

MINING FINANCIAL REPORT

No. 9
Third Quarter 2010

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Summary

The average copper price in the third quarter of 2010 was 317.28 US cents/lb. The determining factor during those months was the weakness of the dollar, which pushed commodity prices even higher. This value is 23.6% higher than the average in the third quarter of the previous year (256.61 US cents/lb), which is reflected in the significant variations seen in most of the indicators included in this report.

Only three of the twelve largest copper producing companies in the world (Grupo México, Antofagasta Minerals and Xstrata) showed an increase in production compared with the January-September period in 2009. The other nine companies showed a drop in mine copper production, which explains that the total variation was -2.0% compared with 3Q 2009, a reflection of adverse factors that are habitually seen in mining operations, like decreased ore grades, harder rock, deeper deposits and longer haulage distances, among others.

All of the mining companies had high profits during the January-September period, because their earnings increased more than proportionally to the steady increase in production costs. Even so, profits are lower than they were at the peak recorded in 2008, and the upward trend in production costs, which have been doubling every four years, is seen to have been a factor in this.

All of the Chilean companies showed an increase in their C1 unit cost except for Zaldívar, which showed operating improvements at the mine and plants. Although there is less cost pressure due to lower prices for sulphuric acid, there are still factors pushing upward such as higher costs of electricity, oil, and services.

The exchange rate during the period has also had an important effect on the industry, especially on costs denominated in Chilean pesos.

News of note

The startup of at least three new copper Exchange Traded Funds (ETF) marks a new chapter in the increased involvement of financial players in raw materials. This will increase pressure on the demand for physical copper. These instruments are not expected to provide higher returns than traditional investments in futures on the London Metal Exchange, but they will probably be in demand by investors who see copper as a new metal of refuge, as gold and silver have been to date. The larger amount of copper in demand is estimated to be at least 180,000 tons this year.

Relevant growth in copper demand is estimated in 2011, especially because of the impact of Asia, and China in particular. Together with several emerging countries, those countries still have big gaps in infrastructure, living standards and industrialization to fill, and that situation has a direct impact on the consumption of raw materials. The relative stagnation of the United States and Europe has a limited effect on copper demand, because they have already reached their long-term levels of copper consumption.

Although expectations for copper prices are positive for 2011, the evolution of the dollar and decisions on inventory management in China should not be ignored as they might result in temporary periods with prices lower than 4 dollars per pound.

Grupo México hopes to increase its copper production by 472,000 tons over the next three years, which would be a 64.5% increase, to reach 1,204,000 tons in 2013. In order to meet that goal, it hopes to start up operations at Cananea, the biggest copper mine in Mexico, in the first quarter of 2011 and reach production of 180,000 tons per year there. From 2011 to 2013, it plans to add 292,000 tons to its production at three mines in Peru: Cuajone (72,000), Toquepala (100,000), and Tía María (120,000).

Esperanza, the new Antofagasta Minerals mine, is starting operations. The first shipment of copper concentrate should be ready by year-end. The new production at Esperanza, together with the expansion at the company's flagship mine, Los Pelambres, would increase annual copper production in 2011 about 30% to 700,000 tons, making Antofagasta Minerals one of the largest companies in the world producing mine copper.

Antofagasta Minerals announced an agreement with its partner, Duluth Metals Limited, to acquire Franconia Minerals Corporation in an operation that would total US\$ 76 million. Franconia's acquisition proposal has to be approved by two thirds of the shareholders so a Meeting is expected to be held in February 2011. Franconia possesses 70% of the ownership of the ore deposits of Birch Lake, Maturi and Spruce Road, which are copper, nickel, platinum and palladium deposits in northeast Minnesota (United States) next to the Nokomis deposit that is being developed by Duluth and Antofagasta in Twin Metals. Duluth and Antofagasta agree that after acquiring Franconia's assets, they will be transferred to Twin Metals.

After evaluating the September 30 results, Antofagasta Minerals decided not to proceed with its agreement with International Metals Limited of Australia on the Kopermyn mining property in northern Namibia.

Norilsk Nickel agreed on the sale of \$ 3.5 billion shares, equivalent to 8%, to the multinational company Trafigura Beheer BV. Norilsk will sell the holding as American Depositary Receipts, and it will use the income for "general purposes." Ownership of the mining company is the subject of a dispute between its two main shareholders, Oleg Deripaska and Vladimir Potanin, who disagree about the administrative management of the company and the use of cash flows. Norilsk offered US\$ 12 billion to buy the 25% share owned by Rusal, the aluminum producing company controlled by Deripaska, who rejected the proposal indicating he wants at least US\$ 15 billion.

In September Codelco made a change in the organization, dissolving the Shared Services Vice Presidency and regrouping most of its functions in a new Administration and Finance Vice Presidency. It created the Ministro Hales Division and two Operations Vice Presidencies. An investment plan of US\$ 2.3 billion was approved for 2011. At the third quarter, Phase I of the Andina Development Plan is finished and is now in the start-up process, the Pilar Norte operation is concluded, as is Phase I of the RT Sulphide Operation, while Phase II at Gaby is in the start-up process. The structural projects of Chuqui Underground, New Level at Mina Teniente and Phase II of Andina continue developing their basic engineering phase (feasibility). The Ministro Hales Mine Project completed its feasibility, and its execution was approved by the Board. In energy, Codelco signed two long-term contracts (15 and 30 years) with Colbún for the supply of energy to the Salvador, Andina, Ventanas and El Teniente divisions. During the period, it started to operate the natural gas terminal, GNL Mejillones. Finally, in August, Codelco and Antofagasta Minerals agreed to form a partnership to explore in the Cumbres prospect in Region II.

World Mining Industry

Table 1
Income and Ebitda of the leading mining companies that produce copper

Company	Income				EBITDA			
	Millions of US\$			% Var.	Millions of US\$			% Var.
	Jan-Dec 2009	Jan-Sept 2009	Jan-Sept 2010	3Q09 vs 3Q10	Jan-Dec 2009	Jan-Sept 2009	Jan-Sept 2010	3Q09 vs 3Q10
BHP Billiton	45,007	n.a.	n.a.	n.a.	17,570	n.a.	n.a.	n.a.
Rio Tinto	44,036	n.a.	n.a.	n.a.	14,471	n.a.	n.a.	n.a.
Vale	23,939	17,398	31,274	79.8%	9,407	7,297	17,247	136.4%
Anglo American	24,637	n.a.	n.a.	n.a.	6,930	n.a.	n.a.	n.a.
Xstrata	22,732	n.a.	n.a.	n.a.	7,046	n.a.	n.a.	n.a.
Freeport McMoRan Copper & Gold	15,040	10,430	13,379	28.3%	7,517	5,004	6,759	35.1%
Codelco	12,147	7,838	11,381	45.2%	5,470	3,059	4,721	54.3%
Grupo México	4,830	3,279	5,832	77.8%	2,125	1,408	2,781	97.5%
KGHM Polska Miedz	4,235	n.a.	n.a.	n.a.	1,195	n.a.	n.a.	n.a.
Antofagasta Minerals Plc	2,962	2,019	3,169	56.9%	1,680	1,127	1,957	73.6%
Total	199,565	40,964	65,035	59%	73,411	17,895	33,465	87%

Source: Based on information published by companies.

These companies represent, in conjunction, approximately 57% of world copper production (2009). In 2008 they represented 56.9%.

Vale is the company with the highest increase in income in the January-September 2010 period compared to the same period in 2009. The main reasons for this were the 44.7% increase in volumes sold, resulting from increased production in Canada, and the 17.0% increase in the sales price.

Antofagasta Minerals reported an increase in earnings from January to September due to the increase in metals prices and production. The company's EBITDA grew 74% year-to-year to approximately 2 billion dollars in the nine months ending in September, although the market had projected an even higher increase.

Grupo México also showed a significant expansion in income, due mainly to an increase in production resulting from the reestablishment of Asarco and the imminent reopening of Cananea.

In the same period Codelco had income of approximately US\$ 11.4 billion, a 45% increase compared to approximately US\$ 7.8 billion during the same period last year. The increase in earnings was due mainly to the increase in the copper price, which rose from an average of US\$ 2.11 per pound in September 2009 to US\$ 3.25 per pound in September this year.

Table 2
Return on equity of the leading world mining companies that produce copper

Company	ROE			ROE Var.		
	at 12-31-09	at 09-30-2008	at 09-30-2009	at 09-30-2010	3Q08 vs 3Q09	3Q09 vs 3Q10
BHP Billiton	0.21	n.a.	n.a.	n.a.	n.a.	n.a.
Rio Tinto	0.11	n.a.	n.a.	n.a.	n.a.	n.a.
Vale	0.09	0.23	0.06	0.16	-72.1%	143.7%
Anglo American	0.10	n.a.	n.a.	n.a.	n.a.	n.a.
Xstrata	0.02	n.a.	n.a.	n.a.	n.a.	n.a.
Freeport McMoRan Copper & Gold	0.28	0.13	0.16	0.20	21.0%	26.7%
Codelco ¹	0.24	0.39	0.14	0.28	-63.4%	97.5%
Codelco ² (calculated with comparable)	0.61	0.96	0.38	0.69	-60.5%	82.8%
Grupo México	0.18	0.19	0.09	0.19	-54.1%	113.2%
KGHM Polska Miedz	0.19	n.a.	n.a.	n.a.	n.a.	n.a.
Antofagasta Minerals Plc	0.10	n.a.	n.a.	n.a.	n.a.	n.a.
Average (with Codelco¹)	0.15	0.19	0.09	0.17	-52%	83%
Average (with Codelco²)	0.19	0.30	0.14	0.25	-54%	80%

Source: Prepared by Cesco based on information published by the companies

1. ROE calculated with net profit of the fiscal year.
2. ROE calculated with comparable net profit. Comparable net profit is the profit Codelco would make if it paid taxes like private companies do, at 17%.

In accordance with the trend toward recovery of the last quarters -after the international financial crisis-, a significant increase has been observed in the profitability of most of the companies, mainly Vale, Grupo México and Codelco.

Vale, the Brazilian mining company, had net profits of approximately US\$ 11.3 billion in the third quarter of the year, which was a 143.7% increase in its return

on equity compared with the same period in 2009.

Grupo México showed the second highest increase in its return compared with the same period last year, mainly because of strong growth in sales, which increased 43% to 2 billion dollars.

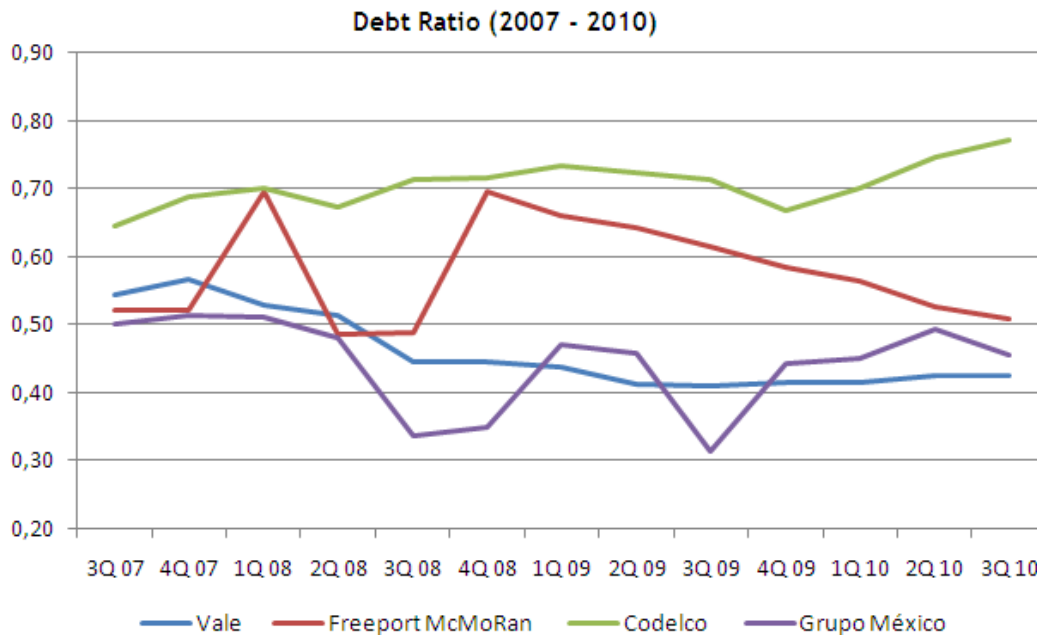
Table No. 3
Debt
(Total Liabilities / Total Assets)

Company	Debt Ratio			(%) Var.
	Jan-Dec 2009	at 09-30-09	at 09- 30-10	3Q09 vs 3Q10
BHP Billiton	0.45	n.a.	n.a.	n.a.
Rio Tinto	0.53	n.a.	n.a.	n.a.
Vale	0.42	0.41	0.42	3.2%
Anglo American	0.50	n.a.	n.a.	n.a.
Xstrata	0.45	n.a.	n.a.	n.a.
Freeport McMoRan Copper & Gold	0.58	0.61	0.51	-17,0%
Codelco	0.67	0.71	0.77	8.2%
Grupo México	0.44	0.31	0.46	45.2%
KGHM Polska Miedz	0.29	n.a.	n.a.	n.a.
Antofagasta Minerals plc	0.30	n.a.	n.a.	n.a.
Average	0.46	0.51	0.54	5.3%

Source: Prepared by Cesco based on information published by the companies.

Freeport made progress in reducing debt to a level closer to the optimum. Grupo México's increased debt reflects the fact it has started up operations in North America

again, while the increase at Codelco is due to financing needs for its major investment plan.



Source: Prepared by Cesco based on information from the companies that report quarterly.

Table No. 4
Mine Copper Production¹
(In thousands of M.T.)

Company	Jan-Dec 2009	Jan-Sept 2009	Jan-Sept 2010	(%) Var. Jan-Sept 08/09	(%) Var. Jan-Sept 09/10
Freeport McMoRan Copper & Gold	1,861	1,417	1,318	9.8%	-7.0%
Codelco (inc. Gabriela Mistral)	1,702	1,214	1,208	16.0%	-0.5%
BHP Billiton	1,145	874	811	-15.1%	-7.2%
Xstrata	907	660	668	-2.3%	1.2%
Rio Tinto	805	602	493	9.6%	-18.1%
Anglo American	683	485	475	3.3%	-2.0%
Grupo Mexico	496	359	504	-1.2%	40.2%
Antofagasta Minerals plc	453	336	394	-8.2%	17.0%
KGHM Polska Miedz	439	334	322	2.8%	-3.6%
Norilsk Nickel	402	297	295	-6.3%	-0.7%
Kazakhmys	361	270	252	-7.3%	-6.7%
Vale	198	166	131	-28.0%	-20.8%
Total	9,452	7,014	6,871	1.8%	-2.0%

Source: Prepared by Cescos based on information published by the companies.

Antofagasta Minerals showed an increase in copper production between January and September this year, from 17% to 394,000 M.T., mainly due to the fact its main mine, Los Pelambres, entered into operation.

Copper production at Codelco totaled 1,208 thousand M.T., with a drop in the Andina Division and the Gaby Deposit, although production increased in the rest of its Divisions.

Only three of the twelve largest copper companies showed an increase in production compared with 2009, which reflects the adverse factors that

appear habitually in mining operations like decreased ore grades, harder rock, deeper deposits, and increased haulage distances, among others.

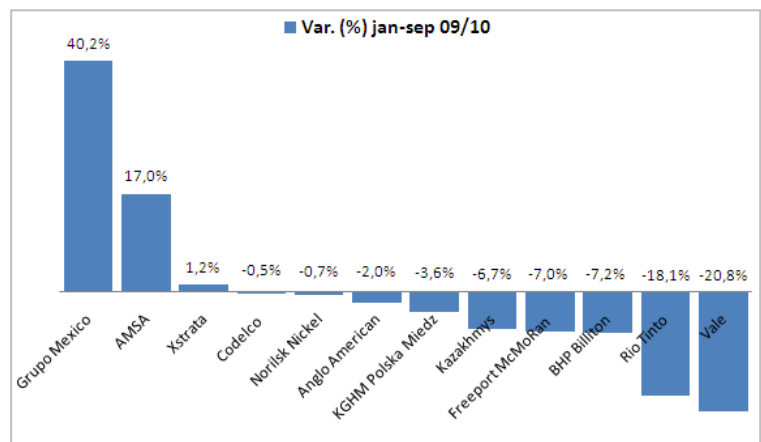


Table No. 5
Attributable Production¹ of Mine Copper
(In thousands of M.T.)

Company	Jan-Dec 2009	Jan-Sept 2009	Jan-Sept 2010	(%) Var. Jan-Sept 08/09	(%) Var. Jan-Sept 09/10
Codelco (inc. El Abra y G. Mistral)	1,782	1,273	1,267	15.0%	-0.5%
Freeport McMoRan Copper & Gold	1,519	1,162	1,059	9.4%	-8.9%
BHP Billiton	1,145	874	811	-15.1%	-7.2%
Xstrata	835	608	648	-2.8%	6.6%
Rio Tinto	805	602	493	9.6%	-18.1%
Anglo American	670	485	475	3.3%	-2.0%
Grupo Mexico	394	286	400	-1.2%	40.2%
Antofagasta Minerals plc	287	213	336	-8.2%	58.1%
KGHM Polska Miedz	439	334	322	2.8%	-3.6%
Norilsk Nickel	402	297	295	-6.3%	-0.7%
Kazakhmys	359	268	252	-0.5%	-6.0%
Vale	198	166	131	-28.0%	-20.8%
Total	8,835	6,567	6,490	1.0%	-1.2%

Source: Prepared by Cescos based on information published by the companies

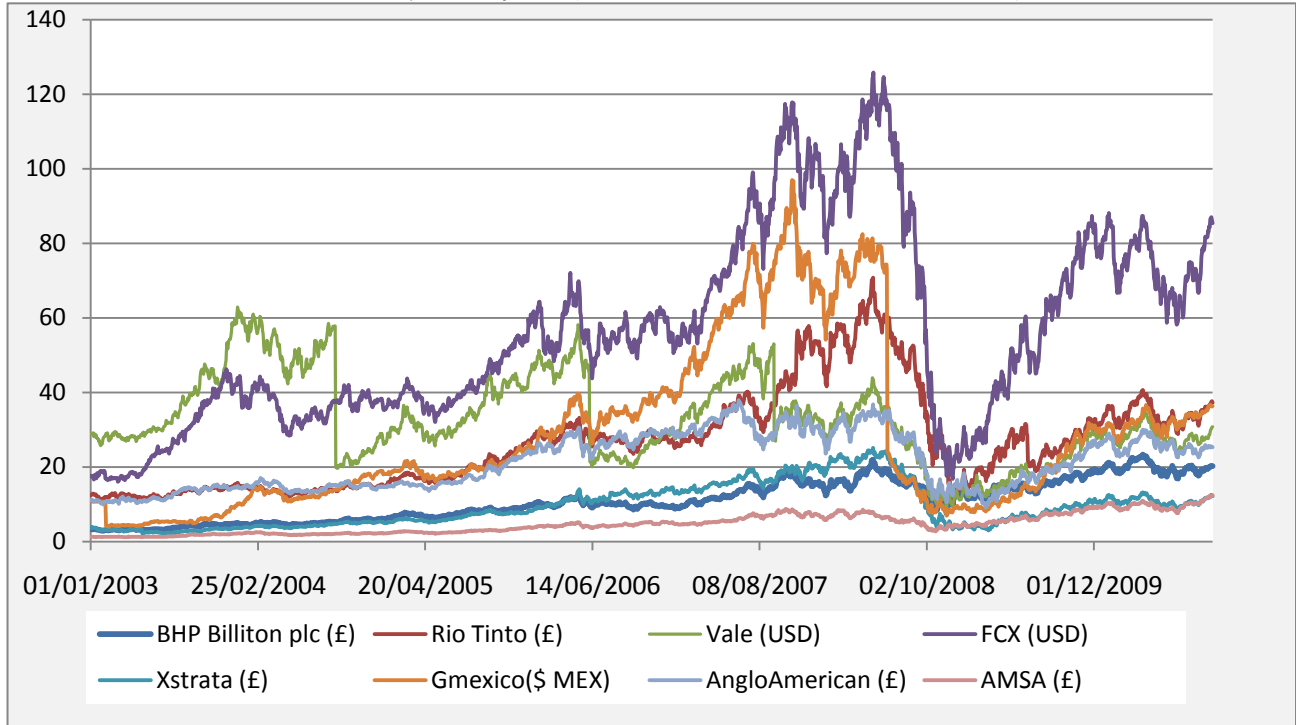
¹ Producción atribuible corresponde a la producción de cada operación minera en la cual la empresa tiene propiedad, corregida por el porcentaje de participación de la empresa en la operación minera.

The twelve largest copper producing companies in the world -according to their stake in the ownership of the mining operations-, have reduced their production by 1.2% during the first nine months of the year.

This reduction is slightly less than the one reported previously, mainly because of the increase in production of Antofagasta Minerals, Grupo México and Xstrata, as the rest of the companies continue to show a negative variation compared with the January-September period in 2009.

Graph No. 1

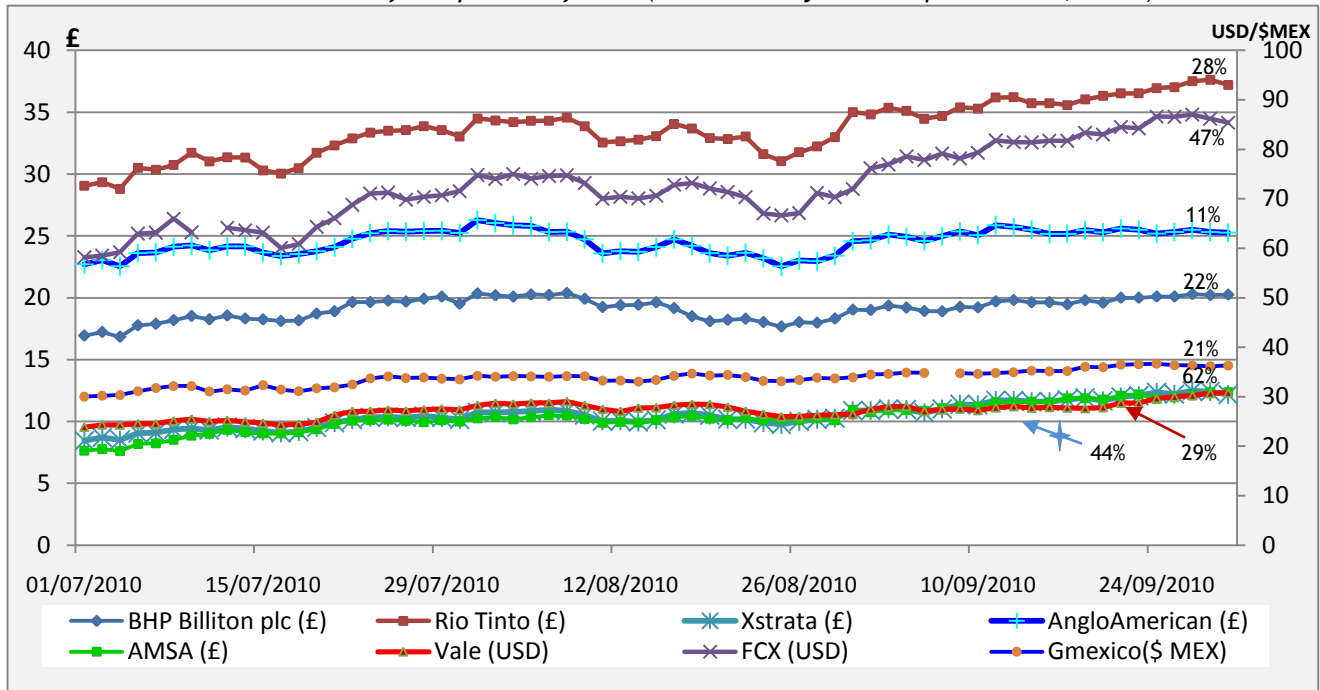
Evolution of share price (between 01-01-2003 and 09-30-2010)



Sources: London Stock Exchange, New York Stock Exchange and Bolsa Mexicana de Valores.

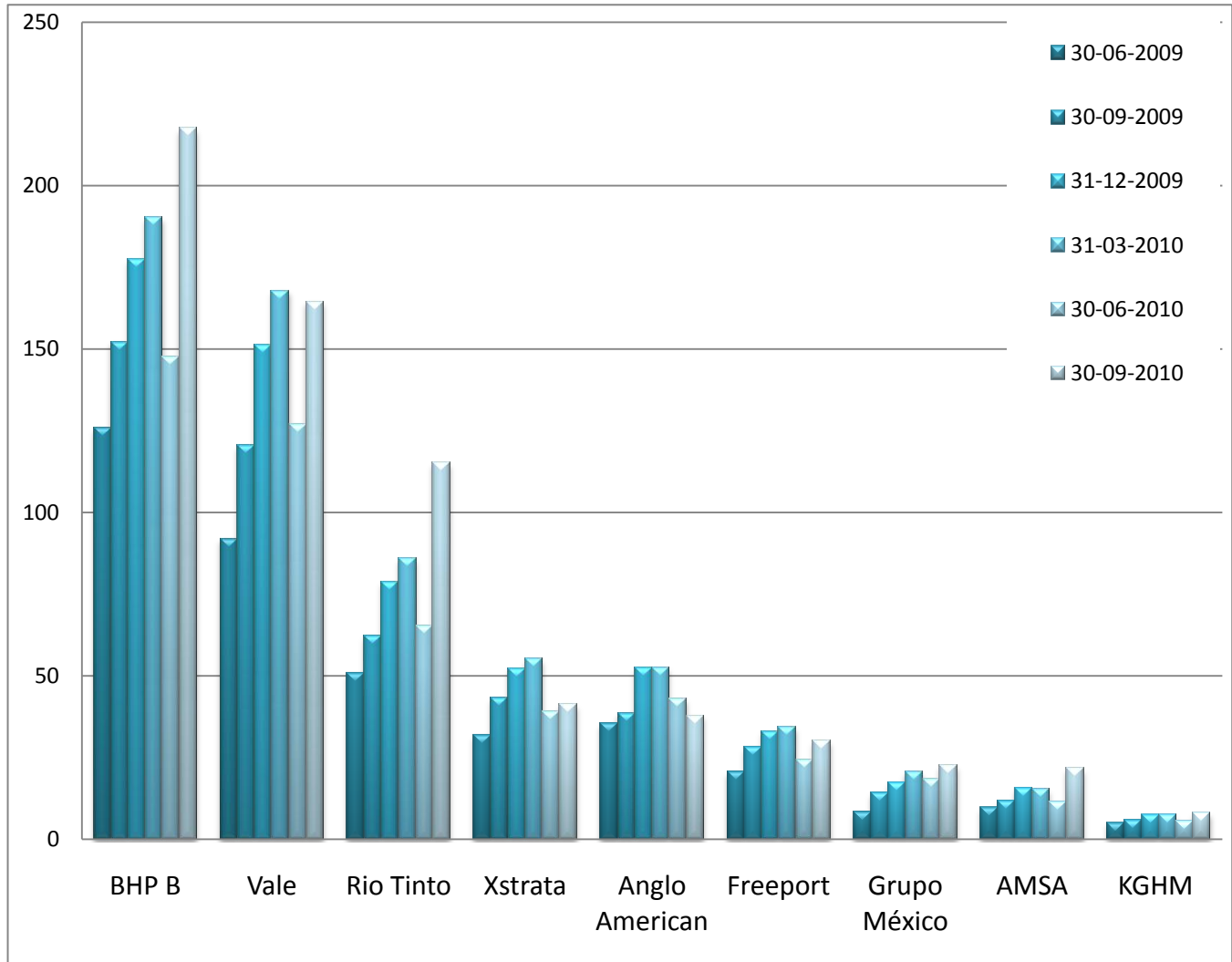
Graph No. 2

Share Price in the first quarter of 2010 (Between July 1 and September 30, 2010)



Sources: London Stock Exchange, New York Stock Exchange and Bolsa Mexicana de Valores.

Graph No. 3
Market Capitalization
(In billions of dollars)



Sources: Annual reports, official press releases and information for investors in the companies, together with information from the following stock exchanges: London Stock Exchange, New York Stock Exchange, Bolsa Mexicana de Valores and Warsaw Stock Exchange.

In percentage terms the highest increase in share price is shown by Freeport with 57% during the year so far (graph No. 1), as its main focus is gold and copper, which are both raw materials with returns around 18% and 8% at September, respectively (27% and 30% for the whole year of 2010).

This same factor has driven the shares of Antofagasta plc in London, which has

resulted in an increase in its market capitalization of 55.7% in 2010.

The same trend is seen, to a somewhat lesser degree, at BHP Billiton, Rio Tinto and Vale with increases in their market value of approximately 20% during the same period.

2. Mining Industry in Chile

*Table No. 6: Copper production in the Chilean industry by company
(In M.T. of fine copper)*

Company	Main Owner(s)	Jan-Dec 2009	July-Sept 2009	July-Sept 2010	(%) Var. July-Sept 08/09	(%) Var. July-Sept 09/10
Codelco	Chilean State	1,701,900	431,000	409,800	14.8%	-5.2%
Minera Escondida	BHP Billiton (57,5%) Rio Tinto (30%) Jeco Corp (12,5%)	1,103,700	267,200	277,300	-1.7%	3.6%
Antofagasta Minerals	Antofagasta plc	453,400	112,500	144,400	-12.8%	22.1%
Collahuasi	Anglo American plc (44%) Xstrata plc (44%) Mitsui & Co. Ltd. y Mitsui Mining & Smelting Co. Ltd. (7%) Nippon Mining & Metals Co. Ltd (5%)	535,900	128,400	122,300	16.9%	-5.0%
Anglo American Chile	Anglo American plc	428,500	110,900	98,800	9.3%	-12.2%
Candelaria	Freeport McMoRan Copper & Gold (80%) Sumitomo Corp. (20%)	134,200	30,300	45,000	-67.0%	32.7%
El Abra	F-McM Copper & Gold (51%) Codelco (49%)	164,100	41,500	34,500	-1.0%	-20.3%
Zaldívar	Barrick Gold Corp.	137,000	34,500	35,500	15.7%	2.8%
Cerro Colorado	BHP Billiton	93,700	18,600	21,600	-17.7%	13.9%
Quebrada Blanca	Teck (76,5%) Pudahuel (13,5%) Enami (10%)	87,400	21,400	20,600	0.5%	-3.9%
Lomas Bayas	Xstrata plc	73,100	18,600	18,300	22.0%	-1.6%
Total Copper		4,912,900	1,214,900	1,228,100	5.4%	1.1%

Source: Prepared by CESCO based on data from Cochilco.

During the third quarter of the year, the largest companies in Chile produced a total of 1,228,100 tons, which is a slight increase of 1.1% compared with the 1,222,600 tons produced between July and September 2009.

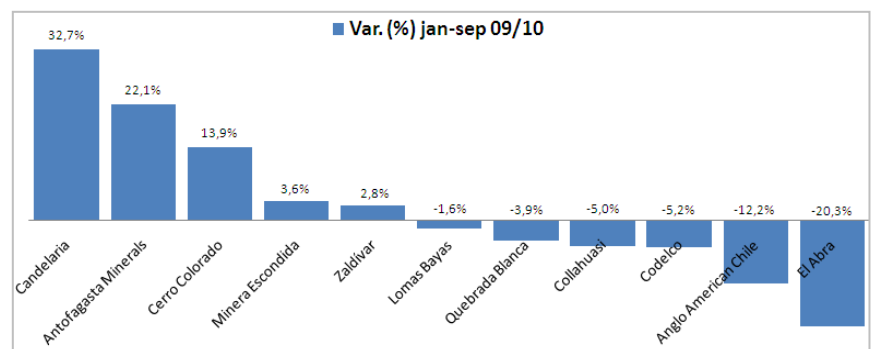


Table No. 7: Production and sales of other relevant minerals in the Chilean industry

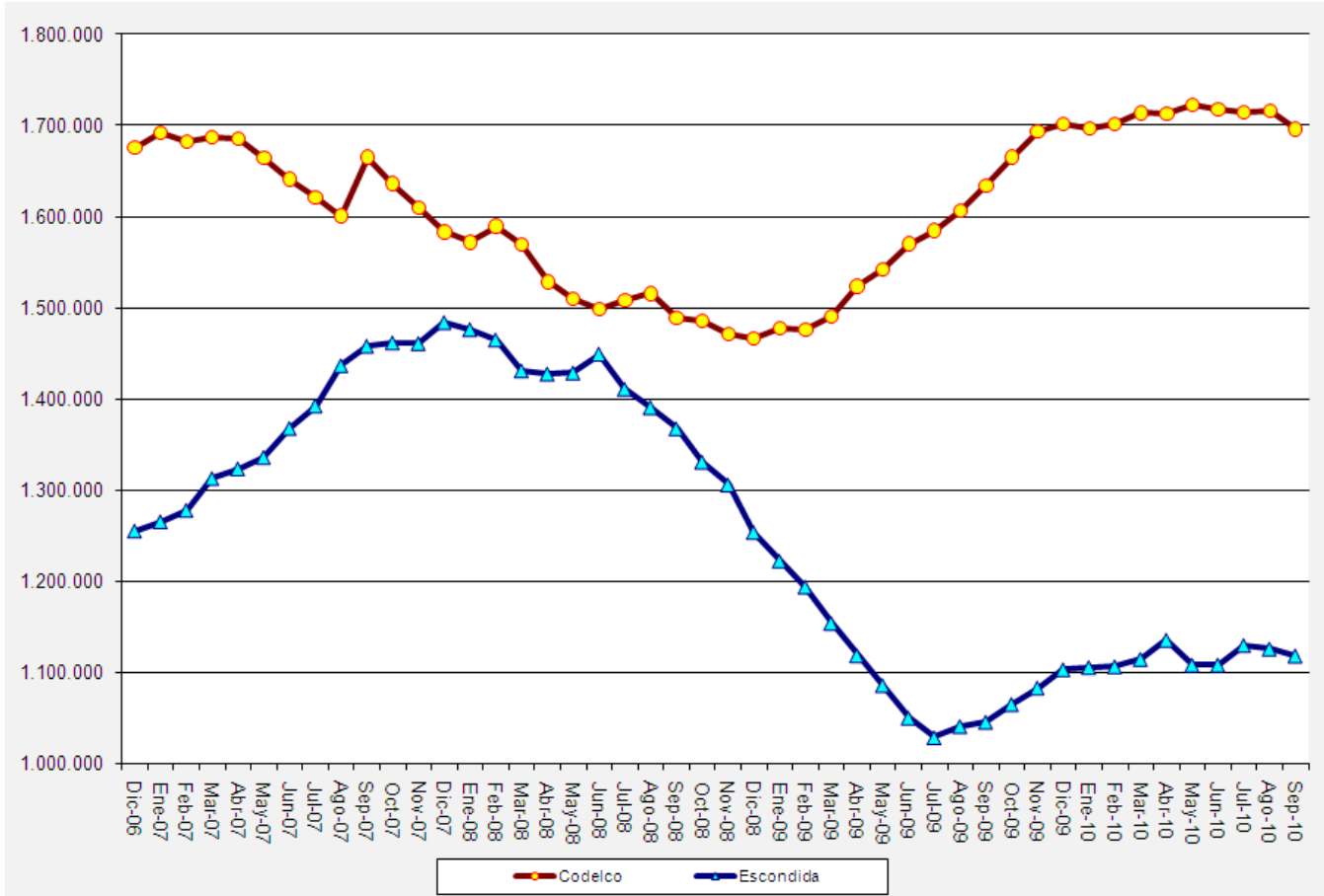
Company	Main Owner(s)			
Molybdenum (in thousands of pounds)		Jan-June 2010	(%) Var. Jan-June 09-10	
Molymet (Own sales and processing fees)	Capitalización y Rentas del Pacífico S.A. (35,56%) Otros (64,44)	98,140	46.0%	
Iron and Steel		Jan-Sept 2010	(%) Var. Jan-Sept 08-09	(%) Var. Jan-Sept 09-10
CAP (Iron) (in M.M.T.) (shipments)	Invercap S.A. (24,9%) Mitsubishi Corporation (18,93%) Others (56,17%)	4,321	22.2%	-3.1%
CAP (Steel) (in M.T.) (shipments)		297,101	-31.9%	-31.2%
Nitrates (in tons)		Jan-June 2010	(%) Var. Jan-June 08-09	(%) Var. Jan-June 09-10
SQM (Iodine and derivatives)	Sociedad de Inversiones Pampa Calichera (26,76%) Inversiones el Boldo Ltda. (23,68%) The Bank of New York (16,09%) Others (33,47%)	5,700	-34.0%	62.9%
SQM (Lithium and derivatives)		16,400	-35.7%	82.2%
SQM (Potassium Chloride)		571,000	298.6%	107.3%
SQM (Industrial Nitrates)		88,400	-25.7%	46.4%

Sources: Based on reasoned analyses delivered by the companies to the Superintendence of Securities and Insurance and available information published by the companies.

NOTES:

- (1) Molymet processes about 30% of the molybdenum in the Western market; CAP represents 0.087% of the production of world steel and about 0.9% of world iron.
- (2) SQM has a 2-3% share in the world potassium market, but 50% in the smaller specialty fertilizer market of "potassium nitrate." The potassium market is approximately 50 million tons, and the main producers are Potash Corp., Belaruskali, and Mosaic. SQM also has an important share in lithium (30%) and iodine (33%).
- (3) Molymet publishes production data annually (since the first quarter of 2009 it has provided information on physical sales), SQM semi-annually, and CAP quarterly.

Graph No. 4
Annualized Production: Codelco and Minera Escondida
(M.T. of fine copper)

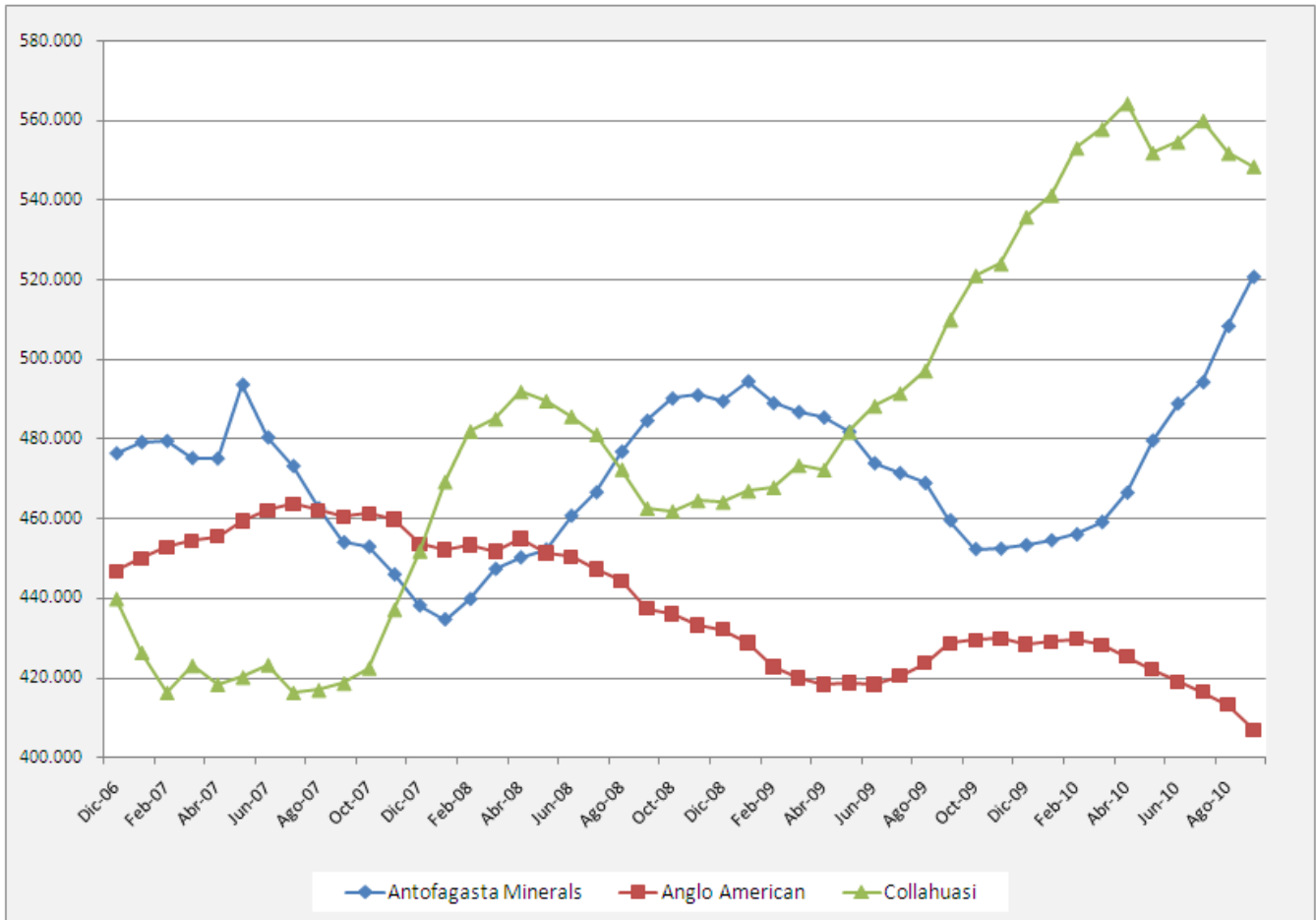


The graphs showing the production of the mining companies (graphs No. 4, 5 and 6) have been divided into three in order to facilitate their visualization due to differences in scale among the operations.

No significant changes in trend have been observed in the large mining companies in Chile during the third quarter of the year.

Those companies, in conjunction, represent 57% of the country's production.

Graph No. 5
Annualized Production
(M.T. of fine copper)



Source: Prepared by Cesco based on the Monthly Bulletin of the Chilean Copper Commission

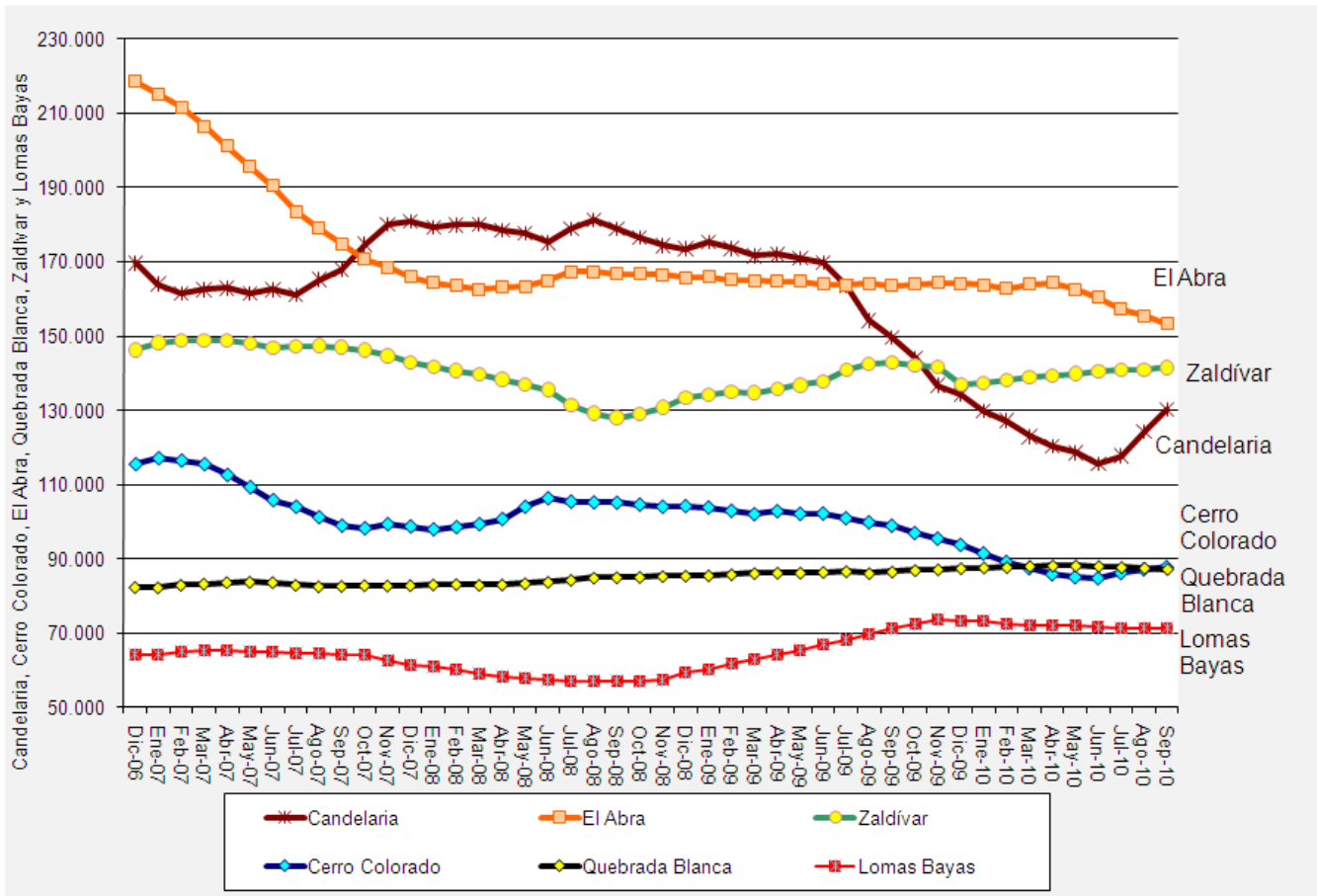
The productive performance of this group of companies, which represents 29% of Chilean copper production, is disparate.

Antofagasta Minerals shows a clear increase in production this year, driven by the increase in processing capacity at Los Pelambres. The new production of Esperanza, together with the expansion at Los Pelambres mine, would drive annual

copper production in 2011 by about 30 percent to 700,000 tons.

Production at Collahuasi has remained steady, but with some variations in the last three months. Anglo American continues to show a downward trend in production.

Graph No. 6
Annualized Production
(M.T. of fine copper)



Source: Prepared by Cescso based on the Monthly Bulletin of the Chilean Copper Commission.

Annualized production of Cerro Colorado has stabilized in the third quarter, whereas El Abra continues to show an incipient downward trend.

Candelaria was the Chilean company with the biggest productive increase during the

period, recovering from the drop it suffered in the first six months of the year due to the effects of the earthquake. It is estimated that it will approach its production level in early 2011.

Table No. 8: Operating Costs
(In millions of USD)

Company	Jan-Sept 2009	Jan-Sept 2010	(%) Var. Jan-Sept 08/09	(%) Var. Jan-Sept 09/10
Codelco	5,571	6,659	n.a.	19.5%
Minera Escondida	1,745	2,215	-9.6%	27.0%
Antofagasta Minerals	891	1,072	-14.9%	20.4%
Collahuasi	835	860	5.4%	3.0%
Anglo American Chile	1,042	1,585	-2.5%	52.1%
Candelaria	476	535	-14.0%	12.5%
El Abra	393	361	-24.9%	-8.2%
Zaldívar	291	287	18.9%	-1.3%
Cerro Colorado	282	377	-7.7%	33.9%
Quebrada Blanca	140	244	-23.9%	73.6%
Lomas Bayas	178	209	11.0%	17.4%
AVERAGE	1,077	1,310	-6.2%	22.7%
Molybdenum (Mo Oxide) (1)	589	864	-70.3%	46.6%
CAP (Steel and Iron)	975	982	n.d.	0.7%
SQM (Nitrates)	707	698	n.d.	-1.3%
AVERAGE	757	848	-70.3%	23.0%

Source: Prepared by Cescos based on financial information of the period delivered by the companies to the Superintendencia de Seguros y Fianzas and public information about the companies.

(1)Codelco, CAP and SQM started the first quarter of 2010 with the delivery of financial information according to International Financial Reporting Standards (IFRS); therefore, there are no comparable data available for 2008.

Only the Zaldívar and El Abra mining companies showed a net drop in costs compared with the third quarter of 2009. The other nine mining companies have shown a significant increase. In some cases, like Antofagasta Minerals, Candelaria, Cerro Colorado and Minera Escondida, the increases were justified by an increase in production during the period, which had repercussions on their operating costs.

Notwithstanding the foregoing, the low grades and growing complexity of mining production in Chile explain the strong

upward trend in costs at most of the Chilean companies.

The increase in costs at Anglo American is largely a reflection of the incorporation of Collahuasi in their operating costs.

Other factors that characterize the period are lower expenses associated with a better sulphuric acid price on the one hand and the increase in costs of electric energy, oil, diesel and services, as well as the effect of the exchange rate, on the other hand.

Table No. 9:
Unitary Costs (Cash Cost - C1)
(In cents of dollar per pound)

Company	Jan-Sept 2009	Jan-Sept 2010	(%) Var. Jan-Sept 08/09	(%) Var. Jan Sept 09/10
Codelco	92.4	101.6	46.2%	10.0%
Minera Escondida	79.6	90.3	5.3%	13.4%
Antofagasta Minerals	92.2	97.7	20.7%	6.0%
<i>Los Pelambres</i>	60.6	73.4	51.5%	21.1%
<i>El Tesoro</i>	113.4	161.3	-27.6%	42.2%
<i>Michilla</i>	159.0	183.6	-21.2%	15.5%
Collahuasi	n.a.	n.a.	n.a.	n.a.
Anglo American Chile	n.a.	n.a.	n.a.	n.a.
Candelaria	n.a.	n.a.	n.a.	n.a.
El Abra	n.a.	n.a.	n.a.	n.a.
Zaldívar	123.0	108.0	16.0%	-12.2%
Cerro Colorado	n.a.	n.a.	n.a.	n.a.
Quebrada Blanca	n.a.	n.a.	n.a.	n.a.
SIMPLE AVERAGE	96.8	99.4	20.5%	1.1%
WEIGHTED AVERAGE	114.3	125.3	22.9%	9.6%

Source: Information from companies.

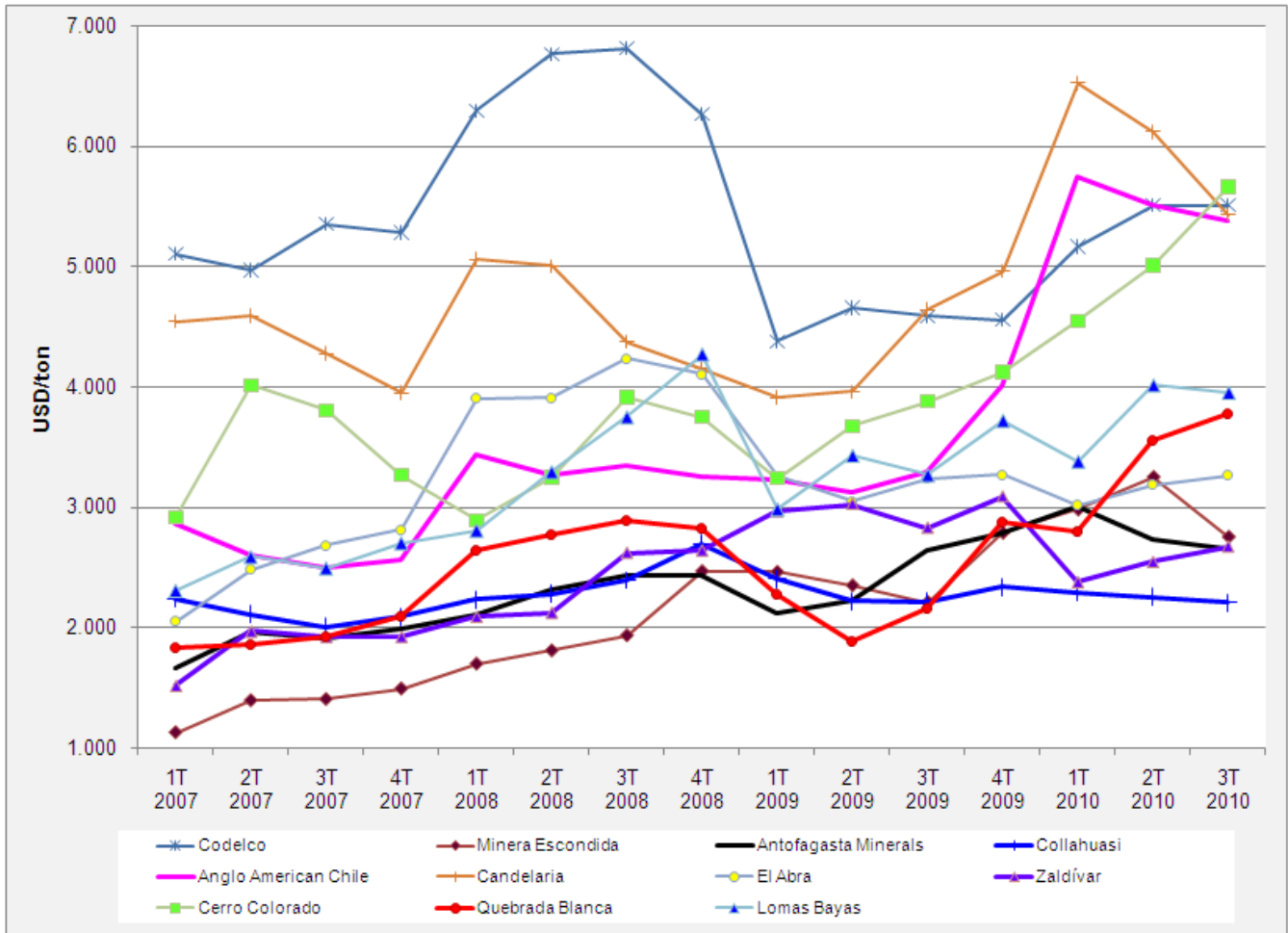
All of the Chilean companies that reported in this quarter showed an increase in their C1 unit cost per pound during the January-September 2010 period.

The only exception was Zaldívar, which showed a 12.2% decrease due to higher production in 2010, mainly resulting from operating improvements at the mine and plants.

The higher production at Zaldívar (about 10%) is due to a larger amount of tonnage heaped on the DL heap (Run of Mine

material without crushing), better recovery in the dynamic heap, and better operating practices, especially associated with heap height and curing with sulphuric acid.

Graph No. 7:
Operating costs per metric ton of mine copper



Source: Public information from companies, Cochilco, SVS.

Note: This indicator is calculated by dividing each company’s total accumulated operating cost by the total copper produced. The cost per ton calculated here includes total operating costs per company. Therefore, the Codelco cost includes refining and smelting costs, which are not comparable to the costs of other companies that only produce copper concentrate.

4. Financial Analysis of Large-scale Mining in Chile

A) Main Accounts and Results

Table No. 10: Income
(In millions of USD and percentage variations)

Company	Jan-Dec 2009	Jan-Sept 2009	Jan-Sept 2010	(%) Var. Jan- Sept 08/09	(%) Var. Jan- Sept 09/10
Codelco	12,147	7,838	11,381	n.a.	45.2%
Minera Escondida	7,071	4,118	6,220	-46.4%	51.0%
Antofagasta Minerals	2,680	1,824	3	-41.8%	62.1%
Anglo American	2,938	1,781	2,825	-32.6%	58.6%
Collahuasi	3,208	1,902	2,788	-25.2%	46.5%
Average	5,609	3,493	5,234	-50.8%	52.1%
Candelaria	1,123	780	953	-35.1%	22.1%
El Abra	916	613	814	n.a.	32.8%
Zaldívar	790	476	772	-35.9%	62.3%
Cerro Colorado	547	391	535	-44.5%	37.0%
Average	844	565	769	-47.2%	29.0%
Quebrada Blanca	435	277	483	-44.8%	74.4%
Lomas Bayas	417	252	374	-23.7%	48.0%
Average	426	265	428	-48.5%	85.5%
Molymet	948	664	938	-69.1%	41.4%
CAP	1,386	983	1,318	n.a.	34.2%
SQM	1,436	1,050	1,325	n.a.	26.2%
Average	1,257	899	1,194	-48.2%	34.8%

Source: Prepared by Cescos based on financial information for the period delivered by companies to the Superintendencia of Securities and Insurance and public information about the companies.

*Codelco, El Abra, CAP and SQM started 2010 with the delivery of financial information according to International Financial Reporting Standards (IFRS); therefore, there are no comparable data available from 2008. The same is true of Escondida, which started the fourth quarter of 2009 with information according to the IFRS.

A general increase in income is seen in all the companies, mainly due to the higher price level. Candelaria is the company with the least variation in the January-September period with a 22.1% increase, whereas Quebrada Blanca has the most significant increase with 74.4%.

The CAP result is not only due to better iron ore prices, but also a quite important accounting profit, which results from a revaluation of the mining assets in Compañía Minera Huasco (CMH) after the merger and entry of Mitsubishi into Compañía Minera del Pacífico (CMP).

Table No. 11: Fiscal Year Profit
(In millions of USD and percentage variations)

Company	Jan-Dec 2009	Jan-Sept 2009	Jan-Sept 2010	(%) Var. Jan-Sept 08/09	(%) Var. Jan Sept 09/10
Codelco (SVS) ¹	1,262	629	1,353	-60.6%	115.1%
Codelco (Comparable net prof) ²	3,235	1,652	3,288	-82.5%	99.0%
Minera Escondida	3,200	1,874	2,888	-73.2%	54.1%
Antofagasta Minerals	1,119	744	1,382	-70.5%	85.7%
Anglo American	1,026	622	934	-65.4%	50.3%
Collahuasi	1,565	884	1,494	-58.6%	69.0%
Average with Codelco¹	1,634	951	1,610	-72.4%	94.4%
Average with Codelco²	2,029	1,155	1,997	-73.4%	107.5%
Candelaria	355	235	331	-61.1%	40.9%
El Abra	295	170	350	-72.2%	106.0%
Zaldívar	281	141	389	-79.9%	177.0%
Cerro Colorado	136	96	120	-79.9%	25.3%
Average	267	160	298	-72.3%	82.8%
Quebrada Blanca	143	82	190	-81.6%	131.6%
Lomas Bayas	122	65	134	-70.5%	106.5%
Average	133	73	162	-77.1%	218.2%
Molybdenum	70	49	71	-65.5%	45.2%
CAP	-15	-52	632	-121.3%	1304.6%
SQM	327	252	276	-11.1%	9.8%
Average	127	83	327	-62.2%	354.6%

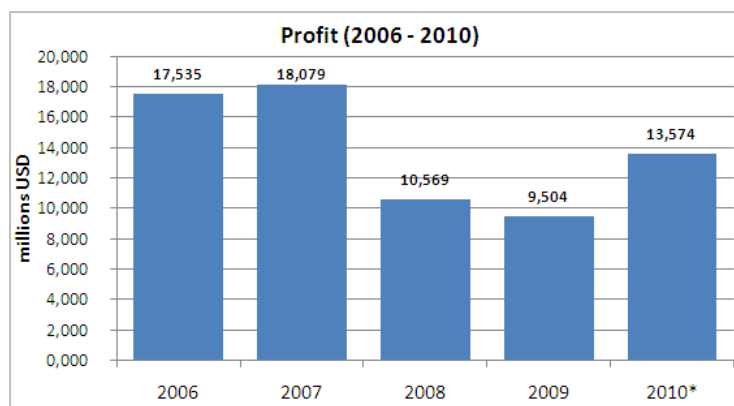
Source: Prepared by Cescos based on financial information of the period delivered by companies to the Superintendencia of Securities and Insurance and public information about the companies.

¹ Fiscal Year Profit reported to the Superintendencia of Securities and Insurance.

² Comparable Net Profit published by Codelco. This is the result Codelco would have had if it paid income taxes similar to the taxes paid by private companies (17%).

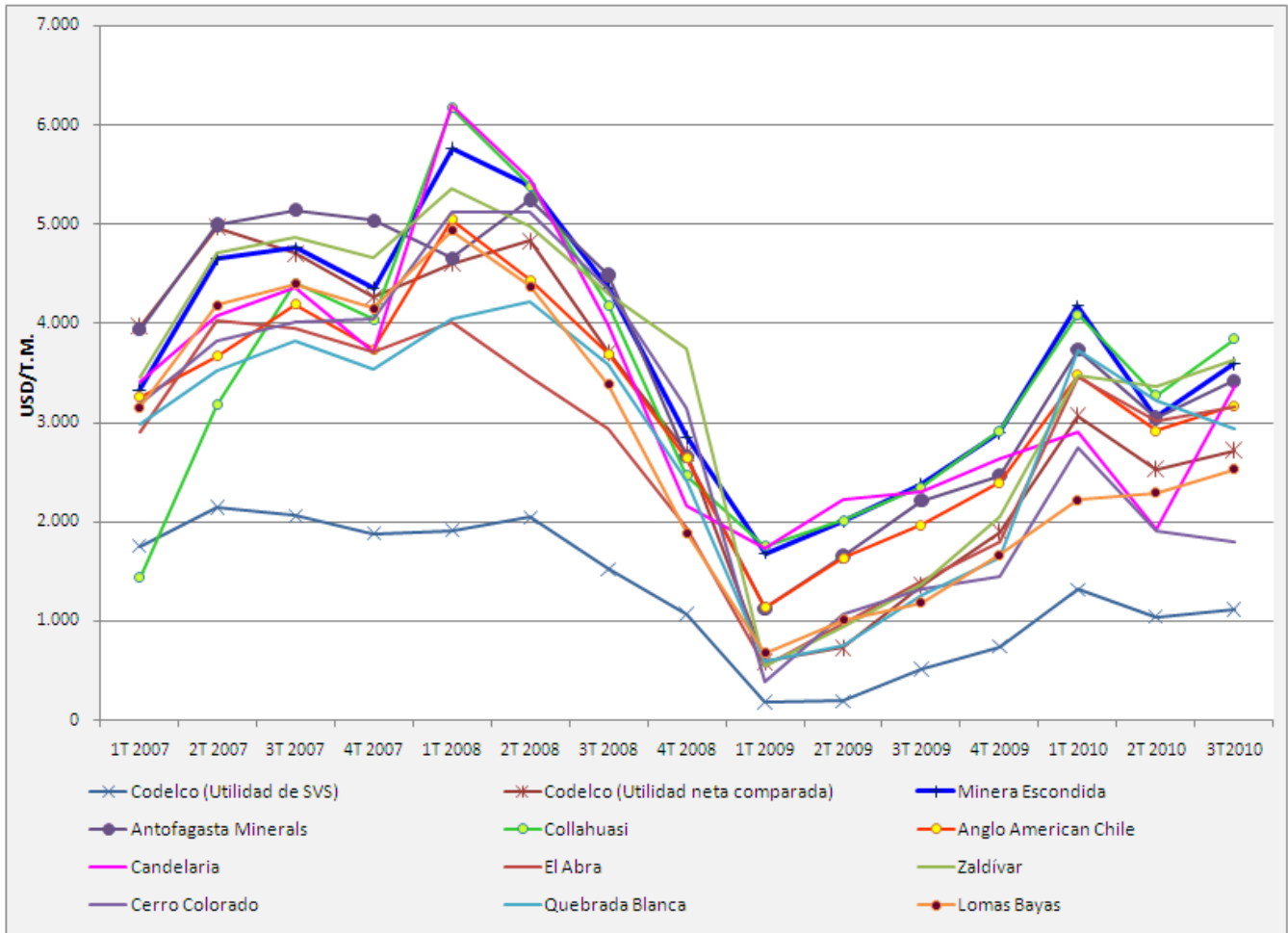
All the mining companies showed very high profits during the January-September period, because their income increased proportionally more than costs did.

The state-owned mining company, Codelco, announced its surplus was approximately US\$ 4 billion between January and September, which is a 119.56% increase compared to the same period last year, when it was approximately US\$ 1.9 billion.



*Estimated annual value with profits of the third quarter of 2010

Graph No. 8:
Profits per metric ton of mine copper



Source: Public information about companies, SVS, and Cochilco.

Almost all the companies showed an increase in this indicator during the third quarter of the year, mainly due to a larger increase in net profits compared to costs.

Nevertheless, the level remains lower than the peak recorded in 2008, and the upward trend of production costs plays a role in this.

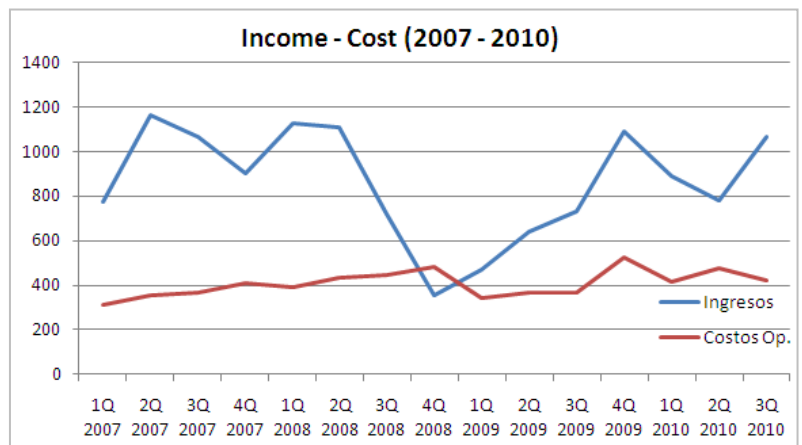


Table No. 12:
Income tax of Income Statements
(In millions of USD and percentage variations)

Company	Jan-Dec 2009	Jan-Sept 2009	Jan-Sept 2010	(%) Var. Jan- Sept 08/09	(%) Var. Jan Sept 09/10
Codelco	1,851	784	1,911	-65.0%	143.6%
Minera Escondida	825	529	756	-52.5%	42.9%
Antofagasta Minerals	285	191	346	-55.3%	81.3%
Anglo American Chile	258	157	250	-51.3%	58.9%
Collahuasi	402	226	374	-35.1%	65.2%
Total	3,621	1,888	3,637	-83.5%	326.7%
Candelaria	88	58	84	-58.4%	44.6%
El Abra	75	43	88	-56.4%	103.7%
Zaldívar	74	38	87	-62.7%	128.7%
Cerro Colorado	28	18	38	-79.7%	118.4%
Total	265	157	297	-87.6%	289.5%
Quebrada Blanca	37	22	49	-63.0%	124.5%
Lomas Bayas	31	17	34	-54.6%	98.8%
Total	69	39	83	-80.7%	363.0%
Molybdenum	19	17	14	-38.8%	-19.6%
CAP	-10	-11	123	-123.3%	1263.6%
SQM	77	60	84	-25.4%	39.7%
Total	86	67	221	-24.4%	41.5%

Source: Prepared by CESCO based on financial information of the period delivered by companies to the Superintendence of Securities and Insurance and public information on the companies.

Table No. 13:
Provisions for Specific Tax on Mining Activity
(In millions of USD and percentage variations)

Company	Effect of Mining Tax Provision Jan-Sept 2010 (millions of	Mining Tax Provision 2009	Annual variation 2008/2009
Codelco	202.0	177	-17.7%
Minera Escondida	134.8	116	-72.0%
Antofagasta Minerals	58.4	41	-41.5%
Anglo American Chile	28.6	39	-30.2%
Collahuasi	69.0	51	-22.5%
Total	492.8	424	-48.3%
Candelaria	16.8	10	-61.7%
El Abra	17.9	16	-5.5%
Zaldívar	18.9	15	-19.3%
Cerro Colorado	0.4	5	-60.5%
Total	54.1	46	-38.0%
Quebrada Blanca	9.8	7	-30.8%
Lomas Bayas	6.4	6	15.9%
Total	16.2	13	-15.9%

Source: Prepared by Cescso based on Financial Information for the period delivered by the companies to the Superintendence of Securities and Insurance and public information on the companies.

Important note: The companies have different provision policies so the provisions account for the specific tax on mining may show very relevant variations among the companies over the tax period. Therefore, the published information serves as a reference, and it does not represent a basis for comparison of the actual amount of this tax among companies.

Considering that the purpose of monthly provisional payments (MPP) is to comply with the payment of taxes for the respective tax year, the fact of not having monthly provisions does not signify non-payment of taxes. The rate for calculating monthly provisional payments varies according to the provisional payments already made and the gross income of the previous fiscal year.

B) Selection of Main Financial Ratios

Table No. 14:
Ratio of Return on Equity

Company	ROE at 09/30/2009	ROE at 09/30/2010	Variation
Codelco ¹	0.14	0.29	97.6%
Codelco ²	0.38	0.69	82.8%
Minera Escondida	0.37	0.54	45.8%
Antofagasta Minerals	0.21	0.41	92.1%
Anglo American Chile	0.20	0.29	46.6%
Collahuasi	0.35	0.46	31.5%
Average with Codelco¹	0.28	0.40	40%
Candelaria	0.30	0.34	11.1%
El Abra	0.18	0.26	41.1%
Zaldivar	0.17	0.39	129.0%
Cerro Colorado	0.045	0.053	16.7%
Average	0.18	0.26	47.7%
Quebrada Blanca	0.24	0.59	151.3%
Lomas Bayas	0.08	0.14	67.1%
Average	0.16	0.36	129.8%
Molymet	0.10	0.13	30.9%
CAP	-0.06	0.24	528.5%
SQM	0.17	0.16	-2.3%
Average	0.07	0.18	156.6%

Source: Prepared by Cescos based on financial information for the period delivered by companies to the Superintendencia of Securities and Insurance and on information published directly by the companies and public information on the companies.

¹ ROE calculated with Fiscal Year Profit.

² ROE calculated with Comparable Net Profit, not with Fiscal Year Profit.

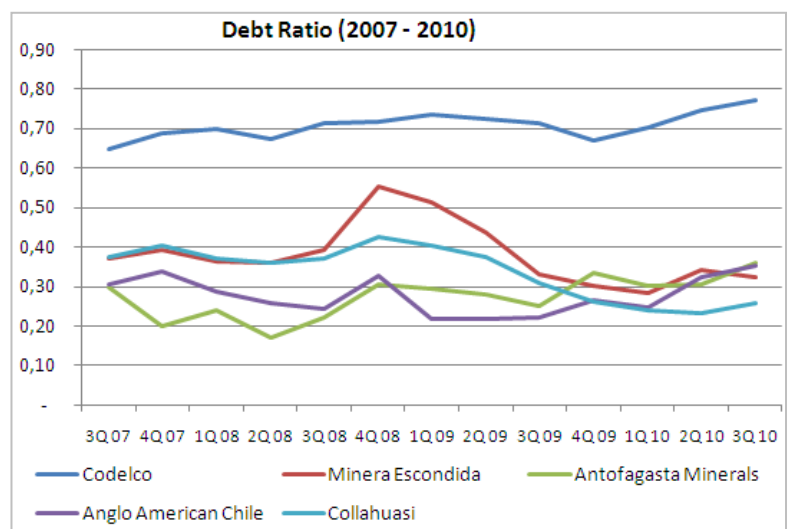
Table No. 15:
Debt Ratio
(Total Liabilities / Total Assets)

Company	Debt at 30/09/2009	Debt at 30/09/2010	Variation
Codelco	0.71	0.77	8.2%
Minera Escondida	0.33	0.32	-2.5%
Antofagasta Minerals	0.25	0.36	43.7%
Anglo American Chile	0.22	0.35	59.5%
Collahuasi	0.31	0.26	-16.6%
Promedio	0.28	0.41	48.6%
Candelaria	0.21	0.21	1.8%
El Abra	0.14	0.16	7.8%
Zaldívar	0.20	0.19	-7.0%
Cerro Colorado	0.07	0.15	110.0%
Promedio	0.16	0.18	12.9%
Quebrada Blanca	0.20	0.27	38.5%
Lomas Bayas	0.17	0.15	-8.8%
Promedio	0.18	0.21	16.8%
Molymet	0.54	0.56	2.8%
CAP	0.57	0.45	-20.3%
SQM	0.39	0.51	29.4%
Promedio	0.50	0.51	1.0%

Source: Prepared by Cesco based on financial information for the period delivered by companies to the Superintendence of Securities and Insurance and public information about the companies.

Total debt of Antofagasta Minerals at September 30, 2010 was approximately 2.2 billion dollars. The increased debt is mainly due to disbursements at Esperanza and other productive developments.

The increase in debt at Anglo American Chile is mainly due to the development project at Los Bronces. Progress has been made thus far on the different construction fronts of the project like the new grinding plant at Confluencia, the ore pipeline, and new floatation facilities at Las Tórtolas. Total investment in the project is US\$ 2.5 billion.



*Table No. 16:
Acid Test*

Company	Acid Test at 30/09/2009	Acid Test at 30/09/2010	Variation
Codelco	1.19	0.67	-43.7%
Minera Escondida	1.64	1.20	-26.3%
Antofagasta Minerals	1.50	2.18	45.9%
Anglo American Chile	2.28	2.17	-5.0%
Collahuasi	1.89	2.03	7.5%
Promedio	1.70	1.65	-2.8%
Candelaria	2.51	3.19	27.2%
El Abra	3.75	3.56	-5.1%
Zaldívar	1.93	3.63	87.9%
Cerro Colorado	21.10	22.35	5.9%
Promedio	7.32	8.18	11.7%
Quebrada Blanca	4.54	2.81	-38.1%
Lomas Bayas	1.41	0.90	-36.4%
Promedio	2.97	1.85	-37.7%
Molybdenum	1.49	1.49	-0.1%
CAP	1.73	1.80	4.5%
SQM	2.00	2.71	35.9%
Promedio	1.74	2.00	15.2%

Source: Prepared by CESCO based on financial information for the period delivered by companies to the Superintendence of Securities and Insurance and public information on the companies.

Notes

This report is an attempt to make information about the mining industry in Chile and the world mining industry more readily available. It is exclusively constructed on the basis of public information from the mining companies themselves and other entities that report information on mining companies.

The report is published quarterly, permitting a continuous, frequent analysis of the progress in the activities of the mining industry. It has been constructed very carefully to accurately reflect the real figures of the mining industry; however, CESCO does not accept any responsibility for errors caused by the use of information in this report.

The use of information contained in this report should cite the source, Center for Copper and Mining Studies, CESCO.

Mining companies have a period of 90 days to deliver financial information to the Superintendence of Securities and Insurance of Chile at the end of the quarterly closing. As an exception, Chilean mining companies may deliver the data at the close of the whole year, 120 days after the annual closing. Also, companies that adopt IFRS standards have an additional 15 days to extend the deadline.

The criterion used to list the companies in the world mining industry in order runs from highest income to lowest income in the last accounting year, except for production data, where the listing from highest to lowest copper production was used. For the Chilean copper mining industry the production level, from highest to lowest, was used. Since the production levels of Molymet, CAP and SQM are not comparable, the same criterion used for the world mining industry was applied, which is the highest to lowest income in the last accounting year.

Nomenclature and methodology

World Mining Industry

- EBITDA is calculated as operating result without including the depreciation of the fiscal year and amortization.
- For the Vale results the Generally Accepted Accounting Principles of the United States have been used, which are published by the company together with the results based on the accounting rules of Brazil.
- BHP Billiton, Anglo American plc, Rio Tinto, Xstrata and KGHM Polska Miedz report financial information semiannually.
- Vale, Codelco, Freeport McMoRan Copper & Gold (FCX) and Grupo México report financial information quarterly.
- Antofagasta Minerals plc (also referred to as AMSA) reports financial information quarterly for operations and some selected results.
- KGHM Polska Miedz delivers its data in Polish Zlotys so they are converted to USD for purposes of comparison.

Chilean Mining Industry

- Consolidated financial information has been used for: Codelco, Anglo American Chile, CAP, SQM and Molymet. In the case of Anglo American Chile, the consolidated information of Anglo American Sur and Anglo American Norte was used until the second quarter of 2009.
- Individual financial information has been used for: Minera Escondida, Antofagasta Minerals, Doña Inés de Collahuasi, Minera Candelaria, Minera El Abra, Minera Zaldívar, Minera Cerro Colorado, Minera Quebrada Blanca and Minera Lomas Bayas.
- The Comparable Net Profit of Codelco was taken from presentations made by Codelco at the end of each quarter. It corresponds to the Individual Financial Statements, and therefore when the use of comparable net profit was indicated in the ROE calculations, the value of the net worth was also taken from the individual balance sheets.
- For this report, all the results of Antofagasta Minerals were prepared with the individual information reported by Minera Los Pelambres, Minera El Tesoro and Minera Michilla.
- As of 2009, some mining companies will start to publish their results according to International Financial Reporting Standards (IFRS), which could cause differences in the quarterly results delivered.
- Molymet and Collahuasi started to deliver financial data according to IFRS standards as of 03/31/09. Minera Escondida started to deliver information based on IFRS standards as of 12/31/2009. Anglo American, Cerro Colorado and Lomas Bayas have delivered data based on IFRS since the first quarter of 2006. El Abra, CAP, SQM, and Codelco will deliver information based on IFRS as of the first quarter of 2010.
- AMSA, Zaldívar and Quebrada Blanca present financial information according to generally accepted accounting principles in Chile, whereas Minera Candelaria delivers information according to "US GAAP".

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The Center for Copper and Mining Studies - CESCO
thanks the following companies for their
support:

