

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

**Antofagasta's mining companies voluntarily accept changes to the Chilean mining tax**

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Antofagasta plc ("Antofagasta") (LSE: ANTO.L) announces that its four mining companies, Los Pelambres, Esperanza, El Tesoro and Michilla, have voluntarily elected to accept amendments to the Chilean mining tax (royalty) as permitted pursuant to a law enacted in Chile on 21 October 2010. This law was introduced by the Chilean Government in order to contribute to the financing of overall reconstruction costs following the severe earthquake which affected the country on 27 February 2010.

The four mining companies of the Antofagasta group (the "Group") currently have tax stability agreements which set the rate of the mining tax at 4% of operating profit until 2017 in the case of Los Pelambres, the El Tesoro central open pit and Michilla and at 5% of operating profit until 2023 in the case of Esperanza.

Under the law enacted on 21 October 2010, a company with a tax stability agreement may voluntarily elect to waive its tax stability for the three-year period of 2010 to 2012 during which it will then be subject to mining tax on its operating profits at a sliding scale rate of 4% to 9%, based on its operating profits as a percentage of its turnover; after 2012 its mining tax percentage will revert to the rate set out in its existing stability agreement until the expiry of that agreement. In exchange for this voluntary waiver, the company will be granted an additional stability period of six years after the end of its existing stability agreement during which it will be subject to a mining tax on its operating profits at a sliding scale rate of 5% to 14% (again based on its operating profits as a percentage of its turnover).

Companies and operations which do not have stability agreements are subject to a sliding scale rate of 5% to 14% from 2010 compared with a previous rate of 5%.

As Antofagasta has previously announced, a temporary two-year increase in the corporate tax rate in Chile (known as "first category tax") from 17% in 2010 to 20% in 2011 and 18.5% in 2012 was enacted on 31 July 2010; the Group also incurs withholding taxes on any remittances of profits from Chile. The mining tax remains an allowable expense in determining liability to first category tax.

Marcelo Awad, CEO of Antofagasta Minerals S.A., the Group's mining division, said: "The Antofagasta Group has consistently sought to contribute to Chile's reconstruction effort, as demonstrated since February last year through our committed presence at the coast in the Maule Region. Given the exceptional circumstances of the situation resulting from the severe earthquake, Antofagasta's mining companies have decided voluntarily to elect to accept the changes to the applicable mining tax regime in order to support Chile's reconstruction efforts. The mining industry is characterised by cyclicity, high risk, significant levels of capital investment and long lead times for the development of projects. We anticipate the legislative amendments of last year will allow Chile to remain a stable and favourable destination for mining

investment in the long-term, encouraging the development of new projects without further changes.”

Enquiries – London

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

Desmond O’Conor  
Email: doconor@antofagasta.co.uk

Hussein Barma  
Email: hbarma@antofagasta.co.uk

Philip Holden  
Email: pholden@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

Francisco Veloso  
Tel: +56 2 798 7008  
Email: fveloso@aminerals.cl

Eduardo Tagle  
Tel: +562 798 7145  
Email: etagle@aminerals.cl