



Collahuasi Announces New Mineral Resource and Ore Reserves Estimate

28 July 2010

Compañía Minera Doña Inés de Collahuasi SCM announces a revised Mineral Resource estimate with significantly improved confidence levels and an increase to total Mineral Resources and Ore Reserves.

The new Measured, Indicated and Inferred Resource estimate totals 7.094 billion tonnes at an average grade of 0.82% copper and 269 parts per million (ppm) molybdenum. The total resource represents 58 million tonnes of contained copper metal.

The total tonnage of the Mineral Resource has increased by 40%, the equivalent of over 2 billion tonnes, compared to the estimate published in December 2009 and taking into account 47 million tonnes mined during the first six months of 2010. This increase is the result of new drilling results (306 new diamond drill holes adding 191,881m and 60 reverse circulation boreholes adding 11,070m), modelling changes and metal price assumption adjustments.

Ore Reserves have increased by 315 million tonnes to a total of 2.414 billion tonnes at a grade of 0.82% copper compared to December 2009 (after 2010 year to date depletion).

Jon Evans, Chief Executive Officer of Collahuasi highlighted “The impressive uplift in the mineral resource base at Collahuasi provides a clear indication of the further expansion potential at Collahuasi, at a time when we continue to progressively increase the throughput capacity of the main processing facilities through ongoing operational improvements and staged, incremental capital expansions”.

He added that “We are progressing with concept studies into the alternatives to expand Collahuasi’s operations to ultimately produce more than one million tonnes of copper annually, with the view to completing the studies in the first quarter of 2011 prior to a decision on moving into the pre-feasibility study”.

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Note to Editors

Compañía Minera Doña Inés de Collahuasi SCM is Chile’s third largest copper mine and produced 535,000 tonnes of fine copper in 2009. Its shareholders are Xstrata Plc 44%, Anglo American Plc 44% and a Japanese consortium headed by Mitsui. Collahuasi provides direct and indirect employment to more than 7,000 people.

ABOUT COMPAÑÍA MINERA DOÑA INÉS DE COLLAHUASI SCM



Collahuasi Mineral Resources and Ore Reserves* as at 30 June 2010

	Ore Reserves			Mineral Resources				
	Proved	Probable	Total	Measured	Indicated	Meas+Ind	Inferred	Total
Sulphide Ore (Mt)	316	2,066	2,381	409	2,586	2,995	4,042	7,036
% Copper	1.08	0.79	0.83	0.90	0.80	0.82	0.81	0.82
% Molybdenum	0.023	-	-	0.02	0.02	0.02	0.02	0.02
Oxide & Mixed Ore (Mt)	0.1	32	32	0.3	38	38	20	58
% Copper	1.16	0.74	0.74	1.60	0.68	0.69	0.72	0.70
Total (Mt)			2,414					7,094

*Mineral Resources and Ore Reserves are reported in compliance with the 2004 edition of the JORC Code. Competent Persons: Jorge Betzhold Henzi (AusIMM 208566) is responsible for the Mineral Resource reporting and Mario Quiñones (AusIMM 303979) is responsible for the Ore Reserve reporting. Both Competent Persons are full-time employed for Compañía Minera Doña Inés de Collahuasi SCM and have consented to the inclusion of these estimates in the form and context in which they appear.

All tonnage and grade estimations for Mineral Resources are reported as inclusive of tonnage and grade estimations for those Mineral Resource estimates that have been converted to Ore Reserves. The 47 million tonne ore production for the first half 2010 is already depleted from the reported Ore Reserve. Ore Reserves include estimates of stockpile material at time of reporting. Tonnes and grade information has been rounded to appropriate significant figures, totals may not add correctly due to rounding of input numbers. Tonnage estimates are in metric tonnes.

Rosario, Rosario Oeste, Ujina, Capella, Capella Este, La Borracha and Dulcinea are deposits within the Collahuasi cluster. Collahuasi is mined by open cut methods. Reserves and Resources have been re-estimated on the basis of new drilling information, updated geological and geostatistical modelling, updated mining parameters and adjustments to the forecast metal prices.

Cut-off parameters for the Resources and Reserves vary according to forecast metal prices, expected financial, mining and metallurgical parameters. Mineral Resources are reported within the constraints of optimised pit shells.

The Resources for Rosario, Ujina and Capella have been classified into Measured, Indicated and Inferred categories based on minimum search radius constraints and drill hole spacing:

Rosario: Measured 50 x 50m (Oxide, Mixed, and Secondary Sulphides) and 70 x 70m (Primary Sulphides); Indicated 100 x 100m (Oxides, Mixed, and Secondary Sulphide) and 150 x 150m (Primary Sulphides); Inferred within 250m in the horizontal and 50 in the vertical.

Ujina: Measured 70 x 70m (all mineralization types); Indicated 100 x 100m (Oxides, Mixed, Secondary Sulphide) and 150 x 150m (Primary Sulphides); Inferred for wider drilling grids and contained within the geological interpretation. The oxides at Capella were drilled on approximate 50 by 50 metres grid and have been classified in the Indicated category.

Ore Reserve estimates are based only on Measured and Indicated Resources, optimised mine plans and meet minimum operational cut-off requirements. Ore Reserve pits for Rosario and Ujina were defined using expected long term prices for copper. However, for Capella East, a more aggressive copper price was used in attention to the short live expected for the deposit.

In order to ensure that the stated resources represent mineralization that have "reasonable prospects for eventual economic extraction" (JORC Code), Open pit shells were optimized for the Rosario and Ujina Resources models based on the Lersch-Grossmann algorithm using the Whittle 4X software and long term equilibrium metal prices. Operational pit designs were generated based on the optimised shells. The Ore Reserves include all Proved and Probable Reserves falling above the breakeven cut-off grade. The process of generating the resource model and optimised pit shells incorporated diluting materials; as such no additional dilution factors were required in converting Resources to Reserves.

Material included in stockpiles is periodically verified and re-evaluated through drilling, trenching, and sampling. Stockpiles for material from the Rosario deposit indicate a level of uncertainty for the reported grades. This material has been classified as Probable Reserves for inclusion in the Ore Reserve Estimate.

All sulphide stockpile Resources reporting to Reserves that have been classified as Measured and fall between 0.34% and operational cut off grade are downgraded to the Probable Reserve category. Previous statements did not consider this downgrading of the Reserve category.