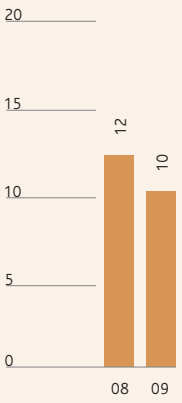
Copper

Anglo American's copper business has six copper operations in Chile, two copper projects in Peru and the Pebble project in Alaska.

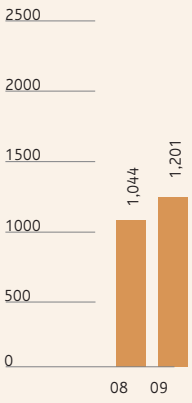
Copper anodes at Mantos Blancos

Financial highlights[1]

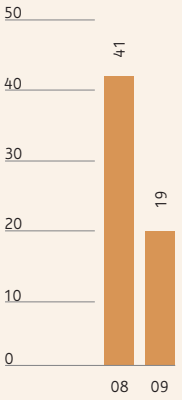
Share of Group net operating assets
%



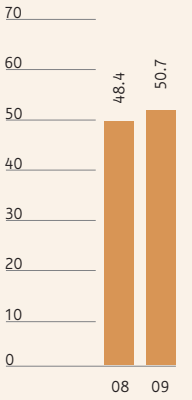
Underlying earnings
$m



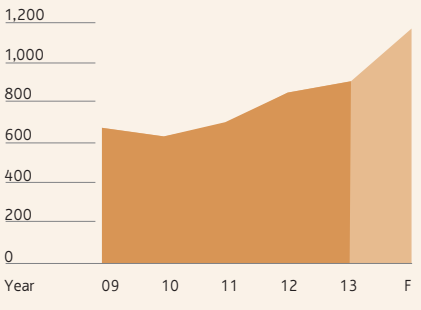
Share of Group operating profit
%



Operating margin
%

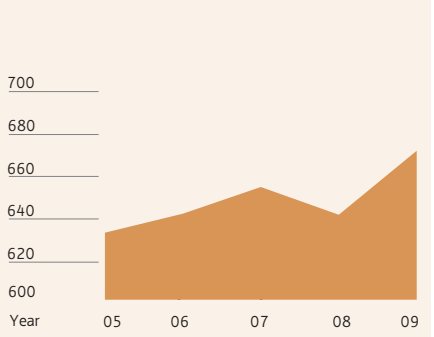


Group potential copper production*
(kt)



Source: Anglo American *From the Copper business unit

Anglo copper production
(kt)



[1] Due to the portfolio and management structure changes announced in October 2009, the segments have changed from those reported at 31 December 2008. 2008 comparatives have been reclassified to align with current year presentation. The segment results include an allocation of corporate costs.

Financial data

US$m	2009	2008
Turnover		
Collahuasi	1,411	1,134
Anglo American Sur	1,723	1,965
Anglo American Norte	833	808
Projects and Corporate	–	–
Total turnover	**3,967**	**3,907**
EBITDA		
Collahuasi	952	682
Anglo American Sur	994	1,265
Anglo American Norte	408	288
Projects and Corporate	(100)	(131)
Total EBITDA	**2,254**	**2,104**
Depreciation and amotisation	**244**	**212**
Operating profit before special items and remeasurements		
Collahuasi	880	613
Anglo American Sur	862	1,157
Anglo American Norte	369	255
Projects and Corporate	(101)	(133)
Total operating profit before special items and remeasurements	**2,010**	**1,892**
Operating special items and remeasurements	104	(67)
Operating profit after special items and remeasurements	**2,114**	**1,825**
Net interest, tax and minority interests	**(809)**	**(848)**
Underlying earnings		
Collahuasi	663	367
Anglo American Sur	444	699
Anglo American Norte	197	113
Projects and Corporate	(103)	(135)
Total underlying earnings	**1,201**	**1,044**
Net operating assets	**4,763**	**3,148**
Capital expenditure	**1,068**	**808**

Business overview

670
kt – record attributable copper production in 2009

6
copper operations (five wholly owned) in Chile

400
ktpa copper from an expanded Los Bronces

Financial highlights: Copper

$ million (unless otherwise stated)	2009	2008
Operating profit	**2,010**	1,892
EBITDA	**2,254**	2,104
Net operating assets	**4,763**	3,148
Capital expenditure	**1,068**	808
Share of Group operating profit	**41%**	19%
Share of Group net operating assets	**12%**	10%

Development work at the Los Bronces expansion project. The expansion is due to come on stream in late 2011, with production increasing to an average of over 400 ktpa of copper during the first 10 years of its expected 30 year life.

Copper has interests in six operations in Chile. These operations comprise the wholly owned Los Bronces, El Soldado, Mantos Blancos and Mantoverde mines, the Chagres smelter and a 44% interest in the Collahuasi mine. The mines also produce associated by-products such as molybdenum and silver. In addition, the business unit has controlling interests in two projects in Peru (Quellaveco and Michiquillay) and a 50% interest in the Pebble project in Alaska.

Key

- Underground
- Open Cut
- Other

South America

1	44%	Collahuasi (Chile)
2	100%	Los Bronces (Chile)
3	100%	El Soldado (Chile)
4	100%	Chagres (Chile)
5	100%	Mantos Blancos (Chile)
6	100%	Mantoverde (Chile)
7	81.9%	Quellaveco Project (Peru)
8	100%	Michiquillay (Peru)

Washing copper cathodes at the San Francisco cathode plant in Los Bronces

Industry overview

The majority of copper produced is used by the wire and cable markets on account of the metal's electrical conductivity and corrosion resistance. Applications that make use of copper's electrical conductivity, such as wires (including wiring used in buildings), cables and electrical connectors, make up around 60% of total demand. About 20% of demand comes principally from the construction industry which uses copper to produce plumbing pipe and roof sheeting, owing to the metal's corrosion resistance qualities. Copper's thermal conductivity also makes it suitable for use in heat transfer applications such as air conditioning and refrigeration, which constitute some 10% of total demand. Other applications include structural and aesthetic uses.

Copper is an attractive industry, with moderate concentration of customers and suppliers, relatively high barriers to entry and a track record of good average profitability over the long term. The approximate global market share of the five largest copper producers is 38%. Producers are price-takers and there are relatively few opportunities for product differentiation. No fundamental technological shifts are expected in the short to medium term, with access to quality orebodies continuing to be the key distinguishing factor. Forecast long term demand is underpinned by robust growth in copper's electrical uses, particularly wire and cable in construction, automobiles and electricity infrastructure. The key growth area will continue to be the developing world, led by China and India with their massive industrialisation and urbanisation programmes, and where per capita copper consumption remains substantially lower than that of the advanced economies of the US, Japan and Europe.

Copper's tightening fundamentals are also defined by perennial constraints on the supply side, driven by continuing declines in ore grades at both maturing existing operations and new projects in the pipeline, a lack of capital investment and under-exploration in the industry and political and environmental challenges in new copper areas. The industry is capital intensive and is likely to become more so as high grade surface deposits are exhausted and deeper and/or lower grade deposits are developed, requiring greater economies of scale in order to be commercially viable. Scarcity of water in some geographies is also enforcing the construction of capital- and energy-intensive desalination plants.

China has increased its share of first use refined metal consumption from 12% in 2000 to an estimated 35% in 2009.

Copper prices increased very strongly through 2009 – even as refined metal inventories trended higher and global demand looked weak. However, speculative and investment funds moved aggressively into commodities, thereby propelling prices higher and this was further supported by a cautious but growing confidence in the second half of the year that the global economy was showing signs of recovery. Strong Chinese imports also played a powerful role, while the numerous incidents of industrial action and technical difficulties leading to output losses also helped support the price.

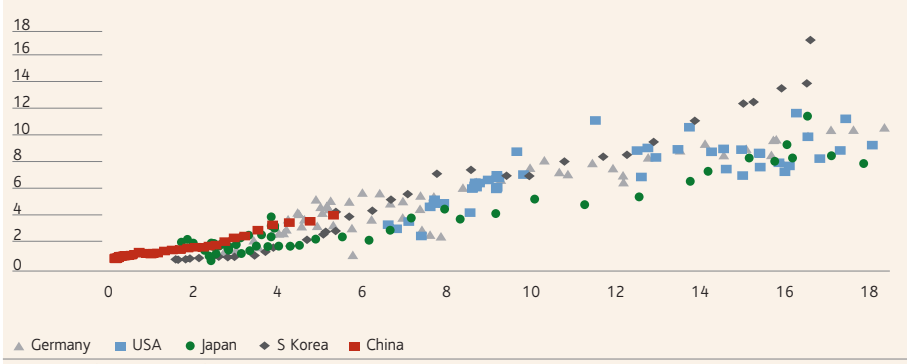
Markets

Average market price (c/lb)	2009	2008
Copper	**234**	315

Copper prices rose steadily during the year, reflecting improving global economic conditions, and ended the year at a high of 333 c/lb. This price increase was driven initially by speculative and investment fund inflows and Chinese stock building, before gaining further ground in the second half as a number of operating incidents and industrial action impacted global supply.

Despite the price increase from 132 c/lb at the end of 2008, the average price for the year was 26% lower than in 2008, although 2% higher on a realised price basis, partially due to the favourable final settlements of sales prices into a rising market.

Refined copper consumption per capita (first use)
(kg/capita by US$ GDP (PPP)/capita)

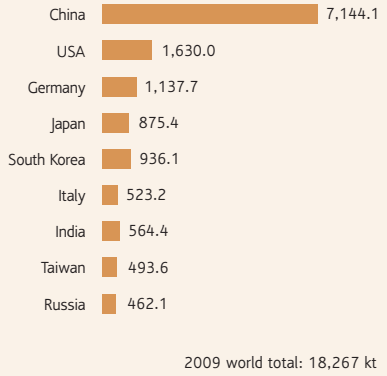


Source: Anglo American analysis

Leading copper mining countries (2009 mine production)
Kt Cu Contained

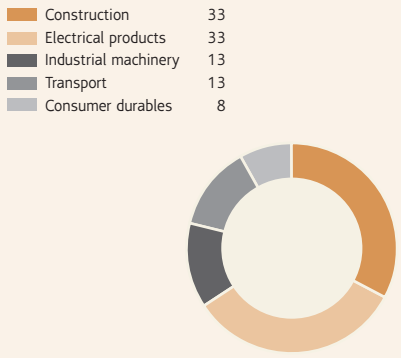
Source: World Bureau of Metal Statistics

Leading copper consumers (2009 refined consumption)
Kt Cu Contained



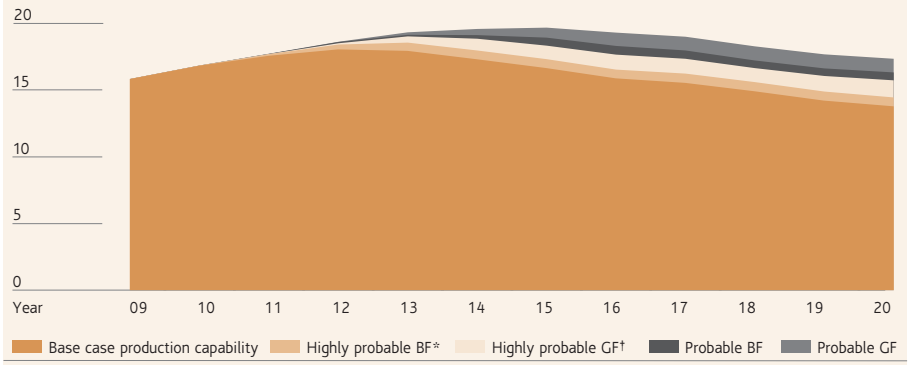
Source: World Bureau of Metal Statistics

Global copper consumption – estimated end use in 2009
%



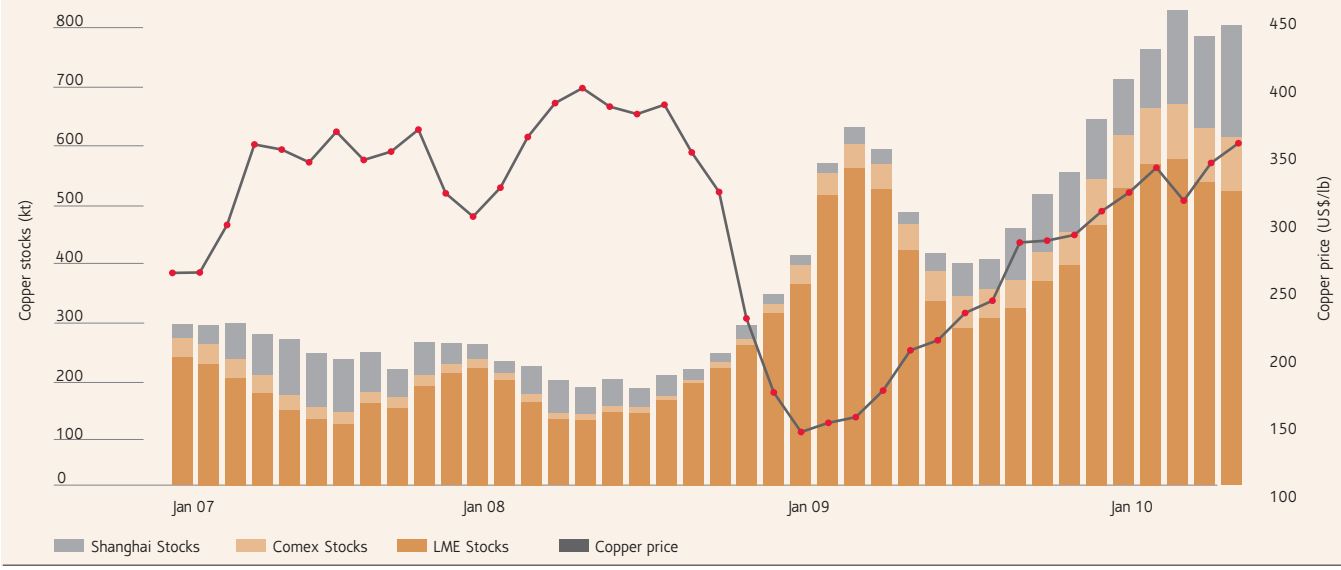
Source: Brook Hunt Estimates

Estimated global copper mine production
(Excludes possible projects) (Mt copper)



Source: Copyright Brook Hunt, a Wood Mackenzie company: Metals Market Service – Long Term Outlook Copper December 2009
*BF: Brownfield †GF: Greenfield

Total LME stocks and copper price index
(shown to April 2010)



Strategy and growth

Copper's strategy is to find or acquire, develop and operate long life, low cost mines in a socially and environmentally responsible manner, with a strong focus on efficient resource allocation and operating excellence.

The business is constantly developing and evaluating growth options from a combination of sources, including greenfield and brownfield projects, acquisitions, exploration, technology development and asset optimisation programmes. Significant future growth will come from approved expansions at Los Bronces, while studies are at an advanced stage into further growth potential at Quellaveco in Peru and Collahuasi in Chile. In addition, work continues on evaluating the potential and development options for the resources acquired in 2007 at Michiquillay in Peru and Pebble in Alaska.

In August 2009, Anglo American announced the discoveries of two high quality copper prospects at Los Sulfatos and San Enrique Monolito in Chile. These two prospects together increase the Group's copper resources (excluding reserves) by approximately 50%.

Stacker/reclaimer in action at the Mantoverde mine, which produced over 60,000 tonnes of copper cathode in the year.

Projects

Construction of the Los Bronces expansion project is progressing according to schedule, with its target date for commissioning in late 2011. Engineering design was substantially completed by the end of 2009 and construction work on the various sites is on schedule. A significant milestone, the opening of the Los Bronces section of the conveyor tunnel from the mine through to the grinding plant at Confluencia, was achieved in November 2009. Production at Los Bronces is scheduled to increase to 490 ktpa over the first three years of full production (an average of over 400 ktpa over the first 10 years). At peak production levels, Los Bronces is expected to be the fifth largest producing copper mine in the world, with highly attractive cash operating costs and reserves that support a mine life of over 30 years. Resource and mineralisation studies carried out by Anglo American's technical teams support further potential expansion.

At Collahuasi, an expansion project is under way to increase sulphide processing capacity to 150 kt per day by early 2011, while the significant potential for subsequent phased expansions continues to be evaluated.

At Mantos Blancos, studies are currently underway to extend the life of the operation.

In Peru, good progress was made in the year on a revised feasibility study for the 225 ktpa Quellaveco project. The project is scheduled to be approved in H2 2010.

The focus at the Michiquillay project, also in Peru, has been on building relationships with the local communities and, in this respect, land access negotiations were completed in June 2009. The geological exploration programme that began in July had completed 16,000 metres of drilling by the end of the year. Drilling was suspended in late 2009 pending resolution of issues currently under discussion with local communities. Baseline environmental and hydrological studies also commenced during the second half of the year. Conceptual engineering studies have been completed and a decision to award the pre-feasibility engineering studies will be taken during 2010.

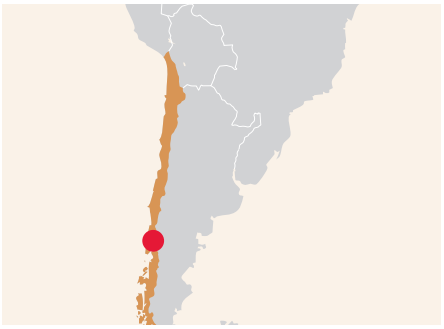
Activities at the Pebble project in Alaska advanced on all fronts during 2009. In 2010, the project team will work towards finalising the engineering design, completing the environmental baseline document and carrying out additional exploration drilling within the claim area.

Project pipeline

Los Bronces expansion — Overall capex: $2,300-2,500m

Country	**Chile**
Ownership	**100%**
Incremental production	**278,000 tonnes per annum of copper (average over first three years)**
Full project capex	**$2,300-2,500m**
Full production	**Q4 2012**

The Los Bronces Development project was approved in November 2007 and is forecast to come into production in Q4 2011. The brownfield expansion will increase throughput from 61 ktpd to 148 ktpd, increasing average copper production in the first 10 years by around 200 ktpa (production will average 278 ktpa over the first three years), plus molybdenum and silver by-products, consolidating the operation's low cost curve position. The project scope includes a new grinding plant connected to the main site by a 4.4km conveyor belt, together with a 52km ore slurry pipeline to the existing Cu-Mo flotation plant at Las Tortolas. The life of mine at Los Bronces is greater than 30 years, with significant exploration upside, making Los Bronces a truly world class operation.

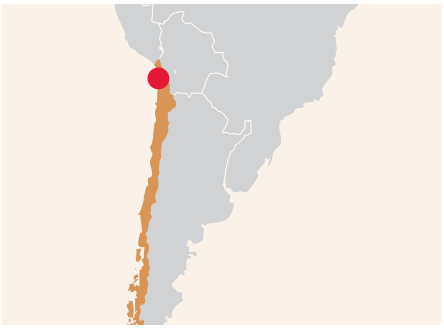


Collahuasi 150 ktpd — Overall capex: $92m

Phase 1

Country	**Chile**
Ownership	**44%**
Total production of mine when project ramps up to full production (100% basis)	**490,000 tonnes per annum of copper (average over first ten years)**
Full project capex (100% basis)	**$92m**
Full production	**2011**

The Collahuasi mine in Northern Chile is located at 4,400 metres above sea level (masl). The first phase of a number of potential expansion projects is currently underway at Collahuasi. This phase will increase sulphide processing capacity to 150 kt per day by early 2011. The subsequent phased expansions continue to be evaluated. The operation is in the bottom half of the industry cost curve and has a life of mine of over 30 years.



Strategy and growth
continued

Michiquillay (unapproved)

Overall capex: TBD

Country	Peru
Ownership	**100%**
Total production of mine when project ramps up to full production	**up to 300,000 tonnes of copper per annum**
Full project capex	**TBD**
Full production	**2018**

Michiquillay was acquired in 2007 in a government privatisation. The contract agreed with the government allowed for a 12 month negotiation period with the local communities and in June of last year agreement was reached with the two communities of La Encañada and Michiquillay to advance the project. Environmental and early stage exploration work began in July, however had to be suspended in late 2009 pending resolution of issues currently under discussion with local communities. It is thought the project has the potential to produce 155 ktpa of copper plus significant molybdenum, gold and silver by-products, with expansion potential to 300 ktpa.

Quellaveco (unapproved)

Overall capex: $2,500-3,000m

Country	**Peru**
Ownership	**81.9%**
Total production of mine when project ramps up to full production (100% basis)	**225,000 tonnes per annum of copper (average over first 10 years)**
Full project capex (100% basis)	**$2,500-3,000m**
Full production	**2015**

The greenfield Quellaveco project is located in Southern Peru at 3,500 masl. The project is currently at the feasibility stage, with potential start up in 2014. Production is forecast at 225 ktpa of copper, with molybdenum and silver by-products. Once at full capacity, the operation is expected to be in the lower half of the cost curve. The capital cost of the project is forecast at $2.5-$3.0bn.

Pebble (unapproved)

Overall capex: TBD

Country	**US**
Ownership	**50%**
Total production of mine when project ramps up to full production (100% basis)	**up to 350,000 tonnes per annum of copper, 12 ktpa molybdenum and 600 kozpa gold**
Full project capex	**TBD**
Full production	**TBD**

Pebble is a 50/50 joint venture located in Alaska, USA. The project has the potential to be large scale, producing up to 350 ktpa copper plus significant gold and molybdenum by-products. The operation is expected to be in the lower half of the cost curve once at full production. Work is at the pre-feasibility stage and environmental issues remain a key priority.

Production data

Production (tonnes)	2009	2008	2007	2006	2005
Collahuasi (attributable basis)					
Copper cathode	19,000	21,700	25,600	26,300	26,700
Copper in concentrate	216,800	182,600	173,300	167,300	161,200
Total copper production for Collahuasi	**235,800**	**204,300**	**198,900**	**193,600**	**187,900**
Anglo American Sur					
Los Bronces copper cathode	48,400	45,800	48,300	42,500	38,800
Los Bronces copper in concentrate	190,000	190,000	182,900	183,500	188,500
Total copper production for Los Bronces	**238,400**	**235,800**	**231,200**	**226,000**	**227,300**
El Soldado copper cathode	4,200	6,700	7,500	6,500	6,500
El Soldado copper in concentrate	37,200	43,100	65,300	62,200	60,000
Total copper production for El Soldado	**41,400**	**49,800**	**72,800**	**68,700**	**66,500**
Chagres Smelter					
Copper blister/anode	137,700	146,100	164,100	173,400	138,100
Copper blister/anode (third party)	2,500	1,000	–	–	–
Acid	457,600	486,600	493,400	499,200	371,900
Total copper production from Anglo American Sur[1]	**282,300**	**286,600**	**304,000**	**294,700**	**293,800**
Anglo American Norte					
Mantos Blancos copper cathode	46,200	39,600	48,700	49,100	48,600
Mantos Blancos copper in concentrate	44,000	46,800	40,200	42,600	39,100
Total copper production for Mantos Blancos	**90,200**	**86,400**	**88,900**	**91,700**	**87,700**
Mantoverde – copper cathode	61,500	62,500	61,000	60,300	62,00
Total copper production from Anglo American Norte[1]	**151,700**	**148,900**	**149,900**	**152,000**	**149,700**
Total copper segment copper production	**669,800**	**639,800**	**652,800**	**640,300**	**631,400**

[1] 2009 and 2008 production data includes total concentrate and cathode production and blister/anode produced from third party purchased material.

Ore Reserve and Mineral Resource estimates as at 31 December 2009

Copper

The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. THE MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies.

Copper				Tonnes		Grade		Contained metal	
Ore Reserves	Attributable %	LOM	Classification	2009	2008	2009	2008	2009	2008
Los Bronces (OP)	100	39		Mt	Mt	%Cu	%Cu	kt	kt
Sulphide (TCu)[1]			Proved	797.7	715.4	0.73	0.73	5,823	5,222
Flotation			Probable	849.8	890.7	0.55	0.55	4,674	4,899
			Total	**1,647.5**	**1,606.1**	**0.64**	**0.63**	**10,497**	**10,121**
Sulphide (TCu)[2]			Proved	442.3	303.9	0.36	0.33	1,592	1,003
Dump Leach			Probable	382.0	492.6	0.28	0.22	1,069	1,084
			Total	**824.3**	**796.5**	**0.32**	**0.26**	**2,662**	**2,087**
El Soldado (OP and UG)	100	18				%Cu	%Cu		
Sulphide (TCu)[3]			Proved	79.6	71.2	0.94	1.00	750	712
Flotation			Probable	49.9	44.2	0.76	0.89	381	393
			Total	**129.6**	**115.4**	**0.87**	**0.96**	**1,131**	**1,105**
Oxide (TCu)			Proved	3.0	3.2	0.86	0.89	26	28
Heap Leach			Probable	4.2	2.8	0.54	0.57	23	16
			Total	**7.2**	**6.0**	**0.67**	**0.74**	**48**	**44**
Mantos Blancos (OP)	100	6				%Cu	%Cu		
Sulphide (ICu)			Proved	7.2	12.9	0.88	0.93	63	120
Flotation			Probable	18.8	18.5	0.94	0.94	177	173
			Total	**26.0**	**31.3**	**0.93**	**0.94**	**240**	**293**
Oxide (ASCu)			Proved	3.3	1.4	0.70	0.70	23	10
Vat and Heap Leach			Probable	29.2	37.6	0.43	0.45	126	169
			Total	**32.5**	**39.0**	**0.46**	**0.46**	**149**	**179**
Oxide (ASCu)			Proved	0.9	0.6	0.24	0.24	2	1
Dump Leach			Probable	11.9	11.6	0.25	0.26	30	30
			Total	**12.7**	**12.1**	**0.25**	**0.26**	**32**	**31**
Mantoverde (OP)	100	5				%Cu	%Cu		
Oxide (ASCu)			Proved	37.7	45.6	0.59	0.60	222	273
Heap Leach			Probable	6.6	8.0	0.54	0.54	36	43
			Total	**44.3**	**53.6**	**0.58**	**0.59**	**258**	**317**
Oxide (ASCu)			Proved	17.3	20.9	0.32	0.36	55	75
Dump Leach			Probable	7.0	10.1	0.42	0.39	29	39
			Total	**24.3**	**31.1**	**0.35**	**0.37**	**85**	**115**
Collahuasi (OP)	44.0	33				%Cu	%Cu		
Oxide, Mixed and Secondary Sulphides (TCu)			Proved	0.2	0.2	1.16	1.60	3	4
Heap Leach			Probable	19.3	20.3	0.74	0.77	143	156
			Total	**19.6**	**20.5**	**0.75**	**0.78**	**146**	**160**
Sulphide (TCu)			Proved	322.9	315.4	1.03	0.99	3,326	3,123
Flotation – direct feed			Probable	1,227.7	1,224.1	0.93	0.95	11,417	11,629
			Total	**1,550.6**	**1,539.5**	**0.95**	**0.96**	**14,743**	**14,752**
Low Grade Sulphide (TCu)[4]			Proved	–	–	–	–	–	–
Flotation – stockpile			Probable	615.0	675.1	0.52	0.51	3,198	3,443
			Total	**615.0**	**675.1**	**0.52**	**0.51**	**3,198**	**3,443**

Mining method: OP = Open Pit, UG = Underground. LOM = Life of Mine in years based on scheduled Ore Reserves.
TCu = total copper, ICu = insoluble copper (total copper less acid soluble copper), ASCu = acid soluble copper.
Year on year changes to the Ore Reserves have been driven by changes in the copper price, mining and processing costs and changes to pit slope angles.

(1) **Los Bronces – Sulphide (Flotation):** Changes are due to an increase in the copper price offset against an increase in the flotation cut-off grade.

(2) **Los Bronces – Sulphide (Dump Leach):** The primary change is due to the Sulphide Flotation process which resulted in a transfer of flotation ore to leach ore.

(3) **El Soldado – Sulphide (Flotation):** Changes are due to an increase in the copper price offset against a reduction of copper grades related to an updated resource model and the incorporation of a dilution factor to convert Mineral Resources to Ore Reserves.

(4) **Collahuasi – Low Grade Sulphide:** Decrease is due to an updated resource model.

(5) **Copper Resources:** A test of reasonable eventual economic extraction is applied through consideration of an optimised pit shell. Materials outside the optimised shell that have potential of eventual economic extraction via underground means are included in the Mineral Resource statement. Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(6) **Los Bronces – Sulphide (Flotation):** Changes are due to an increase in the copper price offset against some Mineral Resource to Ore Reserve conversion.

(7) **El Soldado – Sulphide (Flotation):** Decrease due to a reduction in the pit slope angle, an increase in processing costs and a reduction in metallurgical recovery.

(8) **Mantos Blancos – Sulphide (Flotation):** Decrease is due to an increase in mine and process costs and a decrease in overall pit slope angles.

(9) **Mantos Blancos – Oxide (Vat and Heap Leach):** Increase is mainly due to the incorporation of Indicated Resources from Mercedes waste dump (18.4Mt @ 0.28%TCu).

(10) **Mantoverde – Oxide (Heap Leach):** Decrease due to the exclusion of the Kuroki sector (8.6Mt @ 0.78%ASCu) and an increase in the marginal cut-off grade to 0.20%ASCu.

(11) **Collahuasi – Oxide, Mixed and Secondary Sulphides:** Increase due to the incorporation of La Borracha and Dulcinea oxide ore bodies (15.0Mt @ 0.61%TCu).

(12) **Collahuasi – Sulphide:** Increase due to application of a higher copper price.

Audits related to the generation of the Ore Reserve and Mineral Resource statements were carried out by independent consultants during 2009 at the following operations:
Los Bronces, El Soldado, Mantos Blancos and Mantoverde

Copper Mineral Resources	Attributable %	Classification	Tonnes 2009	Tonnes 2008	Grade 2009	Grade 2008	Contained metal 2009	Contained metal 2008
Los Bronces (OP)[5]	100		Mt	Mt	%Cu	%Cu	kt	kt
Sulphide (TCu)[6]		Measured	55.7	110.8	0.43	0.42	240	466
Flotation		Indicated	739.8	1,287.3	0.39	0.42	2,885	5,407
		Measured and Indicated	**795.5**	**1,398.2**	**0.39**	**0.42**	**3,125**	**5,872**
		Inferred (in LOM)	121.0	50.7	0.52	0.46	629	233
		Inferred (ex. LOM)	3,065.0	2,472.0	0.38	0.39	11,647	9,639
		Total Inferred	**3,186.0**	**2,522.7**	**0.39**	**0.39**	**12,276**	**9,872**
Sulphide (TCu)		Measured	–	–	–	–	–	–
Dump Leach		Indicated	–	–	–	–	–	–
		Measured and Indicated	–	–	–	–	–	–
		Inferred (in LOM)	132.0	190.6	0.25	0.18	330	343
		Inferred (ex. LOM)	–	–	–	–	–	–
		Total Inferred	**132.0**	**190.6**	**0.25**	**0.18**	**330**	**343**
El Soldado (OP and UG)[5]	100				%Cu	%Cu		
Sulphide (TCu)[7]		Measured	30.4	45.2	0.72	0.80	219	360
Flotation		Indicated	23.0	20.2	0.65	0.81	150	163
		Measured and Indicated	**53.4**	**65.4**	**0.69**	**0.80**	**368**	**523**
		Inferred (in LOM)	13.1	12.9	0.68	0.77	89	99
		Inferred (ex. LOM)	34.3	70.3	0.60	0.56	206	394
		Total Inferred	**47.4**	**83.2**	**0.62**	**0.59**	**295**	**493**
Oxide (TCu)		Measured	0.2	0.1	0.91	0.67	2	1
Heap Leach		Indicated	0.2	0.1	0.83	0.81	1	1
		Measured and Indicated	**0.4**	**0.3**	**0.88**	**0.75**	**3**	**2**
		Inferred (in LOM)	0.5	0.8	0.80	0.80	4	6
		Inferred (ex. LOM)	0.7	0.7	0.69	0.84	5	6
		Total Inferred	**1.2**	**1.5**	**0.74**	**0.82**	**9**	**13**
Mantos Blancos (OP)[5]	100				%Cu	%Cu		
Sulphide (ICu)[8]		Measured	10.6	14.5	0.68	0.72	72	104
Flotation		Indicated	105.2	112.7	0.68	0.66	715	743
		Measured and Indicated	**115.8**	**127.2**	**0.68**	**0.67**	**788**	**848**
		Inferred (in LOM)	2.0	0.4	0.66	0.77	13	3
		Inferred (ex. LOM)	10.4	14.8	0.55	0.59	57	87
		Total Inferred	**12.4**	**15.2**	**0.57**	**0.59**	**70**	**90**
Oxide (ASCu)[9]		Measured	1.1	0.3	0.56	0.56	6	2
Vat and Heap Leach		Indicated	27.1	9.5	0.37	0.57	100	54
		Measured and Indicated	**28.2**	**9.8**	**0.38**	**0.57**	**106**	**56**
		Inferred (in LOM)	1.3	0.4	0.53	0.56	7	2
		Inferred (ex. LOM)	3.3	1.6	0.58	0.59	19	10
		Total Inferred	**4.7**	**2.1**	**0.57**	**0.58**	**26**	**12**
Oxide (ASCu)		Measured	–	–	–	–	–	–
Dump Leach		Indicated	–	–	–	–	–	–
		Measured and Indicated	–	–	–	–	–	–
		Inferred (in LOM)	1.2	0.3	0.23	0.24	3	1
		Inferred (ex. LOM)	–	–	–	–	–	–
		Total Inferred	**1.2**	**0.3**	**0.23**	**0.24**	**3**	**1**
Mantoverde (OP)[5]	100				%Cu	%Cu		
Oxide (ASCu)[10]		Measured	38.5	51.8	0.35	0.39	135	200
Heap Leach		Indicated	22.9	40.6	0.34	0.39	78	157
		Measured and Indicated	**61.5**	**92.4**	**0.35**	**0.39**	**213**	**357**
		Inferred (in LOM)	0.2	0.2	0.54	0.61	1	1
		Inferred (ex. LOM)	4.4	5.0	0.62	0.53	27	26
		Total Inferred	**4.6**	**5.2**	**0.62**	**0.53**	**28**	**28**
Oxide (ASCu)		Measured	–	–	–	–	–	–
Dump Leach		Indicated	2.7	3.5	0.35	0.32	9	11
		Measured and Indicated	**2.7**	**3.5**	**0.35**	**0.32**	**9**	**11**
		Inferred (in LOM)	0.2	0.3	0.37	0.39	1	1
		Inferred (ex. LOM)	–	–	–	–	–	–
		Total Inferred	**0.2**	**0.3**	**0.37**	**0.39**	**1**	**1**

Ore Reserve and Mineral Resource estimates as at 31 December 2009
continued

Copper Mineral Resources	Attributable %		Classification	Tonnes 2009	Tonnes 2008	Grade 2009	Grade 2008	Contained metal 2009	Contained metal 2008
Collahuasi (OP)[5]	44.0					%Cu	%Cu		
Oxide, Mixed and Secondary Sulphides (TCu)[11]			Measured	–	–	–	–	–	–
Heap Leach			Indicated	18.0	2.0	0.69	1.18	124	24
			Measured and Indicated	**18.0**	**2.0**	**0.69**	**1.18**	**124**	**24**
			Inferred (in LOM)	0.6	0.6	1.09	1.09	7	7
			Inferred (ex. LOM)	1.3	2.3	0.71	0.76	9	17
			Total Inferred	**2.0**	**2.9**	**0.83**	**0.83**	**16**	**24**
Sulphide (TCu)[12]			Measured	1.4	1.4	0.73	0.78	10	11
Flotation – direct feed			Indicated	344.6	289.3	0.86	0.85	2,964	2,459
			Measured and Indicated	**346.0**	**290.7**	**0.86**	**0.85**	**2,974**	**2,470**
			Inferred (in LOM)	252.3	258.9	0.93	0.93	2,346	2,407
			Inferred (ex. LOM)	1,558.6	1,372.0	0.90	0.90	14,027	12,350
			Total Inferred	**1,810.8**	**1,630.9**	**0.90**	**0.90**	**16,373**	**14,757**
Flotation – stockpile			Measured	1.2	1.2	0.48	0.47	6	5
			Indicated	76.0	109.3	0.49	0.50	373	547
			Measured and Indicated	**77.2**	**110.5**	**0.49**	**0.50**	**378**	**552**
			Inferred (in LOM)	62.0	90.0	0.51	0.50	316	450
			Inferred (ex. LOM)	614.0	627.7	0.50	0.50	3,070	3,138
			Total Inferred	**676.0**	**717.7**	**0.50**	**0.50**	**3,386**	**3,588**

Copper Projects Ore Reserves	Attributable %	LOM	Classification	Tonnes 2009	Tonnes 2008	Grade 2009	Grade 2008	Contained metal 2009	Contained metal 2008
Quellaveco (OP)[1]	81.9	28		Mt	Mt	%Cu	%Cu	kt	kt
Sulphide (TCu)			Proved	672.2	253.3	0.61	0.76	4,101	1,925
Flotation			Probable	207.8	636.8	0.76	0.61	1,579	3,885
			Total	**880.0**	**890.1**	**0.65**	**0.65**	**5,680**	**5,810**

Copper Projects Mineral Resources	Attributable %	Classification	Tonnes 2009	Tonnes 2008	Grade 2009	Grade 2008	Contained metal 2009	Contained metal 2008
Quellaveco (OP)[1]	81.9		Mt	Mt	%Cu	%Cu	kt	kt
Sulphide (TCu)		Measured	213.1	1.9	0.44	0.39	937	8
Flotation		Indicated	394.6	193.9	0.45	0.43	1,776	834
		Measured and Indicated	**607.6**	**195.9**	**0.45**	**0.43**	**2,713**	**842**
		Inferred (in LOM)	32.7	21.8	0.72	0.60	235	131
		Inferred (ex. LOM)	77.7	392.7	0.45	0.48	350	1,885
		Total Inferred	**110.4**	**414.5**	**0.53**	**0.49**	**585**	**2,016**
Los Sulfatos[2]	100				%Cu	%Cu		
Sulphide (TCu)		Measured	–	–	–	–	–	–
Flotation		Indicated	–	–	–	–	–	–
		Measured and Indicated	–	–	–	–	–	–
		Inferred	1,200.0	–	1.46	–	17,520	–
Mantoverde Sulphide Project	100				%Cu	%Cu		
Sulphide (TCu)		Measured	1.0	1.2	0.80	0.78	8	9
Flotation		Indicated	50.6	57.1	0.75	0.72	380	411
		Measured and Indicated	**51.7**	**58.2**	**0.75**	**0.72**	**388**	**420**
		Inferred	100.6	111.6	0.69	0.66	694	736
Pebble (OP/UG)[3][4][5][6][7][8]	50.0				%Cu	%Cu		
Cu-Au-Mo Porphyry		Measured[4]	510.0	500.0	0.34	0.34	1,734	1,700
		Indicated[5]	4,890.0	4,120.0	0.46	0.48	22,494	19,776
		Measured and Indicated	**5,400.0**	**4,620.0**	**0.45**	**0.46**	**24,228**	**21,476**
		Inferred[6]	2,840.0	2,270.0	0.32	0.37	9,088	8,399
San Enrique Monolito[9]	100				%Cu	%Cu		
Sulphide (TCu)		Measured	–	–	–	–	–	–
Flotation		Indicated	–	–	–	–	–	–
		Measured and Indicated	–	–	–	–	–	–
		Inferred	900.0	–	0.81	–	7,290	–

Mining method: OP = Open Pit, UG = Underground. LOM = Life of Mine in years based on scheduled Ore Reserves.
Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **Quellaveco:** Resource model has been updated with new drill data. Estimation and classification methodologies have been improved. Increased metal prices and changes to the pit slopes have also resulted in positive changes to the Mineral Resources. Additional drill data have increased confidence in Ore Reserve classification

(2) **Los Sulfatos:** Test of reasonable eventual economic extraction based on an underground operation.

(3) **Pebble:** The Resources are based on drilling to May 2009 and a block model finalised in December 2009. Reported Mineral Resources fall within a volume defined by resource price estimates and are based on a cut-off grade of 0.40% CuEq. Calculation of copper equivalent (CuEq) is based on long-term metal prices and takes into consideration the recovery of copper, gold and molybdenum. At a cut-off of 0.60% CuEq the estimate of Measured Resources is 277Mt at 0.40% Cu, 0.42 g/t Au, 0.020% Mo while the estimate of Indicated Resources is 3,391Mt at 0.56% Cu, 0.41 g/t Au, 0.029% Mo.

(4) **Pebble co-product estimated grades 2009 (Measured):** Gold 0.36g/t, Molybdenum 0.018%. CuEq average grade 0.66%.

(5) **Pebble co-product estimated grades 2009 (Indicated):** Gold 0.36g/t, Molybdenum 0.027%. CuEq average grade 0.85%.

(6) **Pebble co-product estimated grades 2009 (Inferred):** Gold 0.30g/t, Molybdenum 0.026%. CuEq average grade 0.66%.

(7) **Pebble:** Significant changes between 2008 and 2009 Mineral Resources include additional drilling and changes to some of the parameters used for the determination of the reasonable prospects pit (costs, recoveries and pit slope angle). The Resource was also affected by changes to the long term metal prices that impacted on the calculation of the copper equivalent grade.

(8) **Pebble:** The property comprises a continuous block of 1,335 located Alaska State mineral claims which total 98,000 acres (39,659 hectares) and which are currently valid. The claims must be renewed annually before 1 December through the payment of rental fees (approximately US$200,000) and registration of work conducted or payment of cash in lieu (approx. US$250,000). There are no known factors affecting the claims.

(9) **San Enrique Monolito:** Test of reasonable eventual economic extraction based on an underground operation.