COPPER

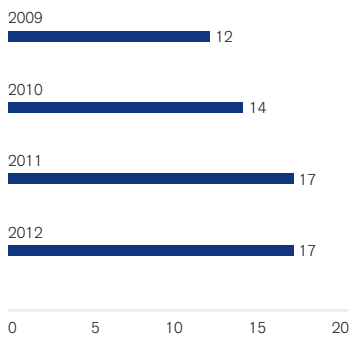
Anglo American has interests in six copper operations in Chile. These comprise of the 50.1% in Anglo American Sur, the 100% owned Mantos Blancos and Mantoverde mines and a 44% interest in the Collahuasi mine.

Copper is used mainly in wire and cable, brass, tubing and pipes, air conditioning and refrigeration.

FINANCIAL HIGHLIGHTS

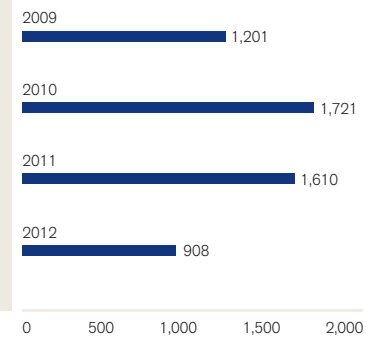
Share of Group net operating assets

%



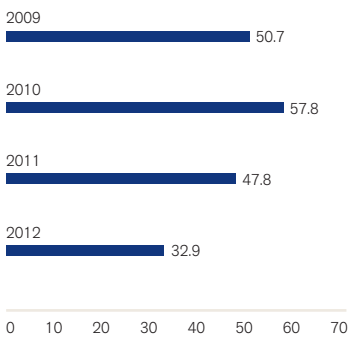
Underlying earnings

$ m



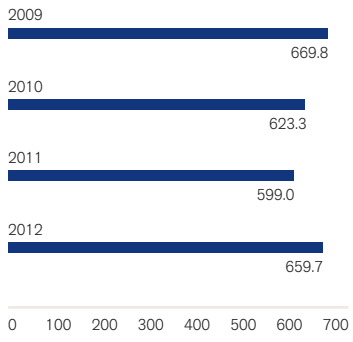
Operating margin

%



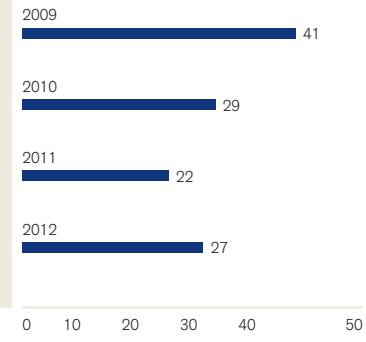
Copper production from Copper business unit

'000 kt



Share of Group operating profit

%



FINANCIAL DATA

$ million	2012	2011	2010	2009
Turnover				
Collahuasi	**1,002**	1,688	1,729	1,411
Anglo American Sur	**3,186**	2,320	2,075	1,723
Anglo American Norte	**934**	1,136	1,073	833
Projects and Corporate	**–**	–	–	–
Total turnover	**5,122**	**5,144**	**4,877**	**3,967**
EBITDA				
Collahuasi	**451**	1,071	1,276	952
Anglo American Sur	**1,686**	1,283	1,263	994
Anglo American Norte	**336**	665	661	408
Projects and Corporate	**(294)**	(269)	(114)	(100)
Total EBITDA	**2,179**	**2,750**	**3,086**	**2,254**
Depreciation and amortisation	**492**	**289**	**269**	**244**
Operating profit before special items and remeasurements				
Collahuasi	**324**	957	1,186	880
Anglo American Sur	**1,369**	1,126	1,125	862
Anglo American Norte	**288**	629	624	369
Projects and Corporate	**(294)**	(269)	(118)	(101)
Total operating profit before special items and remeasurements	**1,687**	**2,461**	**2,817**	**2,010**
Operating special items and remeasurements	**9**	(1)	15	104
Operating profit after special items and remeasurements	**1,696**	**2,460**	**2,832**	**2,114**
Net interest, tax and non-controlling interests	**(779)**	**(851)**	**(1,096)**	**(809)**
Underlying earnings				
Collahuasi	**230**	601	738	663
Anglo American Sur	**675**	784	685	444
Anglo American Norte	**237**	470	419	197
Projects and Corporate	**(234)**	(245)	(121)	(103)
Total underlying earnings	**908**	**1,610**	**1,721**	**1,201**
Net operating assets	**8,536**	**7,643**	**6,291**	**4,763**
Capital expenditure	**996**	**1,570**	**1,530**	**1,123**

BUSINESS OVERVIEW

UNDERLYING OPERATING PROFIT
(2011: $2,461m)

$1,687m

SHARE OF GROUP UNDERLYING OPERATING PROFIT
(2011: 22%)

27%

UNDERLYING EBITDA
(2011: $2,750 m)

$2,179m

Key financial and non-financial performance indicators

$ million (unless otherwise stated)	2012	2011
Underlying operating profit	**1,687**	2,461
Underlying EBITDA	**2,179**	2,750
Net operating assets	**8,536**	7,643
Capital expenditure	**996**	1,570
Share of Group underlying operating profit	**27%**	22%
Share of Group net operating assets	**17%**	17%

Non-financial indicators	2012	2011
Number of fatal injuries	**0**	1
Lost-time injury frequency rate	**0.20**	0.19
Total energy consumed in 1,000 GJ	**15,559**	12,887
Total greenhouse gas emissions in 1,000 tonnes CO_2e	**1,601**	1,467
Total water used for primary activities in 1,000 m^3	**35,667**	28,701

We have interests in six copper operations in Chile. The Mantos Blancos and Mantoverde mines are wholly owned and we hold a 50.1% interest in Anglo American Sur (AA Sur), which includes the Los Bronces and El Soldado mines and the Chagres smelter. We also have a 44% shareholding in the Collahuasi mine. The mines produce a combination of copper in concentrate and copper cathode together with associated by-products such as molybdenum and silver.

In addition, we have a controlling interest in the Quellaveco (81.9%) and Michiquillay (100%) projects in Peru and a 50% interest in the Pebble project in Alaska.

On 24 August 2012, Anglo American completed the disposal of 25.4% of AA Sur, to a Codelco and Mitsui joint venture company for a cash consideration of $1.9 billion. As part of this transaction, all litigation between Anglo American and Codelco has been terminated. The agreement demonstrates our focus on delivering value to shareholders. We remain fully committed to our major inward investment programme in the Chilean business and to continuing our significant social and community investment commitments in Chile.

In September 2011, we announced our participation in a sales process to dispose of our effective 16.8% interest in Palabora Mining Company in South Africa. On 11 December 2012, we reached an agreement to sell our interest for ZAR893 million (approximately $103 million), subject to regulatory approvals in South Africa and China which are expected to take four to six months.

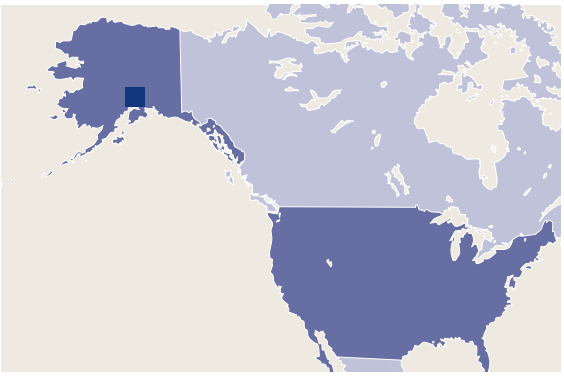
OUR COPPER OPERATIONS

Key
- Open cut
- Other

South America

1	44%	Collahuasi (Chile)
2	50.1%	Los Bronces (Chile)
3	50.1%	El Soldado (Chile)
4	50.1%	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 project

INDUSTRY OVERVIEW

Copper's principal use is in the wire and cable markets because of the metal's electrical conductivity and corrosion resistance properties. Applications that make use of copper's electrical conductivity, such as wire (including the wiring used in buildings), cables and electrical connectors, account for approximately 60% of total global demand. The metal's corrosion-resistant properties 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 approximately 10% of total demand. Other applications include structural and aesthetic uses.

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 early-stage industrialisation and urbanisation on a large scale continues to drive copper demand growth.

During the period 2000–2011, China increased its share of first-use refined metal consumption from 12% to an estimated 39%. Consumption continued to increase in 2012, while demand elsewhere fell in aggregate for the second year running, moving China's share of refined demand above 40%.

Access to quality orebodies, located in regions providing stable political, social and regulatory support for responsible and sustainable mining, is likely to continue to be the key factor distinguishing project returns and mine profitability. However, such orebodies are scarce, and it will be increasingly necessary for mining companies to develop mines in more challenging regions.

In spite of near term supply growth that could well be noticeably above that of the past six or seven years, constraints on the supply side are likely to prove a structural feature of the market. This will be driven by continuing declines in ore grades at maturing existing operations and at new projects, a lack of capital investment and under-exploration in the industry, as well as political and environmental challenges in many current and prospective copper areas.

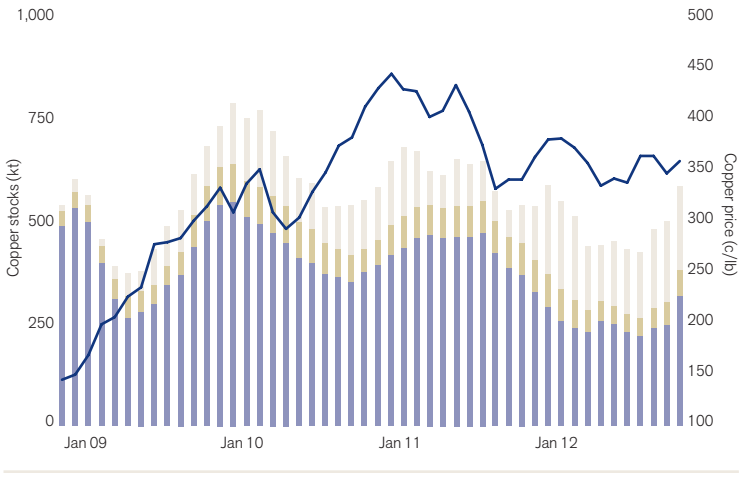
The industry is capital-intensive and is likely to become more so as high grade surface deposits are exhausted and deeper and/or lower grade deposits are developed in more challenging locations. Combined with the need to develop infrastructure in new geographies, this requires greater economies of scale if mines are to be commercially viable. Scarcity of water in some countries, such as Chile and Peru, is also necessitating the construction of capital- and energy-intensive desalination plants.

Markets

Average price	2012	2011
Average market prices (c/lb)	**361**	400
Average realised prices (c/lb)	**364**	378

The copper price rose in the early part of 2012, from 343 c/lb at the start of the year to 387 c/lb by May. As Europe's sovereign debt crisis took hold and Chinese economic growth slowed, concerns grew over the outlook for the world economy and the price softened into the second half of the year. Despite an environment of macroeconomic uncertainty, which continues to impact demand, the price recovered in September 2012 on the back of supply-side shortfalls, and ended the year at 359 c/lb. For the 2012 full year, the realised price averaged 364 c/lb, a decrease of 4% compared with 2011. This included a positive provisional price adjustment for 2012 of $47 million versus a net negative adjustment in the prior year of $278 million.

Copper stocks and price

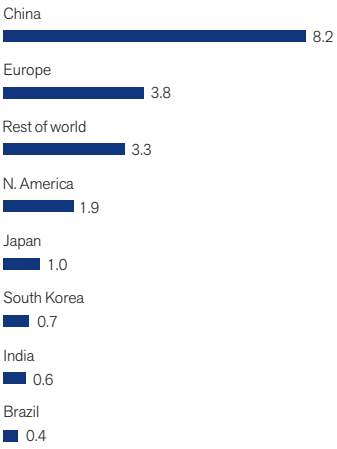


Source: Anglo American

MARKET INFORMATION

Leading copper consumers

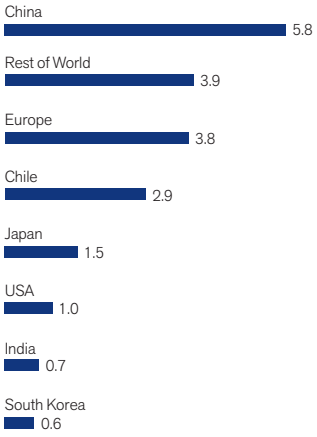
(2012 estimated refined copper consumption)
2012 estimated World Total: 19.9 Mt
Mt



Source: Wood Mackenzie

Leading copper refining countries

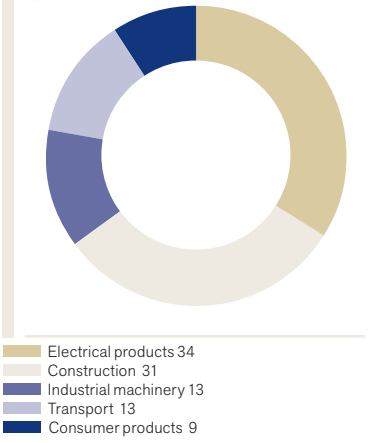
2012 estimated World Total: 20.2 Mt
Mt refined copper



Source: Wood Mackenzie

Global copper consumption by sector (including direct use scrap)

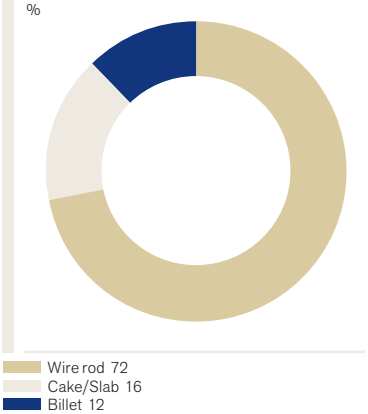
Estimated end use in 2011
%



Source: Wood Mackenzie

Global copper consumption by product

Estimated end use in 2011
%



Source: Wood Mackenzie

STRATEGY

In the short term the focus of the Copper business is on restoring operational stability at Collahuasi and the execution of the revised Los Bronces mine plan in order to secure incremental production volume. Growth in the near term is being delivered from the successful ramp up of the Los Bronces expansion following delivery of its first production in the fourth quarter of 2011. The expansion produced a total of 196,100 tonnes of copper in 2012 and is now running at full capacity. Additional growth in the medium term is expected to come from the Quellaveco project in Peru, which is targeted to be put forward for board approval in 2013. We continue to explore for low operating cost and long life development opportunities and evaluate longer term projects, including Michiquillay, Pebble, Los Bronces District and West Wall.

Projects

In Peru, the Quellaveco project received three critical permits in the fourth quarter: an amendment to the environmental impact assessment, the beneficiation concession and the key water permit. Community engagement continued through the 'dialogue table' process, where agreement was reached in July in relation to water usage, environmental responsibility and Anglo American's social contribution over the life of the mine. Anglo American is targeting submission of the project to its Board for approval in 2013. The concept level study for the Michiquillay project was completed and is under review.

Activity at the Pebble project in Alaska continues, with the focus on completing a pre-feasibility study and preparing to commence permitting. The draft Bristol Bay Watershed Assessment was released by the Environmental Protection Agency (EPA) in May 2012. The EPA has announced that it has revised the draft watershed assessment report to take account of feedback and it intends to have the revised assessment peer reviewed and commented on publicly with a view to finalising the assessment in 2013.

At Collahuasi, the project to increase concentrator plant throughput to 160,000 tonnes of ore per day was reduced in scope and the pre-feasibility study on the further expansion potential was put on hold, both pending restoring operational stability of current operations.

PROJECT PIPELINE – KEY PROJECTS

Los Bronces expansion

Overall capex: $2,800m

Country
Chile

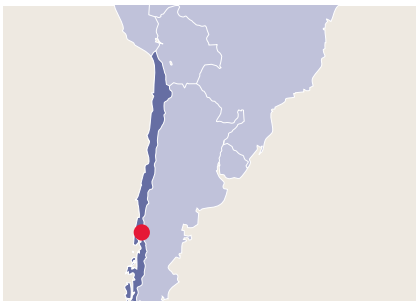
Ownership
50.1%

Incremental production
200,000 tonnes per annum of copper (average over first 10 years)

Full project capex
$2,800m

Full production
Q4 2012

The delivery of first copper production from the Los Bronces expansion was achieved on schedule[1] in the fourth quarter of 2011. The expansion contributed 196,100 tonnes of copper in 2012. 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 Tórtolas. 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 Phase 2

Overall capex: $<1bn

Country
Chile

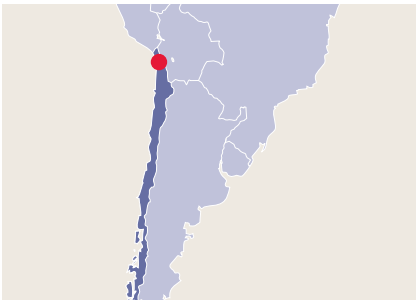
Ownership
44%

Incremental production
20,000 tonnes per annum of copper

Full project capex (100% basis)
$<1bn

First production
TBD

The Collahuasi mine in Northern Chile is located at 4,400 metres above sea level (masl). The Phase 2 expansion project to increase sulphide processing capacity to 160 kt per day was approved in March 2011. This project has been reduced in scope pending restoring operational stability of current operations.



Quellaveco (unapproved)

Overall capex: TBD

Country
Peru

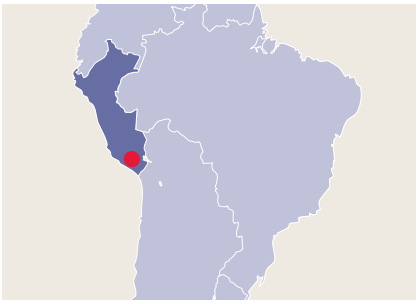
Ownership
81.9%

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)
TBD

First production
TBD

The greenfield Quellaveco project is located in Southern Peru at 3,500 masl. Production is forecast at 225,000 tonnes per annum 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.



[1] The schedule for delivery of first production from projects refers to the information published in Anglo American's 2012 Annual Report.

PROJECT PIPELINE – KEY PROJECTS continued

Michiquillay (unapproved)

Overall capex: TBD

Country
Peru

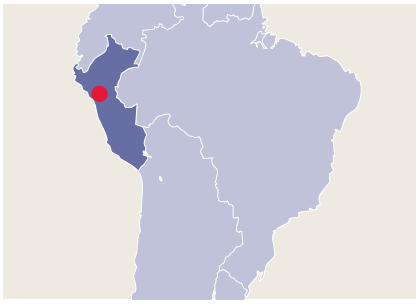
Ownership
100%

Total production of mine when project ramps up to full production
222,000 tonnes per annum of copper (with expansion potential to 300 ktpa)

Full project capex
TBD

First production
TBD

Michiquillay was acquired in 2007 in a government privatisation. Early stage work continues. The drilling relating to the geological exploration programme has recommenced after completion of discussions with the local communities. The concept level for the Michiquillay project has been completed and is under review.



Pebble (unapproved)

Overall capex: TBD

Country
US

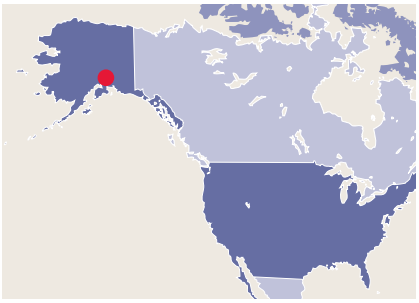
Ownership
50%

Total production of mine when project ramps up to full production (100% basis)
up to 187,000 tonnes per annum of copper, 12 ktpa molybdenum and 600 kozpa gold

Full project capex
TBD

First 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 350,000 tonnes per annum of 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. Activity continues with focus on completing the pre-feasibility study and preparing to commence permitting, early in the next decade. The draft Bristol Bay Watershed Assessment was released by the Environmental Protection Agency (EPA) in May 2012. The EPA has announced that it has revised the draft watershed assessment report to take account of feedback and it intends to have the revised assessment peer reviewed and commented on publicly with a view to finalising the assessment in 2013.



PRODUCTION DATA

Production (tonnes)	2012	2011	2010	2009
Collahuasi (attributable basis)				
Copper cathode	**16,200**	15,900	17,100	19,000
Copper in concentrate	**107,900**	183,600	204,700	216,800
Total copper production for Collahuasi	**124,100**	**199,500**	**221,800**	**235,800**
Anglo American Sur[1]				
Los Bronces copper cathode	**40,800**	38,400	42,600	45,500
Los Bronces copper in sulphate	**2,500**	4,600	4,100	2,900
Los Bronces copper in concentrate	**322,000**	178,800	174,700	190,000
Total copper production for Los Bronces	**365,300**	**221,800**	**221,400**	**238,400**
El Soldado copper cathode	**2,000**	5,000	4,700	4,200
El Soldado copper in concentrate	**51,800**	41,900	35,700	37,200
Total copper production for El Soldado	**53,800**	**46,900**	**40,400**	**41,400**
Chagres Smelter				
Copper blister/anode	**138,700**	138,200	137,900	137,700
Copper blister/anode (third party)	**–**	–	–	2,500
Acid	**461,400**	487,500	466,700	457,600
Total copper production from Anglo American Sur[2]	**419,100**	**268,700**	**261,800**	**282,300**
Anglo American Norte				
Mantos Blancos copper cathode	**29,200**	36,000	39,100	46,200
Mantos Blancos copper in concentrate	**25,000**	36,100	39,500	44,000
Total copper production for Mantos Blancos	**54,200**	**72,100**	**78,600**	**90,200**
Mantoverde – copper cathode	**62,300**	58,700	61,100	61,500
Total copper production from Anglo American Norte[2]	**116,500**	**130,800**	**139,700**	**151,700**
Total Copper segment copper production	**659,700**	**599,000**	**623,300**	**669,800**

(1) Anglo American previously held 74.5% of AA Sur, as at 24 August 2012, holds 50.1%. Production is stated at 100% as Anglo American continues to consolidate AA Sur.
(2) Includes total concentrate, cathode and copper in sulphate production and blister/anode produced from third party.

COPPER

Ore Reserve and Mineral Resource estimates as at 31 December 2012

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 – Operations ORE RESERVES[1]	Attributable %	Mine Life	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011	Contained Metal 2012	Contained Metal 2011
Collahuasi (OP)[2]	44.0	70		Mt	Mt	%TCu	%TCu	kt	kt
Oxide and Mixed Heap Leach	Copper		Proved	31.0	0.0	0.58	0.60	181	0
			Probable	13.0	35.4	0.71	0.63	93	224
			Total	**44.1**	**35.4**	**0.62**	**0.63**	**274**	**224**
						%TCu	%TCu		
Sulphide Flotation – direct feed	Copper		Proved	419.1	285.0	1.00	1.07	4,200	3,042
			Probable	1,655.1	1,640.3	0.98	0.93	16,202	15,177
			Total	**2,074.2**	**1,925.3**	**0.98**	**0.95**	**20,402**	**18,219**
						%Mo	%Mo		
	Molybdenum		Proved			0.024	–	98	–
			Probable			0.024	–	398	–
			Total			**0.024**	**–**	**496**	**–**
						%TCu	%TCu		
Low Grade Sulphide Flotation – stockpile	Copper		Proved	–	–	–	–	–	–
			Probable	1,069.2	935.2	0.49	0.49	5,219	4,596
			Total	**1,069.2**	**935.2**	**0.49**	**0.49**	**5,219**	**4,596**
						%Mo	%Mo		
	Molybdenum		Proved			–	–	–	–
			Probable			0.010	–	105	–
			Total			**0.010**	**–**	**105**	**–**
El Soldado (OP)	50.1	23				%TCu	%TCu		
Sulphide Flotation[3]			Proved	125.7	95.4	0.81	0.96	1,018	915
			Probable	44.6	67.3	0.79	0.79	352	533
			Total	**170.3**	**162.7**	**0.80**	**0.89**	**1,371**	**1,448**
Oxide Heap Leach			Proved	–	–	–	–	–	–
			Probable	3.0	3.5	0.45	0.46	14	16
			Total	**3.0**	**3.5**	**0.45**	**0.46**	**14**	**16**
Los Bronces (OP)	50.1	36				%TCu	%TCu		
Sulphide Flotation	Copper		Proved	729.9	899.6	0.70	0.69	5,109	6,208
			Probable	779.4	598.8	0.53	0.51	4,131	3,054
			Total	**1,509.3**	**1,498.4**	**0.61**	**0.62**	**9,240**	**9,261**
						%Mo	%Mo		
	Molybdenum		Proved			0.016	–	117	–
			Probable			0.013	–	101	–
			Total			**0.014**	**–**	**218**	**–**
						%TCu	%TCu		
Sulphide Dump Leach[4]	Copper		Proved	428.6	486.6	0.32	0.35	1,371	1,703
			Probable	179.0	197.1	0.29	0.27	519	532
			Total	**607.6**	**683.7**	**0.31**	**0.33**	**1,891**	**2,235**
						%Mo	%Mo		
	Molybdenum		Proved			0.007	–	30	–
			Probable			0.006	–	11	–
			Total			**0.007**	**–**	**41**	**–**
Mantos Blancos (OP)	100	8				%ICu	%ICu		
Sulphide Flotation[5]			Proved	14.1	26.3	0.82	0.83	115	218
			Probable	21.6	19.7	0.79	0.80	170	157
			Total	**35.6**	**46.0**	**0.80**	**0.82**	**286**	**376**
						%ASCu	%ASCu		
Oxide Vat and Heap Leach[6]			Proved	2.7	8.3	0.55	0.54	15	45
			Probable	12.7	16.3	0.38	0.33	47	54
			Total	**15.4**	**24.7**	**0.41**	**0.40**	**62**	**99**
						%ASCu	%ASCu		
Oxide Dump Leach[7]			Proved	–	2.1	–	0.18	–	4
			Probable	36.8	49.6	0.23	0.23	84	115
			Total	**36.8**	**51.7**	**0.23**	**0.23**	**84**	**119**
Mantoverde (OP)	100	5				%ASCu	%ASCu		
Oxide Heap Leach[8]			Proved	22.2	33.3	0.56	0.59	124	196
			Probable	20.2	9.5	0.52	0.55	105	52
			Total	**42.3**	**42.7**	**0.54**	**0.58**	**229**	**248**
						%ASCu	%ASCu		
Oxide Dump Leach[9]			Proved	18.4	27.2	0.23	0.24	42	65
			Probable	25.7	18.2	0.27	0.28	70	51
			Total	**44.2**	**45.4**	**0.25**	**0.26**	**112**	**116**

Mining method: OP = Open Pit. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
TCu = total copper, ICu = insoluble copper (total copper less acid soluble copper), ASCu = acid soluble copper.

COPPER

Ore Reserve and Mineral Resource estimates as at 31 December 2012

(1) **Copper Reserves:** A variable cut-off from 0.20% up to 0.50% (CuT, ICu or ASCu) is applied as cut-offs to determine Ore Reserves on operations.
(2) **Collahuasi:** The increases in Ore Reserves is due to the completion of a drilling campaign at Rosario Oeste enabling conversion of additional Mineral Resources to Ore Reserves. Ujina also has additional Ore Reserves due to a change in economic assumptions (increase in long term metal price) and an updated geological model.
(3) **El Soldado – Sulphide (Flotation):** The decrease in Ore Reserves is due to production and a change in the block modelling methodology to take into account a change in the mine design (bench height) offset by increases due to a change in economic assumptions (increase in long term metal price) and new drilling information.
(4) **Los Bronces – Sulphide (Dump Leach):** The decrease in Ore Reserves is due to a combination of production, changes to the mine plan, a new classification methodology (which resulted in re-allocation of probable reserves to inferred resources) offset by an increase due to a change in economic assumptions (increase in long term metal price).
(5) **Mantos Blancos – Sulphide (Flotation):** The decrease in Ore Reserves is primarily due to an updated mine planning schedule offset by a small increase due to new information from within the pit.
(6) **Mantos Blancos – Oxide (Vat and Heap Leach):** The decrease in Ore Reserves is primarily due to transfer of material to the Dump Leaching process along with production.
(7) **Mantos Blancos – Oxide (Dump Leach):** The decrease in Ore Reserves is primarily due to production along with transfer of material to the Vat Leach Process which is offset by Vat Leach Tailings which will now be put through the Dump Leach Process.
(8) **Mantoverde – Oxide (Heap Leach):** The decrease in Ore Reserves is due to production offset by conversion of Mineral Resources to Ore Reserves enabled by new drilling information.
(9) **Mantoverde – Oxide (Dump Leach):** The decrease in Ore Reserves is due to production offset by an increase of Dump Material within the Montecristo, Quisco and Pto 62 areas as a result of continued drilling.

Audits related to the generation of the Ore Reserve and Mineral Resource estimates were carried out by independent consultants during 2012 at the following operations:
El Soldado, Los Bronces, Mantos Blanco and Mantoverde.

COPPER

Ore Reserve and Mineral Resource estimates as at 31 December 2012

Copper – Operations MINERAL RESOURCES[1]	Attributable %	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011	Contained Metal 2012	Contained Metal 2011
Collahuasi (OP)	44.0		Mt	Mt	%TCu	%TCu	kt	kt
Oxide and Mixed		Measured	–	–	–	–	–	–
Heap Leach		Indicated	0.5	15.1	0.70	0.60	3	90
	Copper	**Measured and Indicated**	**0.5**	**15.1**	**0.70**	**0.60**	**3**	**90**
		Inferred (in LOM Plan)	2.8	3.9	0.37	0.62	11	24
		Inferred (ex. LOM Plan)	8.5	0.3	0.62	0.61	53	2
		Total Inferred	**11.3**	**4.2**	**0.56**	**0.62**	**63**	**26**
					%TCu	%TCu		
Sulphide[2]		Measured	4.6	1.2	0.75	0.78	35	9
Flotation – direct feed		Indicated	1,148.9	628.9	0.94	0.91	10,821	5,694
	Copper	**Measured and Indicated**	**1,153.6**	**630.1**	**0.94**	**0.91**	**10,856**	**5,704**
		Inferred (in LOM Plan)	486.1	660.6	1.03	0.99	5,017	6,532
		Inferred (ex. LOM Plan)	2,654.9	1,944.6	0.92	0.91	24,441	17,676
		Total Inferred	**3,141.0**	**2,605.3**	**0.94**	**0.93**	**29,458**	**24,208**
					%Mo	%Mo		
		Measured			0.005	–	0	–
		Indicated			0.047	–	368	–
	Molybdenum	**Measured and Indicated**			**0.047**	**–**	**368**	**–**
		Inferred (in LOM Plan)			0.016	–	76	–
		Inferred (ex. LOM Plan)			0.022	–	584	–
		Total Inferred			**0.021**	**–**	**660**	**–**
					%TCu	%TCu		
Low Grade Sulphide[2]		Measured	6.2	1.2	0.48	0.44	30	5
Flotation – stockpile		Indicated	265.9	152.5	0.46	0.46	1,233	698
	Copper	**Measured and Indicated**	**272.1**	**153.7**	**0.46**	**0.46**	**1,263**	**704**
		Inferred (in LOM Plan)	361.6	579.0	0.45	0.44	1,616	2,564
		Inferred (ex. LOM Plan)	945.4	736.8	0.47	0.46	4,419	3,414
		Total Inferred	**1,307.0**	**1,315.8**	**0.46**	**0.45**	**6,036**	**5,978**
					%Mo	%Mo		
		Measured			0.012	–	1	–
		Indicated			0.021	–	25	–
	Molybdenum	**Measured and Indicated**			**0.021**	**–**	**26**	**–**
		Inferred (in LOM Plan)			0.004	–	14	–
		Inferred (ex. LOM Plan)			0.005	–	44	–
		Total Inferred			**0.005**	**–**	**58**	**–**
El Soldado (OP)	50.1				%TCu	%TCu		
Sulphide		Measured	24.7	21.9	0.78	0.82	193	180
Flotation[3]		Indicated	7.7	18.8	0.72	0.72	55	135
		Measured and Indicated	**32.4**	**40.7**	**0.77**	**0.77**	**248**	**315**
		Inferred (in LOM Plan)	7.7	20.9	0.58	0.81	45	169
		Inferred (ex. LOM Plan)	6.4	12.7	0.53	0.71	34	90
		Total Inferred	**14.1**	**33.6**	**0.56**	**0.77**	**79**	**260**
Oxide		Measured	0.0	0.1	0.68	0.75	0	1
Heap Leach		Indicated	0.0	0.1	0.62	0.69	0	1
		Measured and Indicated	**0.0**	**0.2**	**0.66**	**0.71**	**0**	**1**
		Inferred (in LOM Plan)	–	–	–	–	–	–
		Inferred (ex. LOM Plan)	0.0	0.1	0.57	0.69	0	0
		Total Inferred	**0.0**	**0.1**	**0.57**	**0.69**	**0**	**0**
Los Bronces (OP)	50.1				%TCu	%TCu		
Sulphide		Measured	84.8	211.1	0.45	0.45	382	950
Flotation[4]		Indicated	897.6	922.9	0.40	0.43	3,590	3,968
	Copper	**Measured and Indicated**	**982.4**	**1,133.9**	**0.40**	**0.43**	**3,972**	**4,918**
		Inferred (in LOM Plan)	212.0	83.7	0.48	0.58	1,018	485
		Inferred (ex. LOM Plan)	3,311.1	3,115.6	0.36	0.39	11,920	12,151
		Total Inferred	**3,523.1**	**3,199.3**	**0.37**	**0.39**	**12,938**	**12,636**
					%Mo	%Mo		
		Measured			0.005	–	4	–
		Indicated			0.009	–	81	–
	Molybdenum	**Measured and Indicated**			**0.009**	**–**	**85**	**–**
		Inferred (in LOM Plan)			0.013	–	28	–
		Inferred (ex. LOM Plan)			0.008	–	265	–
		Total Inferred			**0.008**	**–**	**293**	**–**
					%TCu	%TCu		
Sulphide		Measured	–	–	–	–	–	–
Dump Leach[5]		Indicated	–	–	–	–	–	–
	Copper	**Measured and Indicated**	**–**	**–**	**–**	**–**	**–**	**–**
		Inferred (in LOM Plan)	173.2	114.4	0.28	0.26	485	298
		Inferred (ex. LOM Plan)	–	–	–	–	–	–
		Total Inferred	**173.2**	**114.4**	**0.28**	**0.26**	**485**	**298**
					%Mo	%Mo		
		Measured			–	–	–	–
		Indicated			–	–	–	–
	Molybdenum	**Measured and Indicated**			**–**	**–**	**–**	**–**
		Inferred (in LOM Plan)			0.006	–	10	–
		Inferred (ex. LOM Plan)			–	–	–	–
		Total Inferred			**0.006**	**–**	**10**	**–**

COPPER

Ore Reserve and Mineral Resource estimates as at 31 December 2012

Copper – Operations continued **MINERAL RESOURCES**[1]	Attributable %	Classification	Tonnes **2012**	Tonnes 2011	Grade **2012**	Grade 2011	Contained Metal **2012**	Contained Metal 2011
Mantos Blancos (OP)	100		Mt	Mt	%ICu	%ICu	kt	kt
Sulphide		Measured	30.2	47.8	0.95	0.75	286	359
Flotation[6]		Indicated	64.8	68.1	0.69	0.56	447	379
		Measured and Indicated	**95.0**	**116.0**	**0.77**	**0.64**	**734**	**738**
		Inferred (in LOM Plan)	9.4	2.7	0.46	0.57	43	16
		Inferred (ex. LOM Plan)	23.8	27.8	0.66	0.55	157	153
		Total Inferred	**33.2**	**30.5**	**0.60**	**0.55**	**201**	**168**
					%ASCu	%ASCu		
Oxide		Measured	3.5	14.1	0.50	0.47	17	66
Vat and Heap Leach[7]		Indicated	11.1	10.5	0.45	0.43	50	45
		Measured and Indicated	**14.6**	**24.5**	**0.46**	**0.45**	**67**	**111**
		Inferred (in LOM Plan)	17.6	1.9	0.26	0.53	46	10
		Inferred (ex. LOM Plan)	7.4	3.3	0.46	0.47	34	16
		Total Inferred	**25.0**	**5.2**	**0.32**	**0.49**	**80**	**26**
					%ASCu	%ASCu		
Oxide		Measured	0.4	–	0.18	–	1	–
Dump Leach[8]		Indicated	8.4	8.3	0.17	0.20	14	17
		Measured and Indicated	**8.8**	**8.3**	**0.17**	**0.20**	**15**	**17**
		Inferred (in LOM Plan)	91.4	65.8	0.23	0.23	210	154
		Inferred (ex. LOM Plan)	4.3	–	0.17	–	7	–
		Total Inferred	**95.7**	**65.8**	**0.23**	**0.23**	**218**	**154**
Mantoverde (OP)	100				%ASCu	%ASCu		
Oxide		Measured	5.1	21.1	0.42	0.36	22	76
Heap Leach[9]		Indicated	6.7	13.1	0.53	0.42	35	55
		Measured and Indicated	**11.8**	**34.2**	**0.48**	**0.38**	**57**	**131**
		Inferred (in LOM Plan)	3.3	0.6	0.69	0.53	23	3
		Inferred (ex. LOM Plan)	0.1	0.9	0.30	0.29	0	3
		Total Inferred	**3.4**	**1.5**	**0.68**	**0.38**	**23**	**6**
					%ASCu	%ASCu		
Oxide		Measured	–	–	–	–	–	–
Dump Leach		Indicated	–	–	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**	**–**	**–**
		Inferred (in LOM Plan)	0.6	0.9	0.24	0.22	1	2
		Inferred (ex. LOM Plan)	–	–	–	–	–	–
		Total Inferred	**0.6**	**0.9**	**0.24**	**0.22**	**1**	**2**

MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

(1) **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 not included in the Mineral Resource statement. Mineral Resources are quoted above a 0.2% TCu cut-off.
(2) **Collahuasi – Sulphide and Low Grade Sulphide (Flotation):** The increase in Mineral Resources is primarily due to Economic Assumptions (increase in long term metal price) and new drilling information which identified and delineated new resources.
(3) **El Soldado – Sulphide (Flotation):** The decrease in Mineral Resources is primarily due to conversion of Mineral Resources to Ore Reserves (increase in long term metal price) and greater dilution effect as a result of a change in bench height and ore/waste contact modelling methodology.
(4) **Los Bronces – Sulphide (Flotation):** The decrease in Measured and Indicated Mineral Resources is due to a change in the estimation methodology and new classification. The overall increase in Mineral Resources is due to a change in economic assumptions (increase in long term metal price).
(5) **Los Bronces – Sulphide (Dump Leach):** The Mineral Resources increase due to the re-allocation of Probable Reserves to Inferred Resources, which is offset by a decrease due to changes in the cut-off grade strategy applied to material sent to the flotation plant.
(6) **Mantos Blancos – Sulphide (Flotation):** The increase in Mineral Resources is due to new drilling information which identified and delineated new resources offset by a refinement in the estimation methodology.
(7) **Mantos Blancos – Oxide (Vat and Heap Leach):** The increase in Mineral Resources is due to increased feed from the Mercedes Dump offset by a change in the estimation methodology.
(8) **Mantos Blancos – Oxide (Dump Leach):** The Mineral Resources increase due to additional material from Phase II of Mercedes Dump and Botadero B zones.
(9) **Mantoverde – Oxide (Heap Leach):** The decrease in Mineral Resources is due to conversion to Ore Reserves enabled by new drilling information.

COPPER

Ore Reserve and Mineral Resource estimates as at 31 December 2012

Copper – Projects ORE RESERVES	Attributable %	Mine Life	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011	Contained Metal 2012	Contained Metal 2011
Quellaveco (OP)[1]	81.9	28		Mt	Mt	%TCu	%TCu	kt	kt
Sulphide			Proved	701.8	701.8	0.65	0.65	4,562	4,562
Flotation	Copper		Probable	214.6	214.6	0.63	0.63	1,352	1,352
			Total	**916.4**	**916.4**	**0.65**	**0.65**	**5,914**	**5,914**
						%Mo	%Mo		
			Proved			0.019	–	133	–
	Molybdenum		Probable			0.021	–	45	–
			Total			**0.019**	**–**	**178**	**–**

Copper – Projects MINERAL RESOURCES	Attributable %	Classification	Tonnes 2012	Tonnes 2011	Grade 2012	Grade 2011	Contained Metal 2012	Contained Metal 2011
Quellaveco (OP)[1]	81.9		Mt	Mt	%TCu	%TCu	kt	kt
Sulphide		Measured	284.2	196.8	0.35	0.40	990	787
Flotation		Indicated	807.9	627.0	0.41	0.45	3,290	2,822
	Copper	**Measured and Indicated**	**1,092.0**	**823.8**	**0.39**	**0.44**	**4,280**	**3,609**
		Inferred (in LOM Plan)	6.9	8.1	0.79	0.72	54	58
		Inferred (ex. LOM Plan)	877.9	174.9	0.33	0.44	2,893	770
		Total Inferred	**884.8**	**183.0**	**0.33**	**0.45**	**2,947**	**828**
					%Mo	%Mo		
		Measured			0.015	–	43	–
		Indicated			0.015	–	121	–
	Molybdenum	**Measured and Indicated**			**0.015**	**–**	**164**	**–**
		Inferred (in LOM Plan)			–	–	–	–
		Inferred (ex. LOM Plan)			0.015	–	132	–
		Total Inferred			**0.015**	**–**	**132**	**–**
Mantoverde Sulphide Project[2]	100				%TCu	%TCu		
Sulphide		Measured	106.6	109.8	0.68	0.67	725	736
Flotation		Indicated	41.5	34.2	0.66	0.63	274	216
		Measured and Indicated	**148.1**	**144.0**	**0.67**	**0.66**	**999**	**951**
		Inferred	78.0	44.3	0.68	0.65	530	288
Pebble (OP/UG)[3][4][5]	50.0				%TCu	%TCu		
Sulphide		Measured[4]	507.9	507.9	0.34	0.34	1,715	1,715
		Indicated[5]	4,761.0	4,761.0	0.46	0.46	21,739	21,739
		Measured and Indicated	**5,268.8**	**5,268.8**	**0.45**	**0.45**	**23,454**	**23,454**
		Inferred[6]	2,709.5	2,709.5	0.32	0.32	8,587	8,587
Los Sulfatos[6]	50.1				%TCu	%TCu		
Sulphide		Inferred	1,200	1,200	1.46	1.46	17,520	17,520
San Enrique Monolito[7]	50.1				%TCu	%TCu		
Sulphide		Inferred	900	900	0.81	0.81	7,290	7,290
West Wall[8]	50.0				%TCu	%TCu		
Sulphide		Inferred	750	750	0.54	0.54	4,050	4,050

MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Mining method: OP = Open Pit, UG = Underground. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
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:** Mineral Resources are quoted above a 0.2 %TCu cut-off. The increase in the Mineral Resources is due to a change in economic assumptions (increase in long term metal price), a change in the cut-off grade strategy and the addition of low-grade stockpile material.

(2) **Mantoverde Sulphide Project:** Mineral Resources are quoted above a 0.35 %TCu cut-off. The increase in Mineral Resources is primarily due to new drilling information.
There is a possibility to consider Oxides together with the Sulphides. Oxide Mineral Resource estimates are as follows:
Measured 53.2 Mt at 0.40 %ASCu; Indicated 4.0 Mt at 0.39 %ASCu; Inferred 10.1 Mt at 0.40 %ASCu.

(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 278 Mt at 0.40% Cu, 0.42 g/t Au, 0.020% Mo while the estimate of Indicated Resources is 3,319 Mt at 0.55% Cu, 0.42 g/t Au, 0.030% Mo.

(4) **Pebble co-product estimated grades:**
Measured – Gold 0.36g/t, Molybdenum 0.018%, CuEq average grade 0.66%
Indicated – Gold 0.37g/t, Molybdenum 0.027%, CuEq average grade 0.85%.
Inferred – Gold 0.31g/t, Molybdenum 0.026%, CuEq average grade 0.67%.

(5) **Pebble:** The property comprises 2,042 located Alaska State mineral claims which total 209,996 acres (84,982 hectares) and which are currently valid.

(6) **Los Sulfatos:** The reported resources include mineralisation inside a 1% nominal copper grade cut-off envelope down to the current drillhole depths of 1,000 metres below surface. The test for reasonable prospects of eventual economic extraction is based on an underground operation.

(7) **San Enrique Monolito:** The test for reasonable prospects of eventual economic extraction is based on an underground operation.

(8) **West Wall:** 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 estimates were carried out by independent consultants during 2012 at the following projects:
Quellaveco and Mantoverde Sulphide Project.