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## **BHP Billiton adjusts the new design for Phase V of Escondida**



BHP Billiton decided to redesign and modify the timing of the largest investment project which will be developed in Chile in the coming years. This is Phase V of Minera Escondida, in the Antofagasta region, in the North of the country, a venture that was initially projected to cost US\$ 6,800 million and which would raise the level of production of the largest copper mine in the world. The original project involved the installation of a third concentrator plant, a desalination plant and more electric power.

Diego Hernández, the President BHP Billiton Base Metals, explained that the new plans involve building a new concentrator mill, but that it will not become a third plant, but will replace one of the two existing ones (at Los Colorados). Thus, Phase V (which should begin in 2012), will require an investment of US\$ 2,000 million for the new concentrator. And furthermore, in the year 2011, US\$ 400 million will be reserved for the installation of an additional mill.

"Production should remain at 1,100,000 tons. With Phase V production is expected to increase marginally, but when the concentrations reduce, this would return to the range of production in which we operate now," said the Chilean executive.

The remaining investment will be linked to Phase VI of Escondida, which the conglomerate hopes to develop by the end of this decade, within six to eight years from now. The investment will reach US\$ 7,000 million, resulting from the construction of a new concentrator (there will be three operating simultaneously) and the desalination plant. Thanks to this initiative it will help to raise production to 1,400,000 tons of copper.

Diego Hernández said that he took this decision because the mill is about to replace a portion of the site which has a high grade of ore and therefore this may affect the exploitation of an area that has good reserves of copper, which in turn will improve mining returns.

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