

For immediate release

5 Princes Gate
London
SW7 1QJ
United Kingdom

Telephone: +44 20 7808 0988
Fax + 44 20 7808 0986
info@antofagasta.co.uk

**Update on Acquisition of Franconia Minerals Corporation by Antofagasta plc
and Duluth Metals Limited for Future Transfer into the Twin Metals Minnesota
LLC Joint Venture**

London, 7 March 2011

Antofagasta plc ("**Antofagasta**") announced on 20 December 2010 that it had entered into arrangements with Duluth Metals Limited ("**Duluth**") in connection with Duluth's proposed acquisition of 100% of the outstanding common shares in the capital of Franconia Minerals Corporation ("**Franconia**") by way of plan of arrangement under the *Business Corporations Act (Alberta)* (the "**Acquisition**").

Following approval of the Acquisition by Franconia's shareholders and by the Court of Queen's Bench of Alberta, Duluth completed the Acquisition on 7 March 2011.

The common shares of Franconia are expected to be delisted from the Toronto Stock Exchange ("**TSX**") at the close of trading on or about 9 March 2011. The common shares of Duluth issued as part of the Acquisition are expected to be listed and trading on the TSX as of the opening of trading on or about 10 March 2011.

In connection with the Acquisition, 7,604,563 common shares of Duluth were issued to Antofagasta's wholly-owned subsidiary, Sierra Gorda Investment Company Limited ("**Sierra Gorda**"), on the automatic conversion of subscription receipts of Duluth for which Sierra Gorda subscribed in December, by way of private placement, for an aggregate price of C\$20 million. Sierra Gorda now owns approximately 11% of the issued and outstanding common shares of Duluth.

As announced in December, Duluth and Antofagasta have agreed that following the Acquisition, Franconia's assets will be transferred to Twin Metals Minnesota LLC ("**Twin Metals**"), the joint venture between Duluth (60%) and Antofagasta (40%) which was formed in July 2010. Antofagasta contributed approximately C\$30 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.

Enquiries – London

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

Desmond O'Connor
Email: doconor@antofagasta.co.uk

Hussein Barma
Email: hbarma@antofagasta.co.uk

Press Enquiries – London

Bankside Consultants
Tel: +44 20 7367 8871

Simon Rothschild
Email: simon.rothschild@bankside.com

Enquiries – Santiago

Antofagasta Minerals S.A.
Tel: + 56 2 798 7000

Alejandro Rivera
Tel: +56 2 798 7145
Email: arivera@aminerals.cl

Sebastian Gil
Tel: +56 2 798 7126
Email: sgil@aminerals.cl