1 Mt

OF COPPER PER ANNUM POTENTIAL PRODUCTION THROUGH EXPANSION AT COLLAHUASI

490 ktpa

AVERAGE COPPER PRODUCTION OVER FIRST THREE YEARS AT EXPANDED LOS BRONCES OPERATION

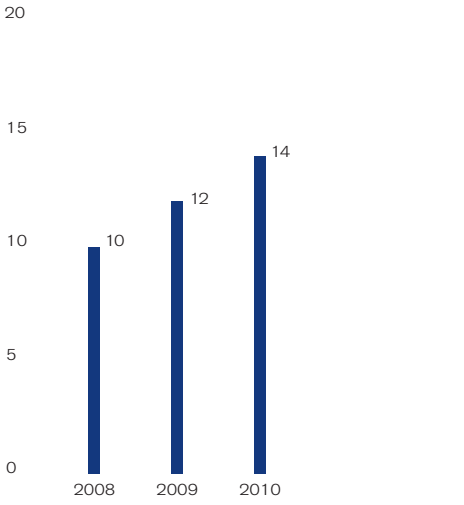
Los Bronces – Plant Operators, Pilar Mendez and Ernesto Chavez in the processing plant over looking the ball mill.

COPPER

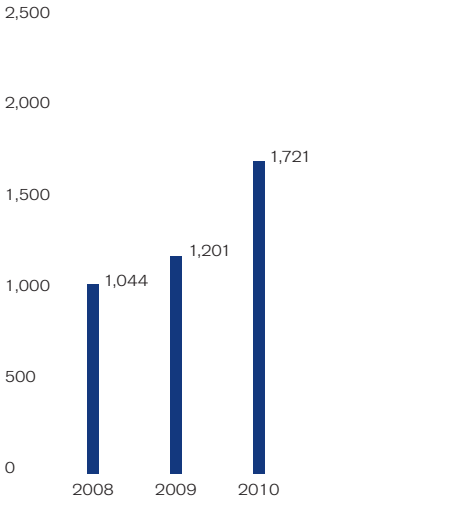
Our copper business has interests in six operations in Chile. These comprise the wholly owned Los Bronces, El Soldado, Mantos Blancos and Mantoverde mines, the Chagres smelter and a 44% interest in the Collahuasi mine.

FINANCIAL HIGHLIGHTS

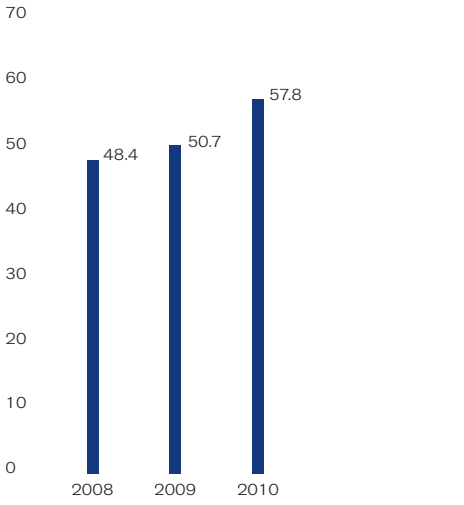
SHARE OF GROUP NET OPERATING ASSETS %



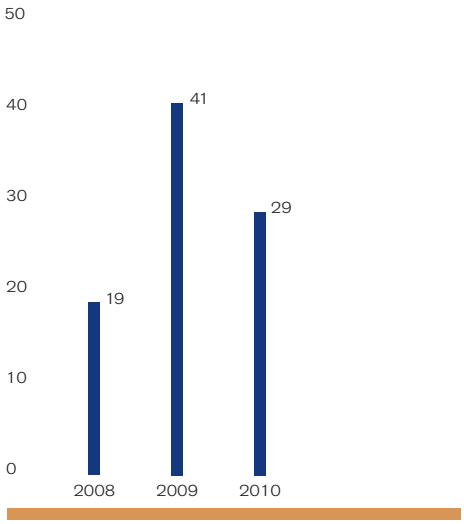
UNDERLYING EARNINGS
$m



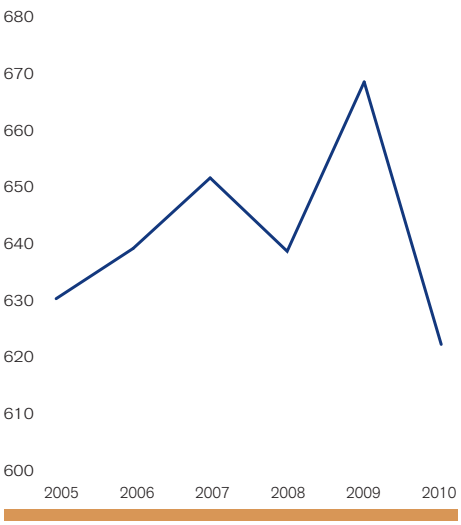
OPERATING MARGIN
%



SHARE OF GROUP OPERATING PROFIT
%



COPPER PRODUCTION FROM COPPER BUSINESS UNIT
000 kt



FINANCIAL DATA

$m	2010	2009	2008
Turnover			
Collahuasi	**1,729**	1,411	1,134
Anglo American Sur	**2,075**	1,723	1,965
Anglo American Norte	**1,073**	833	808
Projects and Corporate	**–**	–	–
Total turnover	**4,877**	**3,967**	**3,907**
EBITDA			
Collahuasi	**1,276**	952	682
Anglo American Sur	**1,263**	994	1,265
Anglo American Norte	**661**	408	288
Projects and Corporate	**(114)**	(100)	(131)
Total EBITDA	**3,086**	**2,254**	**2,104**
Depreciation and amortisation	**269**	**244**	**212**
Operating profit before special items and remeasurements			
Collahuasi	**1,186**	880	613
Anglo American Sur	**1,125**	862	1,157
Anglo American Norte	**624**	369	255
Projects and Corporate	**(118)**	(101)	(133)
Total operating profit before special items and remeasurements	**2,817**	**2,010**	**1,892**
Operating special items and remeasurements	**15**	104	(67)
Operating profit after special items and remeasurements	**2,832**	**2,114**	**1,825**
Net interest, tax and minority interests	**(1,096)**	**(809)**	**(848)**
Underlying earnings			
Collahuasi	**738**	663	367
Anglo American Sur	**685**	444	699
Anglo American Norte	**419**	197	113
Projects and Corporate	**(121)**	(103)	(135)
Total underlying earnings	**1,721**	**1,201**	**1,044**
Net operating assets	**6,291**	**4,763**	**3,148**
Capital expenditure	**1,530**	**1,123**	**808**

At the Los Bronces Confluencia project.

BUSINESS OVERVIEW

INCREASE IN RESERVES AND RESOURCES ANNOUNCED AT COLLAHUASI IN 2010

>40%

GROUP ATTRIBUTABLE COPPER PRODUCTION BY 2012

>900 ktpa

LOS BRONCES EXPECTED MINE LIFE

>30 years

FINANCIAL HIGHLIGHTS

$ million (unless otherwise stated)

	2010	2009
Operating profit	**2,817**	2,010
EBITDA	**3,086**	2,254
Net operating assets	**6,291**	4,763
Capital expenditure	**1,530**	1,123
Share of Group operating profit	**29%**	41%
Share of Group net operating assets	**14%**	12%

OUR COPPER OPERATIONS

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 Project (Peru)

North America

○ 50% Pebble

Key

● Open Pit
○ Other
● Underground

BUSINESS OVERVIEW

We have interests in six copper operations in Chile. The wholly owned operations comprise the Los Bronces, El Soldado, Mantos Blancos and Mantoverde mines as well as the Chagres smelter, while we have a 44% interest in the Collahuasi mine (where the other shareholders are Xstrata with 44%, and a Mitsui consortium holding the balance of 12%). The mines also produce associated by-products such as molybdenum and silver. In addition, we have interests in two projects in Peru (a controlling interest in Quellaveco and Michiquillay) and a 50% interest in the Pebble project in Alaska.

INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

Copper's principal use is in the wire and cable markets because of the metal's electrical conductivity and corrosion resistance. Applications that make use of copper's electrical conductivity, such as wire (including wiring used in buildings), cables and electrical connectors, make up around 60% of total demand. Copper's corrosion-resistant qualities find numerous applications, particularly plumbing pipe and roof sheeting, in the construction industry, which accounts for a further 20% of demand. 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 mining is an attractive industry, with moderate concentration of customers and suppliers, and relatively good average profitability over the long term. Producers are price takers; hence, opportunities for product differentiation are limited, either at the concentrate or metal level. Access to quality orebodies should continue to be the key factor distinguishing project returns and mine profitability.

With no fundamental technological shifts expected in the short to medium term, forecast long term demand is likely to be 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, in the longer term, India, where industrialisation and urbanisation on a huge scale continue to propel copper demand growth, and where copper consumption per capita remains well below that of the advanced economies.

What has really distinguished copper in recent times – as reflected in its strong price performance – has been its underperformance on the supply side, which is supporting more robust fundamentals for the metal. Copper mine output has suffered disproportionately from a range of constraints on output, including a long term decline in ore grades, slow ramp-ups at new projects, strikes, technical failures and adverse weather.

Constraints on the supply side are likely to prove a structural feature of the market, driven by continuing declines in ore grades at maturing existing operations and new projects, a lack of capital investment and under-exploration in the industry, as well as 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, for example in Chile and Peru, is also enforcing the construction of capital- and energy-intensive desalination plants.

Los Bronces – (L to R): Andres Carrion and Yuri Varas in the processing plant at the leaching stage – Copper anodes in the background.

During the period 2000-2008, China increased its share of first-use refined metal consumption from 12% to an estimated 28%. The figure then leapt to 38% in 2009 as demand elsewhere fell sharply, while China's consumption continued to increase strongly. Through 2010, prices trended higher as demand picked up, supply remained constrained, visible inventories continued to decline and the dollar weakened. Anticipation of physically backed copper Exchange Traded Funds (ETFs) is further fuelling the bullish consensus surrounding copper.

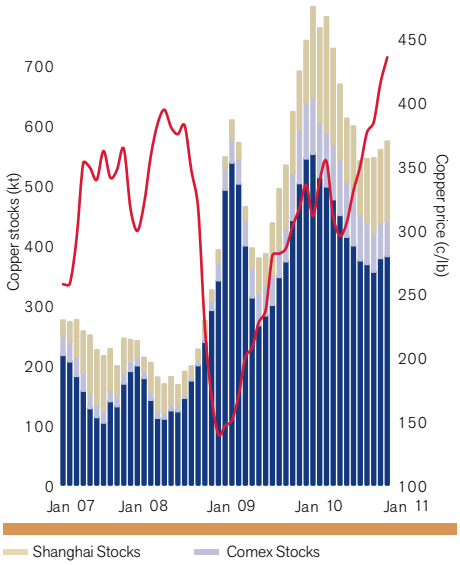
Markets

Average price	2010	2009
Average price (LME cash, c/lb)	**342**	234
Average realised price (c/lb)	**355**	269

Copper prices increased significantly during 2010, particularly during the second half of the year, as demand picked up in the OECD countries and remained relatively robust in China, while supply continued to be constrained, visible inventories fell and the dollar weakened. The emergence of physically backed copper ETFs further fuelled the bullish consensus views.

The LME copper cash price ended 2010 at a (nominal) record of 442 c/lb, a 33% increase over the prior year closing price. The 2010 average price of 342 c/lb represented a 46% increase compared with the previous year. The average realised price for the year was 355 c/lb, 32% higher than for 2009. The lower percentage increase in the realised price versus the average price reflects the lower level of provisional price adjustments in 2010 compared with 2009.

COPPER STOCKS AND PRICE

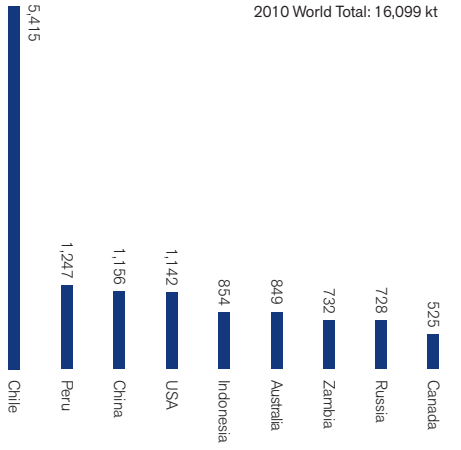


Source: Anglo American Commodity Research

MARKET INFORMATION

LEADING COPPER MINING COUNTRIES
(2010 mine production – '000 tonnes)

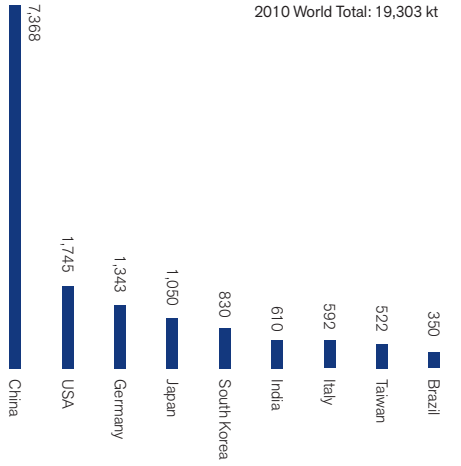
Cu



Source: Brook Hunt, a Wood Mackenzie company

LEADING COPPER CONSUMERS
(2010 refined copper consumption)

Cu



Source: Brook Hunt – a Wood Mackenzie company

GLOBAL COPPER CONSUMPTION
– estimated end use in 2010

%

Construction 33
Electrical products 33
Industrial machinery 13
Transport 13
Consumer products 8

Wire 54
Rods, Bars & Sections 3
Plate, Sheet & Strip 8
Tube 11
Cu Alloys 19
Other 5

Source: Brook Hunt – a Wood Mackenzie company

STRATEGY AND GROWTH

STRATEGY AND GROWTH

Our Los Bronces Development project is on track to deliver first production in the final quarter of 2011, raising our total attributable copper production to more than 900 ktpa by 2012. Additional growth in the short to medium term will come from the Quellaveco project in Peru, and from Collahuasi, where studies are in progress into further expansion following the announcement of a more than 40% increase in reserves and resources. We are continuing work on evaluating the development options for the resources acquired in 2007 at Michiquillay in Peru and Pebble in Alaska, with pre-feasibility studies under way in both projects in 2011.

In Chile, we are conducting extensive exploration around the two high quality copper prospects near Los Bronces at Los Sulfatos and San Enrique Monolito. Supplementing these, in October 2010, we announced a mineral resource estimate of 750 Mt for the West Wall project in Chile's Valparaíso region, in which Anglo American and Xstrata Copper each has a 50% interest.

Projects

The Los Bronces expansion project is on schedule for first production in the fourth quarter of 2011. Production at Los Bronces is scheduled to increase to 490 ktpa over the first three years of full production following project completion and to average 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 and resources that support a mine life of over 30 years, with further expansion potential. Also within the Los Bronces district, work continues on the exploration tunnel being constructed. The tunnel will provide underground drilling access to explore and define the resources at the Los Sulfatos discovery.

Los Bronces – Truck Operators – Fernando Arcaya and Catherine Gonzalez.

At Collahuasi, the expansion project to increase sulphide processing capacity to 150,000 tonnes of ore per day is scheduled to be commissioned in the second half of 2011. The phase 2 expansion project to increase concentrator throughput to 160,000 tonnes of ore per day, an annual average production increment of 20,000 tonnes per year of copper over the estimated life of mine, was approved in March 2011. The expansion is expected to be commissioned in the first half of 2013. In July 2010, Collahuasi announced the increase of its copper reserves and resources by 40%, or by more than 2 billion tonnes, to 7.1 billion tonnes at 0.82% copper. The concept study to evaluate the next phase of expansion is complete, and the project is now entering pre-feasibility to evaluate the options to take Collahuasi to potentially 1 Mt of copper per annum.

Studies continue at both Mantos Blancos and Mantoverde to evaluate further extensions to the lives of the operations. During 2010, the life of Mantos Blancos was extended by five years to 2020, and Mantoverde by two years to 2016.

In Peru, the feasibility study for the Quellaveco project is complete. It is the intention to submit the project for Board approval during 2011 once the necessary water permits have been awarded. Some early works activity is under way in order to maintain the project completion date of late 2014. Also in Peru, early-stage work continues at the Michiquillay project. The drilling relating to the geological exploration programme will restart once certain social agreement issues under discussion with the local communities have been resolved. It is currently envisaged that the project will move to the pre-feasibility stage once drilling analysis and orebody modelling have been satisfactorily completed.

Activity at the Pebble project in Alaska continued during 2010, with the focus on engineering work to advance towards a pre-feasibility study, further environmental study work towards completion of an environmental baseline document, and additional geological exploration drilling. The project's pre-feasibility study is expected to be completed in 2012.

PROJECT PIPELINE – KEY PROJECTS

LOS BRONCES EXPANSION

Overall capex: $2,800m

Country	Chile
Ownership	100%
Incremental production	278,000 tonnes per annum of copper (average over first three years)
Full project capex	$2,800m
Full production	Q3 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 4.4 km conveyor belt, together with a 52 km 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.

The expected capital expenditure for the project has been revised to $2.8 billion, mainly due to the impact of the earthquake in 2010 and geotechnical difficulties encountered.

COLLAHUASI PHASE 1 AND 2

Overall capex: $92m and $210m

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 and $210m respectively
Full production	2011 and 2013 respectively

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 due for completion in mid-2011. Phase 1 will increase sulphide processing capacity to 150kt per day. The Phase 2 expansion project to increase sulphide processing capacity to 160 kt per day was approved in March 2011. The Phase 2 expansion will produce an annual average increment of 20,000 tonnes of copper over the estimated life of the mine and is expected to be commissioned in the first half of 2013. The operation is in the bottom half of the industry cost curve and has a life of mine of over 30 years.

MICHIQUILLAY (UNAPPROVED)

Overall capex: TBD

Country Peru	Michiquillay was acquired in 2007 in a government privatisation. Early stage work continues. The drilling relating to the geological exploration programme will restart once certain social agreement issues under discussion with the local community have been resolved. It is currently envisaged that the project will move to the pre-feasibility stage once drilling analysis and ore body modelling have been satisfactorily completed.
Ownership 100%	
Total production of mine when project ramps up to full production 155,000 tonnes per annum of copper (with expansion potential to 300 ktpa)	
Full project capex TBD	
Full production 2019	

QUELLAVECO (UNAPPROVED)

Overall capex: $3,000m

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

PEBBLE (UNAPPROVED)

Overall capex: TBD

Country US	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 which is expected to be completed in 2012. Environmental issues remain a key priority.
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	

PRODUCTION DATA

Production (tonnes)	2010	2009	2008	2007	2006
Collahuasi (attributable basis)					
Copper cathode	**17,100**	19,000	21,700	25,600	26,300
Copper in concentrate	**204,700**	216,800	182,600	173,300	167,300
Total copper production for Collahuasi	**221,800**	**235,800**	**204,300**	**198,900**	**193,600**
Anglo American Sur					
Los Bronces copper cathode	**42,600**	45,500	43,700	46,400	42,500
Los Bronces copper in sulphate	**4,100**	2,900	2,100	1,900	–
Los Bronces copper in concentrate	**174,700**	190,000	190,000	182,900	183,500
Total copper production for Los Bronces	**221,400**	**238,400**	**235,800**	**231,200**	**226,000**
El Soldado copper cathode	**4,700**	4,200	6,700	7,500	6,500
El Soldado copper in concentrate	**35,700**	37,200	43,100	65,300	62,200
Total copper production for El Soldado	**40,400**	**41,400**	**49,800**	**72,800**	**68,700**
Chagres Smelter					
Copper blister/anode	**137,900**	137,700	146,100	164,100	173,400
Copper blister/anode (third party)	**–**	2,500	1,000	–	–
Acid	**466,700**	457,600	486,600	493,400	499,200
Total copper production from Anglo American Sur[1]	**261,800**	**282,300**	**286,600**	**304,000**	**294,700**
Anglo American Norte					
Mantos Blancos copper cathode	**39,100**	46,200	39,600	48,700	49,100
Mantos Blancos copper in concentrate	**39,500**	44,000	46,800	40,200	42,600
Total copper production for Mantos Blancos	**78,600**	**90,200**	**86,400**	**88,900**	**91,700**
Mantoverde – copper cathode	**61,100**	61,500	62,500	61,000	60,300
Total copper production from Anglo American Norte[1]	**139,700**	**151,700**	**148,900**	**149,900**	**152,000**
Total Copper segment copper production	**623,300**	**669,800**	**639,800**	**652,800**	**640,300**

[1]Includes total concentrate, cathode and copper in sulphate production and blister/anode produced from third party.

Los Bronces – Jorge Reyes, Engineer and Juan Saez R, Engineer amongst the contractors working at the Los Bronces Confluencia project.

COPPER

estimates as at 31 December 2010

COPPER

The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. 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 ORE RESERVES	Attributable %	LOM	Classification	Tonnes 2010	Tonnes 2009	Grade 2010	Grade 2009	Contained metal 2010	Contained metal 2009
Los Bronces (OP)[1]	100	34		Mt	Mt	%Cu	%Cu	kt	kt
Sulphide (TCu)			Proved	712.9	797.7	0.73	0.73	5,205	5,823
Flotation[2]			Probable	794.5	849.8	0.55	0.55	4,370	4,674
			Total	**1,507.4**	**1,647.5**	**0.64**	**0.64**	**9,575**	**10,497**
Sulphide (TCu)			Proved	384.4	442.3	0.37	0.36	1,421	1,592
Dump Leach[3]			Probable	350.1	382.0	0.29	0.28	1,015	1,069
			Total	**734.5**	**824.3**	**0.33**	**0.32**	**2,436**	**2,662**
El Soldado (OP and UG)	100	20				%Cu	%Cu		
Sulphide (TCu)			Proved	84.2	79.6	1.00	0.94	843	750
Flotation[4]			Probable	52.4	49.9	0.83	0.76	433	381
			Total	**136.6**	**129.6**	**0.93**	**0.87**	**1,276**	**1,131**
Oxide (TCu)			Proved	1.9	3.0	0.81	0.86	16	26
Heap Leach[5]			Probable	3.5	4.2	0.52	0.54	18	23
			Total	**5.4**	**7.2**	**0.62**	**0.67**	**33**	**48**
Mantos Blancos (OP)	100	10				%Cu	%Cu		
Sulphide (ICu)			Proved	16.2	7.2	0.88	0.88	143	63
Flotation[6]			Probable	29.6	18.8	0.84	0.94	249	177
			Total	**45.8**	**26.0**	**0.85**	**0.93**	**392**	**240**
Oxide (ASCu)			Proved	6.2	3.3	0.53	0.70	33	23
Vat and Heap Leach[7]			Probable	15.6	29.2	0.30	0.43	47	126
			Total	**21.8**	**32.5**	**0.37**	**0.46**	**80**	**149**
Oxide (ASCu)			Proved	2.3	0.9	0.19	0.24	4	2
Dump Leach[8]			Probable	57.2	11.9	0.23	0.25	134	30
			Total	**59.5**	**12.7**	**0.23**	**0.25**	**138**	**32**
Mantoverde (OP)	100	6				%Cu	%Cu		
Oxide (ASCu)			Proved	36.5	37.7	0.57	0.59	208	222
Heap Leach[9]			Probable	15.3	6.6	0.55	0.54	84	36
			Total	**51.8**	**44.3**	**0.56**	**0.58**	**292**	**258**
Oxide (ASCu)			Proved	29.1	17.3	0.24	0.32	70	55
Dump Leach[10]			Probable	22.1	7.0	0.28	0.42	62	29
			Total	**51.2**	**24.3**	**0.26**	**0.35**	**132**	**85**
Collahuasi (OP)[11]	44.0	60				%Cu	%Cu		
Oxide and Mixed (TCu)[12]			Proved	0.1	0.2	1.66	1.16	2	3
Heap Leach			Probable	29.3	19.3	0.66	0.74	193	143
			Total	**29.4**	**19.6**	**0.66**	**0.75**	**195**	**146**
Sulphide (TCu)			Proved	286.6	322.9	1.04	1.03	2,985	3,326
Flotation – direct feed			Probable	1,366.8	1,227.7	0.95	0.93	12,968	11,417
			Total	**1,653.4**	**1,550.6**	**0.96**	**0.95**	**15,952**	**14,743**
Low Grade Sulphide (TCu)			Proved	–	–	–	–	–	–
Flotation – stockpile			Probable	775.9	615.0	0.51	0.52	3,924	3,198
			Total	**775.9**	**615.0**	**0.51**	**0.52**	**3,924**	**3,198**

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.

(1) **Los Bronces :** The sub-product estimated grade for molybdenum is 0.014% for the total Ore Reserves quoted, while the average estimated grade for Mineral Resources is 0.007%.
(2) **Los Bronces – Sulphide (Flotation):** The decrease in Ore Reserves is the result of changes to the pit design, in response to restrictions imposed by mining permits, as well as variable changes to slope angles driven by geotechnical and operational considerations. This subsequently resulted in material being re-allocated from Ore Reserves to Mineral Resources.
(3) **Los Bronces – Sulphide (Dump Leach):** Both Ore Reserves and Mineral Resources were reduced based on a change in the modelled sulphate boundary due to new information.
(4) **El Soldado – Sulphide (Flotation):** The gain in Ore Reserves was primarily driven by the increase in copper price, adding phase 6 to the 'Filo' area of the mine. The decrease in Mineral Resources was driven by the conversion of Mineral Resources to Ore Reserves.
(5) **El Soldado – Oxide (Heap Leach):** The decrease in Ore Reserves is primarily due to production with transfer of 'mixed' oxide material to the sulphide process contributing to the rest of the decrease.
(6) **Mantos Blancos – Sulphide (Flotation):** The increase was primarily due to the addition of Phase 17 resulting from benefits associated with higher metal prices and stripping benefit associated with the development of the Mercedes Dump Leach project.
(7) **Mantos Blancos – Oxide (Vat and Heap Leach):** The decrease in Ore Reserves is predominantly a result of production depletion and a change in the cut-off grade strategy driven by costs. The decrease in Mineral Resources was driven by conversion of Mineral Resources to Ore Reserves in the Mercedes Dump Leach project area.
(8) **Mantos Blancos – Oxide (Dump Leach):** The increase in Ore Reserves was driven by the conversion of Mineral Resources from the Mercedes Dump Leach area and the change in the life-of-mine plan to re-process old Vat and Heap-Leach tailings. The increase in Mineral Resources was based on new material introduced from the phase II area of the Mercedes Dump.
(9) **Mantoverde – Oxide (Heap Leach):** The increase in Ore Reserves was due to new mine designs driven by higher copper prices, lowering of the cut-off grades and a reduction in the carbonate restriction for Heap material, resulting in the addition of several new phases and satellite pits. The decrease in Mineral Resources was primarily due to conversion to Ore Reserves.
(10) **Mantoverde – Oxide (Dump Leach):** The significant increase in Ore Reserves is a result of new pit designs driven by higher copper prices in conjunction with lower cut-off grades supported by operational performance. The decrease in Mineral Resources was primarily due to conversion to Ore Reserves.
(11) **Collahuasi:** The increase in Ore Reserves was primarily driven by the increase in metal prices coupled with new drilling information (Rosario) and the lowering of the breakeven cut-off grade for sulphide ore feed (0.4% to 0.34%TCu). Significant increases in sulphide Mineral Resources were due to new drilling information (Rosario West) as a primary factor and higher metal prices coupled with the change in cut-off grade as a secondary factor. The sub-product estimated grade for molybdenum is 0.022% for Ore Reserves, while the average estimated grade for Mineral Resources is 0.024%.
(12) **Collahuasi – Oxide and Mixed:** Increase in Oxide reserves was driven by higher metal prices and new drilling information from the Dulcinea and La Borracha pits. The previously reported Secondary Sulphides have been re-allocated to Mineral Deposit due to uneconomic metallurgical recoveries.
(13) **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.

Audits related to the generation of the Ore Reserve and Mineral Resource statements were carried out by independent consultants during 2010 at the following operations:
Los Bronces, El Soldado, Mantos Blancos, Mantoverde and Collahuasi.

COPPER continued

estimates as at 31 December 2010

Copper – Operations MINERAL RESOURCES	Attributable %	Classification	Tonnes 2010	Tonnes 2009	Grade 2010	Grade 2009	Contained metal 2010	Contained metal 2009
Los Bronces (OP)[1][13]	100		Mt	Mt	%Cu	%Cu	kt	kt
Sulphide (TCu)		Measured	118.2	55.7	0.48	0.43	567	240
Flotation[2]		Indicated	1,030.0	739.8	0.42	0.39	4,326	2,885
		Measured and Indicated	**1,148.1**	**795.5**	**0.43**	**0.39**	**4,893**	**3,125**
		Inferred (in LOM)	68.0	121.0	0.54	0.52	367	629
		Inferred (ex. LOM)	2,853.4	3,065.0	0.38	0.38	10,843	11,647
		Total Inferred	**2,921.4**	**3,186.0**	**0.38**	**0.39**	**11,210**	**12,276**
Sulphide (TCu)		Measured	–	–	–	–	–	–
Dump Leach[3]		Indicated	–	–	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**	**–**	**–**
		Inferred (in LOM)	108.4	132.0	0.26	0.25	282	330
		Inferred (ex. LOM)	–	–	–	–	–	–
		Total Inferred	**108.4**	**132.0**	**0.26**	**0.25**	**282**	**330**
El Soldado (OP and UG)[13]	100				%Cu	%Cu		
Sulphide (TCu)		Measured	27.8	30.4	0.73	0.72	203	219
Flotation[4]		Indicated	17.0	23.0	0.67	0.65	114	150
		Measured and Indicated	**44.8**	**53.4**	**0.71**	**0.69**	**317**	**368**
		Inferred (in LOM)	17.5	13.1	0.81	0.68	142	89
		Inferred (ex. LOM)	22.3	34.3	0.61	0.60	136	206
		Total Inferred	**39.8**	**47.4**	**0.70**	**0.62**	**278**	**295**
Oxide (TCu)		Measured	0.3	0.2	0.82	0.91	2	2
Heap Leach[5]		Indicated	0.2	0.2	0.78	0.83	2	1
		Measured and Indicated	**0.5**	**0.4**	**0.80**	**0.88**	**4**	**3**
		Inferred (in LOM)	0.2	0.5	0.66	0.80	1	4
		Inferred (ex. LOM)	0.5	0.7	0.74	0.69	3	5
		Total Inferred	**0.7**	**1.2**	**0.72**	**0.74**	**5**	**9**
Mantos Blancos (OP)[13]	100				%Cu	%Cu		
Sulphide (ICu)		Measured	16.4	10.6	0.75	0.68	123	72
Flotation[6]		Indicated	101.8	105.2	0.63	0.68	642	715
		Measured and Indicated	**118.2**	**115.8**	**0.65**	**0.68**	**765**	**788**
		Inferred (in LOM)	0.8	2.0	0.78	0.66	6	13
		Inferred (ex. LOM)	8.3	10.4	0.57	0.55	47	57
		Total Inferred	**9.1**	**12.4**	**0.59**	**0.57**	**53**	**70**
Oxide (ASCu)		Measured	5.8	1.1	0.43	0.56	25	6
Vat and Heap Leach[7]		Indicated	16.6	27.1	0.42	0.37	70	100
		Measured and Indicated	**22.4**	**28.2**	**0.42**	**0.38**	**95**	**106**
		Inferred (in LOM)	0.6	1.3	0.38	0.53	2	7
		Inferred (ex. LOM)	3.5	3.3	0.44	0.58	15	19
		Total Inferred	**4.1**	**4.7**	**0.43**	**0.57**	**18**	**26**
Oxide (ASCu)		Measured	–	–	–	–	–	–
Dump Leach[8]		Indicated	–	–	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**	**–**	**–**
		Inferred (in LOM)	0.3	1.2	0.17	0.23	1	3
		Inferred (ex. LOM)	13.0	–	0.24	–	31	–
		Total Inferred	**13.3**	**1.2**	**0.24**	**0.23**	**32**	**3**
Mantoverde (OP)[13]	100				%Cu	%Cu		
Oxide (ASCu)		Measured	22.3	38.5	0.33	0.35	74	135
Heap Leach[9]		Indicated	25.8	22.9	0.35	0.34	90	78
		Measured and Indicated	**48.1**	**61.5**	**0.34**	**0.35**	**164**	**213**
		Inferred (in LOM)	0.7	0.2	0.50	0.54	3	1
		Inferred (ex. LOM)	2.5	4.4	0.31	0.62	8	27
		Total Inferred	**3.2**	**4.6**	**0.35**	**0.62**	**11**	**28**
Oxide (ASCu)		Measured	–	–	–	–	–	–
Dump Leach[10]		Indicated	–	2.7	–	0.35	–	9
		Measured and Indicated	**–**	**2.7**	**–**	**0.35**	**–**	**9**
		Inferred (in LOM)	2.3	0.2	0.22	0.37	5	1
		Inferred (ex. LOM)	–	–	–	–	–	–
		Total Inferred	**2.3**	**0.2**	**0.22**	**0.37**	**5**	**1**
Collahuasi (OP)[11][13]	44.0				%Cu	%Cu		
Oxide and Mixed (TCu)[12]		Measured	–	–	–	–	–	–
Heap Leach		Indicated	10.5	18.0	0.61	0.69	64	124
		Measured and Indicated	**10.5**	**18.0**	**0.61**	**0.69**	**64**	**124**
		Inferred (in LOM)	10.2	0.6	0.84	1.09	86	7
		Inferred (ex. LOM)	9.4	1.3	0.72	0.71	68	9
		Total Inferred	**19.7**	**2.0**	**0.78**	**0.83**	**153**	**16**
Sulphide (TCu)		Measured	2.6	1.4	0.75	0.73	19	10
Flotation – direct feed		Indicated	411.2	344.6	0.92	0.86	3,787	2,964
		Measured and Indicated	**413.8**	**346.0**	**0.92**	**0.86**	**3,806**	**2,974**
		Inferred (in LOM)	567.7	252.3	0.99	0.93	5,602	2,346
		Inferred (ex. LOM)	2,329.8	1,558.6	0.93	0.90	21,736	14,027
		Total Inferred	**2,897.5**	**1,810.8**	**0.94**	**0.90**	**27,338**	**16,373**
Low Grade Sulphide (TCu)		Measured	3.7	1.2	0.45	0.48	17	6
Flotation – stockpile		Indicated	151.1	76.0	0.47	0.49	703	373
		Measured and Indicated	**154.7**	**77.2**	**0.47**	**0.49**	**720**	**378**
		Inferred (in LOM)	234.4	62.0	0.49	0.51	1,153	316
		Inferred (ex. LOM)	909.8	614.0	0.47	0.50	4,273	3,070
		Total Inferred	**1,144.2**	**676.0**	**0.47**	**0.50**	**5,426**	**3,386**

THE MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Copper – Projects ORE RESERVES	Attributable %	LOM	Classification	Tonnes 2010	Tonnes 2009	Grade 2010	Grade 2009	Contained metal 2010	Contained metal 2009
Quellaveco (OP)[1]	81.9	28		Mt	Mt	%Cu	%Cu	kt	kt
Sulphide (TCu)			Proved	701.8	672.2	0.65	0.61	4,562	4,096
Flotation			Probable	214.6	207.8	0.63	0.76	1,352	1,572
			Total	**916.4**	**880.0**	**0.65**	**0.64**	**5,914**	**5,668**

Copper – Projects MINERAL RESOURCES	Attributable %	Classification	Tonnes 2010	Tonnes 2009	Grade 2010	Grade 2009	Contained metal 2010	Contained metal 2009
Quellaveco (OP)[1]	81.9		Mt	Mt	%Cu	%Cu	kt	kt
Sulphide (TCu)		Measured	196.8	213.1	0.40	0.44	787	937
Flotation		Indicated	627.0	394.6	0.45	0.45	2,822	1,776
		Measured and Indicated	**823.8**	**607.6**	**0.44**	**0.45**	**3,609**	**2,713**
		Inferred (in LOM)	8.1	32.7	0.72	0.72	58	235
		Inferred (ex. LOM)	174.9	77.7	0.44	0.45	770	350
		Total Inferred	**183.0**	**110.4**	**0.45**	**0.53**	**828**	**585**
Mantoverde Sulphide Project[2]	100				%Cu	%Cu		
Sulphide (TCu)		Measured	81.1	1.0	0.68	0.80	552	8
Flotation		Indicated	37.8	50.6	0.68	0.75	257	380
		Measured and Indicated	**119.0**	**51.7**	**0.68**	**0.75**	**809**	**388**
		Inferred	53.1	100.6	0.64	0.69	340	694
Pebble (OP/UG)[3][4][5][6][7]	50.0				%Cu	%Cu		
Cu-Au-Mo Porphyry		Measured[4]	510.0	510.0	0.34	0.34	1,734	1,734
		Indicated[5]	4,890.0	4,890.0	0.46	0.46	22,494	22,494
		Measured and Indicated	**5,400.0**	**5,400.0**	**0.45**	**0.45**	**24,228**	**24,228**
		Inferred[6]	2,840.0	2,840.0	0.32	0.32	9,088	9,088
Los Sulfatos[8]	100				%Cu	%Cu		
Sulphide (TCu)		Inferred	1,200	1,200	1.46	1.46	17,520	17,520
San Enrique Monolito[9]	100				%Cu	%Cu		
Sulphide (TCu)		Inferred	900	900	0.81	0.81	7,290	7,290
West Wall[10]	50.0				%Cu	%Cu		
Sulphide (TCu)		Inferred	750	–	0.54	–	4,050	–

THE MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

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:** New drilling information resulted in improvements in the proportion of Proven and Probable Ore Reserves. While there was no significant increase in Ore Reserves, the use of higher metal prices for the determination of the resource pit resulted in a significant increase in Mineral Resources. The sub-product estimated grade for molybdenum is 0.019% for Ore Reserves, while the average estimated grade for Mineral Resources is 0.016%. Due to a rounding error on average grades reported in 2009, a correction of -12kt in contained metal was necessary for the 2009 Ore Reserves. This resulted in a small change in the average grade reported for 2009 Ore Reserves from 0.65% to 0.64%(TCu).

(2) **Mantoverde Sulphide Project:** New drilling information significantly improved the proportion of Measured and Indicated category material, while a change in the copper price also increased the overall volume of Mineral Resources.

(3) **Pebble:** The Mineral 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 2010 (Measured):** Gold 0.36g/t, Molybdenum 0.018%. CuEq average grade 0.66%.

(5) **Pebble co-product estimated grades 2010 (Indicated):** Gold 0.36g/t, Molybdenum 0.027%. CuEq average grade 0.85%.

(6) **Pebble co-product estimated grades 2010 (Inferred):** Gold 0.30g/t, Molybdenum 0.026%. CuEq average grade 0.66%.

(7) **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. There are no known factors affecting the claims.

(8) **Los Sulfatos:** The 2010 work programme focused on development of Tunel Sur, an 8km tunnel that will provide underground access for resource drilling. Drilling is planned to commence during 2012. The test for reasonable prospects of eventual economic extraction is based on an underground operation.

(9) **San Enrique Monolito:** Exploration drilling during 2010 focused on the confirmation of extension at depth for the underground resource. The test for reasonable prospects of eventual economic extraction is based on an underground operation.

(10) **West Wall:** Exploration in 2010 focused on in-fill drilling of the Lagunillas sector of the project. The test for reasonable prospects of eventual economic extraction is based on an open pit operation to a depth of 600m below surface.

Audits related to the generation of the Ore Reserve and Mineral Resource statements were carried out by independent consultants during 2010 at the following projects:
Quellaveco, Mantoverde Sulphide Project and Pebble.