Tethyan, to provide funds for Tethyan's ongoing exploration and evaluation programme. The balance due from Tethyan to Group companies at the end of the year was US$0.3 million (2009 – US$0.5 million). Details of amounts relating to Tethyan included in the consolidated financial statements of the Group under the proportionate consolidation method are set out in Note 18(a).

f) Energía Andina S.A.
In October 2008 Energía Andina S.A. was formed as a vehicle for the exploration and exploitation of potential sources of geothermal energy. The company is 60% owned by the Group and 40% owned by Empresa Nacional del Petróleo ("ENAP") of Chile. The balance due from Energía Andina S.A. to the Group at 31 December 2010 was US$0.3 million (31 December 2009 – US$0.2 million).

g) Minera Cerro Centinela S.A.
Minera Cerro Centinela S.A. ("Centinela"), an entity ultimately controlled by the Luksic family, has an interest of 7.973% in Minera Michilla S.A. ("Michilla"), a shareholding it has held since Michilla was created through the merger of two predecessor companies on 31 December 1993. During 2010 Michilla paid dividends of US$3.0 million to Centinela.

h) Directors and other key management personnel
Information relating to Directors' remuneration and interests are given in the Remuneration Report on pages 81 to 83. Information relating to the remuneration of key management personnel including the Directors is given in Note 8.

i) Inversiones Hornitos S.A.
In July 2009, the Group acquired a 40% interest in Inversiones Hornitos S.A. from GDF SUEZ. This interest is accounted for as an associate. The Group made an initial payment on 15 July 2009 of US$80.9 million to GDF SUEZ, representing the Group's share of costs already incurred plus interest to date of acquisition. During 2010 a capital restructuring of Inversiones Hornitos took place, with the FCAB's previous capital contributions being reduced by US$57.2 million and replaced with loan financing from the FCAB, with the FCAB contributing US$78.6 million of further loan financing to Inversiones Hornitos during the year. The balance due from Inversiones Hornitos to the Group at 31 December 2010 was US$101.1 million (year ended 31 December 2009 – US$22.5 million).

j) Sunridge Gold Corp
In October 2009 the Group acquired 17.8% of the issued share capital of Sunridge under a private placement. On 23 December 2010 the Group sold its 17.8% shareholding in Sunridge for US$17.5 million. Prior to this sale the interest was accounted for as an associate. Further details are provided in Note 17.

k) Franconia Minerals Corporation
On 20 December 2010 the Group entered into arrangements with Duluth Metals Limited in connection with Duluth's proposed acquisition of 100% of Franconia Minerals Corporation ("Franconia"). Duluth and Antofagasta have agreed that following the proposed acquisition Franconia's assets will be transferred to Twin Metals and that Antofagasta will contribute approximately C$30.0 million in cash to Duluth's acquisition of Franconia in order to, in part, maintain the 40% and 60% interests of Antofagasta and Duluth, respectively, in Twin Metals. The Group has also subscribed for an aggregate of 7,604,563 subscription receipts of Duluth, by way of private placement, for a price of C$2.63 per subscription to become an approximately 12.8% shareholder in Duluth. Further details of the acquisition are given in Note 39. Duluth is a related party of the Group for the purpose of the Listing Rules of the United Kingdom Listing Authority as it holds a substantial interest in Twin Metals."

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