

2 February, 2011

Highlights

- Group copper production was 521,100 tonnes in 2010, compared with 442,500 tonnes in 2009. This 17.8% increase was mainly due to increased production at Los Pelambres, reflecting higher throughput as a result of the plant expansion. The decrease compared with the previous forecast in August 2010 of 530,000 tonnes was mainly as a consequence of bringing forward major maintenance work at Los Pelambres performed in December that was initially scheduled for 2011.
- Molybdenum production at Los Pelambres was 8,800 tonnes, a 12.8% increase on 2009 due to the plant expansion. Gold production at Los Pelambres in 2010 was 35,100 ounces.
- Group cash costs for 2010 were 104.0 cents per pound compared with 96.3 cents per pound in 2009. This increase was due to higher on site and shipping costs at the three mining operations partially offset by improved by-product credits.
- Cash costs before by-product credits were 137.3 cents per pound in 2010 compared with 120.3 cents per pound in 2009. This was mainly due to higher input costs, in particular energy, and the effect of the stronger Chilean peso across the three mining operations, as well as the effect of the temporary suspension of the Tesoro North-East pit and the increased maintenance at Los Pelambres.
- Commissioning of the Esperanza plant commenced in late November 2010 with production of filtered concentrate achieved in January 2011. The first shipment of copper concentrate took place on 27 January 2011.
- For 2011, the Group expects to produce approximately 715,000 tonnes of payable copper, 9,300 tonnes of molybdenum and 324,000 ounces of gold which includes initial forecast production at Esperanza. Group weighted average cash costs (net of by-product credits) are expected to be approximately 90 cents per pound and weighted average cash costs excluding by-product credits are expected to be approximately 140 cents per pound.

**Investor relations –
Antofagasta plc:**

Desmond O'Connor

doconor@antofagasta.co.uk

London: (44-20) 7808 0988

Hussein Barma

hbarma@antofagasta.co.uk

London: (44-20) 7808 0988

Eduardo Tagle

etagle@aminerals.cl

Santiago: (56-2) 798 7145

Luis Eduardo Bravo

lbravo@aminerals.cl

Santiago: (56-2) 798 7073

Media enquiries –

Bankside Consultants:

Simon Rothschild

simon.rothschild@bankside.com

London: (44-20) 7367 8871

Group Total	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Full Year 2010	Full Year 2009
Total production of payable copper ('000 tonnes)	117.7	135.2	140.7	127.5	521.1	442.5
Total production of payable moly ('000 tonnes)	1.8	2.7	2.2	2.1	8.8	7.8
Weighted average cash costs before by-product credits (cents per pound)	128.8	124.5	138.3	157.7	137.3	120.3
Weighted average cash costs (cents per pound)	94.7	88.7	109.0	123.4	104.0	96.3

Mining operations

Los Pelambres

Los Pelambres produced 92,300 tonnes of payable copper in Q4 and 384,600 tonnes in the full year 2010, 23.4% above 2009 production, mainly due to higher plant throughput as a result of the plant expansion. The decrease in production in Q4 compared to the 106,200 tonnes produced in Q3 was mainly due to major maintenance work performed in December that was initially scheduled for 2011, including the partial replacement of the conveyor belt that transports the ore from the mine site to the plant.

Molybdenum production was 2,100 tonnes in Q4, in line with the previous quarter, and 8,800 tonnes in the full year 2010. The 12.8% increase in production in 2010 was due to the higher plant throughput as a result of the plant expansion. Gold production in 2010 was 35,100 ounces.

Cash costs were 98.0 cents per pound in Q4 compared with 82.7 cents per pound in the previous quarter. The increase in costs in Q4 was due to higher on site and shipping costs mainly as a result of lower production due to the maintenance work as explained above, and increased labour costs as a result of a one-off signing bonus following the early conclusion in November of a 46 month labour agreement with the main union, partially offset by increased by-product credits.

Cash costs for the 2010 full year were 79.3 cents per pound, marginally below the 2009 full year costs of 80.4 cents per pound. This is the result of an increase in by-product credits as a result of higher molybdenum market prices and a decrease in tolling charges, partially offset by an increase in on-site and shipping costs, mainly explained by higher energy prices, labour and maintenance costs.

For 2011 production of payable copper is expected to be approximately 419,000 tonnes, due to the full year impact of increased throughput as a result of the plant expansion completed in Q1 2010. Molybdenum production is expected to be approximately 9,300 tonnes. Gold production is expected to be approximately 38,000 ounces. Cash costs before by-product credits are expected to be 124 cents per pound and cash costs after by-product credit costs are expected to be 79 cents per pound based on a molybdenum price of approximately US\$18 per pound.

El Tesoro

Copper production at El Tesoro was 23,800 tonnes in Q4, marginally below the Q3 production of 24,100 tonnes. Cumulative production of 95,300 tonnes during the full year 2010 was 5.7% higher than in 2009 reflecting the impact of the inclusion of a whole year of production from the Run-Of-Mine oxide leaching project which contributed 19,200 tonnes of cathode production in 2010.

Cash costs for Q4 were 192.9 cents per pound compared with 190.2 cents per pound in the previous quarter. The higher level of costs compared with the first half of 2010 was due to the temporary suspension in August of operations at the Tesoro North-East pit, which has a relatively high grade, with this lost mill feed replaced by lower grade stockpiles. After completion of geotechnical studies at Tesoro North-East mining restarted in some areas of the pit in November 2010.

Cash costs in the full year 2010 were 169.2 cents per pound, compared with 123.4 cents in 2009. The increase was mainly due to the impact of the processing of lower grade stockpiles during the second half of 2010 as explained above, as well as higher maintenance services and the effect of a stronger Chilean peso and higher fuel and energy prices. These factors were partly offset by lower sulphuric acid prices.

Cathode production in 2011 is expected to be approximately 96,000 tonnes including 14,000 tonnes of production from Mirador in the final months of the year. Cash costs are expected to be approximately 161 cents per pound.

Michilla

Michilla produced 11,300 tonnes of copper in Q4, achieving 41,200 tonnes during the full year, which was ahead of budget and marginally higher than 2009 production of 40,600 tonnes.

Cash costs in Q4 were 184.3 cents per pound, a reduction of 5.1 cents compared with the previous quarter. Cash cost were 183.8 cents per pound in the full year 2010 in line with previously issued guidance, although 26.2 cents per pound higher than 2009. The increase was mainly due to a stronger Chilean peso and higher costs of ore purchased from ENAMI, due to the higher copper price in 2010 compared to 2009, partly offset by the lower sulphuric acid price.

Labour negotiations with the main union which represents 90% of Michilla's workforce were satisfactorily concluded early, on 1 December 2010 for a new 48 month labour agreement, which commenced in January 2011.

Cathode production in 2011 is expected to be approximately 40,000 tonnes and cash costs are expected to be approximately 198 cents per pound.

Esperanza

Commissioning of the Esperanza plant commenced in late November 2010 with production of filtered concentrate achieved in January 2011. The first shipment of copper concentrate took place on 27 January 2011 and ramp-up of the plant will continue through Q1.

For 2011 initial estimates based on current expectations of the commissioning process are for production of payable copper and gold of 159,000 tonnes and 286,000 ounces, respectively. Cash costs before by-product credits are expected to be 146 cents per pound and cash costs after by-product credit costs are expected to be 41 cents per pound based on a gold price of approximately US\$1,150 per ounce.

Projects and exploration

At Reko Diq, as previously announced, the feasibility study was completed during Q3, and preparations are being finalised for the submission of the application for a mining lease. During Q4 and subsequently, a number of constitutional petitions relating to the validity of 1993 Chagai Hills Joint Venture Exploration Agreement and the exploration licences awarded to Tethyan Copper Company Limited were filed in the Supreme Court of Pakistan, which is presently hearing the petitions.

As previously announced on 20 December 2010 the Group entered into arrangements with Duluth Metals Limited ("Duluth") in connection with Duluth's proposed acquisition of 100% of Franconia Minerals Corporation ("Franconia"). These arrangements involve Duluth contributing the Franconia assets to be acquired into the Duluth & Antofagasta owned Twin Metals Minnesota LLC ("Twin Metals") and Antofagasta contributing cash towards the acquisition costs in proportion to its ownership of Twin Metals and also increasing its investment in Duluth. The proposed acquisition is subject to Franconia shareholder approval as well as regulatory approval.

Commodity prices and exchange rates

The LME copper price averaged 391.6 cents per pound in Q4 2010, compared with 328.5 cents per pound in Q3 2010. The average price for the 2010 full year was 342.0 cents per pound, compared with 234.2 cents per pound for the 2009 full year. The LME spot copper price at the end of Q4 2010 was 441.8 cents per pound.

The market molybdenum price averaged US\$15.7 per pound in Q4 2010, compared with US\$15.0 per pound in Q3 2010. The average price was US\$15.7 per pound for 2010 full year compared with US\$11.1 per pound in the 2009 full year. The average price in December 2010 was US\$16.1 per pound.

The realised copper and molybdenum prices which the Group will recognise for its sales in the year 2010 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 months from shipment date, for copper cathode sales approximately one month from shipment and for molybdenum sales approximately two months 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 and copper cathode sales and period-end prices for molybdenum sales. In accordance with normal practice, these adjustments will be reported when the Group reports its preliminary results announcement on 8 March 2011.

The Chilean peso / US dollar exchange rate averaged Ch\$480.3 / US\$1 in Q4 2010, compared with Ch\$511.9 / US\$1 in Q3 2010. The average exchange rate for 2010 was Ch\$510.4 / US\$1, compared with Ch\$559.5 / US\$1 in the 2009 full year. The exchange rate at 31 December 2010 was Ch\$468.0 / US\$1.

Transport

The transport division had a solid operational performance during 2010 with total volumes increasing by 3.4% to 8.1 million tons. Rail volumes decreased marginally to 6.2 million tons and road volumes increasing by 27.5% to 1.9 million tons.

Water

The water business continued to perform well, with Q4 volumes increasing to 12.4 million cubic metres, 11.0% above the previous quarter. This was mainly due to increased demand from domestic clients, partly reflecting seasonal variations. The volume of water sold for the 2010 year increased by 5.9% to 46,302 million cubic metres compared to 2009. This was principally due to a 6.3% increase in demand from domestic clients and a 4.8% increase in demand from industrial customers.

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

Los Pelambres	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Full Year 2010	Full Year 2009
Production statistics						
Daily average ore treated ('000 tonnes)	137.9	174.3	169.9	155.4	159.4	129.2
Average ore grade (%)	0.78	0.76	0.77	0.74	0.76	0.74
Average recovery (%)	89.5	90.2	89.8	90.4	90.0	92.1
Concentrate produced ('000 tonnes)	244.6	322.0	317.1	277.0	1,160.7	951.1
Average concentrate grade (%)	35.3	33.8	34.1	34.4	34.4	33.9
Fine copper in concentrate ('000 tonnes)	86.4	106.1	110.0	95.5	398.0	322.6
Payable copper in concentrate ('000 tonnes)	83.5	102.5	106.2	92.3	384.6	311.6
Average moly ore grade (%)	0.019	0.021	0.017	0.019	0.019	0.020
Average moly recovery (%)	76.7	84.3	81.2	81.5	81.3	81.1
Payable moly ('000 tonnes)	1.8	2.7	2.2	2.1	8.8	7.8
Cash costs statistics						
On-site and shipping costs (cents per pound)	103.9	93.8	102.9	128.3	106.8	95.3
Tolling charges for concentrates (cents per pound)	18.2	16.7	18.6	17.0	17.6	19.2
By - product credits (cents per pound) ⁽¹⁾	(48.1)	(47.2)	(38.8)	(47.3)	(45.1)	(34.1)
Cash costs (cents per pound)	74.1	63.3	82.7	98.0	79.3	80.4

⁽¹⁾ By-products credits do not include any costs attributable to the production of molybdenum concentrate. By-product calculations also do not take into account unrealised mark-to-market gains at the beginning or end of each period.

El Tesoro	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Full Year 2010	Full Year 2009
Daily average ore treated⁽²⁾ ('000 tonnes)	24.2	25.9	26.9	28.7	26.4	26.2
Average ore grade⁽²⁾ (%)	1.24	1.15	1.04	0.98	1.10	1.25
Average recovery⁽²⁾ (%)	78.8	69.7	66.7	71.5	71.7	73.0
Copper cathodes from the heap-leach process⁽²⁾ ('000 tonnes)	21.1	19.1	17.8	18.2	76.1	87.4
Copper cathodes from ROM ('000 tonnes)	3.3	3.8	6.3	5.7	19.2	2.8
Total copper cathodes ('000 tonnes)	24.4	22.9	24.1	23.8	95.3	90.2
Cash costs (cents per pound)	134.3	159.8	190.2	192.8	169.2	123.4

⁽²⁾ 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 2010	Q2 2010	Q3 2010	Q4 2010	Full Year 2010	Full Year 2009
Daily average ore treated ('000 tonnes)	13.3	15.0	14.0	14.0	14.1	15.1
Average ore grade (%)	1.04	0.94	1.06	1.09	1.03	0.96
Average recovery (%)	77.9	75.6	78.9	77.9	77.6	77.5
Copper cathodes ('000 tonnes)	9.8	9.7	10.4	11.3	41.2	40.6
Cash costs (cents per pound)	172.3	188.6	189.4	184.3	183.8	157.6

Transport	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Full Year 2010	Full Year 2009
Rail tonnage transported ('000 tons)⁽³⁾	1,502	1,537	1,526	1,619	6,184	6,335
Road tonnage transported ('000 tons)⁽³⁾	492	490	431	506	1,919	1,505

⁽³⁾ 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 2010	Q2 2010	Q3 2010	Q4 2010	Full Year 2010	Full Year 2009
Water volume sold – potable and untreated ('000 m³)⁽⁴⁾	11,349	11,397	11,164	12,392	46,302	43,736

⁽⁴⁾ Water volumes include water transportation of 185,000 m³ in Q1; 253,000 m³ in Q2; 318,000 m³ in Q3 and 299,000 m³ in Q4 (343,000 m³ in Q1 2009; 302,000 m³ in Q2 2009; 242,000 m³ in Q3 2009 and 240,000 m³ in Q4 2009).