

Santiago, 20 de Octubre de 2003  
PE-03/253

Señor  
Alejandro Ferreiro  
Superintendente de Valores y Seguros  
Presente.

Ref.: HECHO ESENCIAL  
Corporación Nacional del Cobre de  
Chile  
N° Inscripción Registro de Valores 785

Señor Superintendente:

De acuerdo a lo dispuesto en el artículo 9 e inciso 2° del artículo 10 de la Ley N° 18.045 sobre Mercado de Valores, en la Norma de Carácter General N° 30 y en la Circular N° 1.072, de 14 de Mayo de 1992 de esa Superintendencia, cumpla con hacer llegar a Ud. la información relativa a la emisión y colocación de bonos en el extranjero que la Corporación Nacional del Cobre de Chile realizó en los Estados Unidos de América.

A este respecto, se adjunta a la presente la documentación requerida por la Circular N° 1.072 antes mencionada.

Saluda atentamente a usted,

  
Francisco Tomic Errázuriz  
Presidente Ejecutivo (S)



Corporación Nacional  
del Cobre de Chile  
Huérfanos 1270  
Santiago, Chile  
Cód. Postal 6500544  
Casilla 150 - D  
Tel: 56.2.690.3000  
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**FORMULARIO HECHO ESENCIAL**  
**COLOCACION DE BONOS EN EL EXTRANJERO**

**1.00 IDENTIFICACION DEL EMISOR**

1.1	Razón Social	Corporación Nacional del Cobre de Chile
1.2	Nombre fantasía	CODELCO-CHILE
1.3	R.U.T.	61.704.000-K
1.4	Nº Inscripción Reg. Valores	785
1.5	Dirección	Huérfanos 1270, Comuna de Santiago, Santiago
1.6	Teléfono	(2) 690 3221
1.7	Actividades y negocios	

Ver Anexo 1.

**2.0 ESTA COMUNICACION SE HACE EN VIRTUD DE LO ESTABLECIDO EN EL ARTICULO 9º E INCISO SEGUNDO DEL ARTICULO 10º DE LA LEY Nº 18.045, Y SE TRATA DE UN HECHO ESENCIAL RESPECTO DE LA SOCIEDAD, SUS NEGOCIOS, SUS VALORES DE OFERTA PUBLICA Y/O DE LA OFERTA DE ELLOS, SEGUN CORRESPONDA.**

### 3.0 CARACTERISTICAS EMISION

3.1	Moneda de denominación	Dólares de los Estados Unidos de América
3.2	Moneda total emisión	U.S.\$500.000.000.-
3.3	Portador / a la orden	Bonos registrados a nombre de los tenedores en los libros de DTCC.

3.4	Series	144 <sup>a</sup>	Reg. S		
3.4.1	Monto de la serie	US\$430.870.000	US\$69.130.000		
3.4.2	Nº de bonos	1	1		
3.4.3	Valor nominal bono	US\$430.870.000	US\$69.130.000		
3.4.4	Tipo reajuste	N/A	N/A		
3.4.5	Tasa de interés	5,500%	5,500%		
3.4.6	Fecha de emisión	15/10/2003	15/10/2003		

3.4.7 Para cada serie llenar la siguiente tabla de desarrollo: El capital de los bonos será pagadero en su integridad a su vencimiento el día 15 de Octubre de 2013. Los bonos devengarán un interés de 5,500% anual calculado sobre la base de un año de 360 días, el cual será pagadero en 20 cuotas semestrales iguales los días 15 de Abril y 15 de Octubre de cada año, empezando el 15 de Abril de 2004.

Nº Cuota Interés	Nº Cuota Amortiz.	Fecha	Intereses	Amortización	Total Cuota	Saldo Capital
1	1	15-Apr-04	13,750,000	0	13,750,000	500,000,000
2	2	15-Oct-04	13,750,000	0	13,750,000	500,000,000
3	3	15-Apr-05	13,750,000	0	13,750,000	500,000,000
4	4	15-Oct-05	13,750,000	0	13,750,000	500,000,000
5	5	15-Apr-06	13,750,000	0	13,750,000	500,000,000
6	6	15-Oct-06	13,750,000	0	13,750,000	500,000,000
7	7	15-Apr-07	13,750,000	0	13,750,000	500,000,000
8	8	15-Oct-07	13,750,000	0	13,750,000	500,000,000
9	9	15-Apr-08	13,750,000	0	13,750,000	500,000,000
10	10	15-Oct-08	13,750,000	0	13,750,000	500,000,000
11	11	15-Apr-09	13,750,000	0	13,750,000	500,000,000
12	12	15-Oct-09	13,750,000	0	13,750,000	500,000,000
13	13	15-Apr-10	13,750,000	0	13,750,000	500,000,000
14	14	15-Oct-10	13,750,000	0	13,750,000	500,000,000
15	15	15-Apr-11	13,750,000	0	13,750,000	500,000,000
16	16	15-Oct-11	13,750,000	0	13,750,000	500,000,000
17	17	15-Apr-12	13,750,000	0	13,750,000	500,000,000
18	18	15-Oct-12	13,750,000	0	13,750,000	500,000,000
19	19	15-Apr-13	13,750,000	0	13,750,000	500,000,000
20	20	15-Oct-13	13,750,000	500,000,000	513,750,000	0

3.5 Garantías Si  No

3.5.1 Tipo y montos de las garantías

3.6 Amortización Extraordinaria : Si  No

3.6.1 Procedimientos y fechas :

4.0 OFERTA : Pública  Privada

**5.0 PAIS DE COLOCACION**

5.1 Nombre Bonos vendidos a los compradores iniciales en los Estados Unidos de América.

5.2 Normas para obtener autorización de transar

Rule 144 A y Regulation S de la U.S. Securities Act de 1933 de los Estados Unidos de América.

**6.0 INFORMACION QUE PROPORCIONARA**

6.1 A futuros tenedores de bonos

Prospecto informativo ("Offering Memorandum") de fecha 8 de Octubre de 2003. Ver Anexo 2.

6.2 A futuros representantes de tenedores de bonos

Mismo documento mencionado en el punto anterior.

**7.0 CONTRATO DE EMISION**

7.1 Características generales

Contrato de Compraventa ("Purchase Agreement") celebrado el día 8 de Octubre del año 2003 entre CODELCO-CHILE, como emisor de bonos, y (A) J.P. Morgan Securities Inc., (B) BNP Paribas Securities Corp., (C) RBC Dominion Securities Corporation, (D) Banco Bilbao Vizcaya Argentaria S.A. y (E) Dresdner Kleinwort Wasserstein Securities LLC, como compradores iniciales. Ver Anexo 3.

El objeto de este contrato fue la adquisición por parte de los compradores iniciales de la totalidad de los bonos emitidos por CODELCO-CHILE, bajo los términos y condiciones que en él se expresen.

7.2 Derechos y obligaciones de los tenedores de bonos

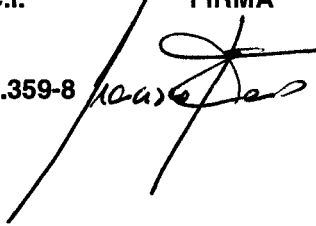
Los bonos emitidos por CODELCO-CHILE constituyen obligaciones directas, no garantizadas y no subordinadas de la compañía emisora. Los tenedores de bonos pueden declarar exigible anticipadamente la totalidad del capital más intereses en ciertos casos de incumplimiento por parte de CODELCO-CHILE.

**8.0****OTROS ANTECEDENTES IMPORTANTES**

Los bonos no han sido registrados en los Estados Unidos de América bajo la U.S. Securities Act de 1993 y, por lo tanto, solamente podrán ser vendidos a ciertos compradores institucionales calificados de acuerdo con lo dispuesto en la Rule 144 A de la mencionada ley y/o fuera de los Estados Unidos, de acuerdo con lo señalado en la Regulation S de la misma norma.

**9.0****DECLARACION DE RESPONSABILIDAD**

El suscrito en su calidad de Presidente Ejecutivo (S) de la Corporación Nacional del Cobre de Chile (la "Sociedad"), ambos domiciliados en calle Huérfanos 1270, Santiago, a fin de dar debido cumplimiento a lo dispuesto en la Circular N° 1072 de la Superintendencia de Valores y Seguros (la "SVS"), declara y da fe, bajo juramento, en este acto y bajo su correspondiente responsabilidad legal, respecto de la plena y absoluta veracidad y autenticidad de toda la información presentada y adjuntada por la Sociedad a la SVS en el presente "Formulario de Hecho Esencial Colocación de Bonos en el Extranjero", con fecha 20 de Octubre de 2003.

NOMBRE	CARGO	C.I.	FIRMA
Francisco Tomic Errázuriz	Presidente Ejecutivo (S)	8.440.359-8	

**ANEXO 1**

**ACTIVIDADES Y NEGOCIOS**

**ANEXO 2**  
**OFFERING MEMORANDUM**



**ANEXO 3**  
**PURCHASE AGREEMENT**

CORPORACIÓN NACIONAL DEL COBRE DE CHILE

US\$500,000,000

5.5% Notes Due October 15, 2013

Purchase Agreement

New York, New York  
October 8, 2003

J.P. Morgan Securities Inc.  
As Representative of the Initial Purchasers  
270 Park Avenue  
New York, New York 10017

Ladies and Gentlemen:

Corporación Nacional del Cobre de Chile, a state-owned enterprise organized under the laws of Chile (the “**Company**”), proposes to issue and sell to the several purchasers named in Schedule I hereto (the “**Initial Purchasers**”), for whom you (the “**Representative**”) are acting as representative, US\$500,000,000 principal amount of its 5.5% Notes Due October 15, 2013 (the “**Securities**”) to be issued under a fiscal and paying agency agreement (the “**Fiscal and Paying Agency Agreement**”), to be dated as of the Closing Date (as defined in Section 3 hereof) between the Company and J.P. Morgan Chase Bank, as fiscal and paying agent (the “**Fiscal and Paying Agent**”). Unless otherwise specified, defined terms used herein shall have the meanings set forth in Section 21 hereof.

The sale of the Securities to the Initial Purchasers will be made without registration of the Securities under the Act in reliance upon exemptions from the registration requirements of the Act.

In connection with the sale of the Securities, the Company has prepared a preliminary offering memorandum, dated October 3, 2003 (including any and all exhibits thereto, the “**Preliminary Memorandum**”), and a final offering memorandum, dated October 8, 2003 (as amended or supplemented at the Execution Time, including any and all exhibits thereto, the “**Final Memorandum**”). Each of the Preliminary Memorandum and the Final Memorandum sets forth certain information concerning the Company and the Securities. The Company hereby confirms that it has authorized the use of the Preliminary Memorandum and the Final

Memorandum, and any amendment or supplement thereto, in connection with the offer and sale of the Securities by the Initial Purchasers.

1. Representations and Warranties. The Company represents and warrants to each Initial Purchaser as set forth below in this Section 1.

(a) The Preliminary Memorandum, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the Execution Time and on the Closing Date, the Final Memorandum did not, and will not (and any amendment or supplement thereto, at the date thereof, and at the Closing Date, will not), contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company makes no representation or warranty as to any information contained in the Preliminary Memorandum or the Final Memorandum, or any amendment or supplement thereto, in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of the Initial Purchasers through the Representative specifically for inclusion therein.

(b) Neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf has, directly or indirectly, made offers or sales of any “security” (as defined in the Act), or solicited offers to buy or otherwise negotiated in respect of, any security which is or will be integrated with the sale of the Securities in a manner that would require the registration of the Securities under the Act.

(c) Neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf, has, directly or indirectly, offered or sold the Securities in Chile or to any resident of Chile, except as permitted by applicable Chilean law.

(d) Neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf has, directly or indirectly, offered, solicited offers to buy or sold any of the Securities by any form of general solicitation or general advertising (within the meaning of Regulation D) or in any manner involving a public offering (within the meaning of Section 4(2) of the Act).

(e) The Securities satisfy the eligibility requirements of Rule 144A(d)(3) under the Act.

(f) The Company is a “foreign issuer” (as defined in Regulation S), and neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf has engaged in any “directed selling efforts” (as defined in Regulation S) with respect to the Securities, except no such representation, warranty or agreement is made by the Company with respect to the Initial Purchasers.

(g) It is not necessary in connection with the offer, sale and delivery of the Securities to the Initial Purchasers in the manner contemplated by this Agreement to

register the Securities under the Act or to qualify the Fiscal and Paying Agency Agreement under the Trust Indenture Act.

(h) There is no “substantial U.S. market interest” (as defined in Regulation S) in the Company’s “debt securities” (as defined in Regulation S).

(i) The Company is not, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Final Memorandum will not be, required to register as an “investment company” within the meaning of the Investment Company Act.

(j) The Company has not paid or agreed to pay to any person any compensation for soliciting another to purchase any securities of the Company (except as contemplated by this Agreement).

(k) The Company has not taken, directly or indirectly, any action designed to cause or result in, or that has constituted or which might reasonably be expected to constitute or cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(l) Except as disclosed in the Preliminary Memorandum and the Final Memorandum, there are no transaction, stamp or other issuance or transfer taxes or duties or other similar fees or withholdings or charges required to be paid in connection with the execution and delivery of this Agreement, the Fiscal and Paying Agency Agreement, the issuance or sale by the Company of the Securities or the enforcement of the Securities, other than (i) a 1.608% stamp tax on the incurrence of the indebtedness evidenced by the Securities, which will be paid by the Company upon the issuance of the Securities and (ii) a 4% withholding tax on interest payments, and all other payments deemed to be interest payments, with respect to the Securities to the extent paid to a person domiciled or residing outside of Chile.

(m) Any information provided by the Company pursuant to Section 5(h) hereof will not, at the date thereof, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(n) The Company has been duly created and is validly existing as a state-owned enterprise under the laws of Chile with corporate power and authority to issue and sell the Securities as contemplated hereby and to own or lease, as the case may be, and to operate its properties and conduct its business as described in the Final Memorandum, and is duly qualified to transact business in each jurisdiction which requires such qualification, except to the extent that the failure to be so qualified to transact business would not have a current or prospective material adverse effect on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole.

(o) The Company has no “significant subsidiary” as defined in Rule 1-02 of Regulation S-X pursuant to the Act.

(p) This Agreement has been duly authorized, executed and delivered by the Company; the Fiscal and Paying Agency Agreement has been duly authorized and, assuming due authorization, execution and delivery thereof by the Fiscal and Paying Agent, when executed and delivered by the Company, will constitute a valid and binding instrument enforceable against the Company in accordance with its terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity); and the Securities have been duly authorized, and, when executed and authenticated in accordance with the provisions of the Fiscal and Paying Agency Agreement and delivered to and paid for by the Initial Purchasers under this Agreement, will have been duly executed and delivered by the Company and will constitute valid and binding obligations of the Company entitled to the benefits of the Fiscal and Paying Agency Agreement (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity).

(q) No consent, approval, authorization, filing with or order of any court or governmental agency or body is required in connection with the transactions contemplated herein, in the Fiscal and Paying Agency Agreement or in the Securities, except (A) such as may be required under the blue sky or securities laws of any jurisdiction in connection with the purchase and distribution of the Securities by the Initial Purchasers in the manner contemplated herein and in the Preliminary Memorandum and the Final Memorandum, (B) the following authorizations and registrations required by Chilean law which have been obtained and remain in full force and effect: (1) authorization granted by the President of Chile and by Decree of the Minister of Finance, whether general or specific, pursuant to Article 4 of Decree Law No. 2,349 of 1978; (2) authorization granted by the Minister of Finance to the Company to enter into negotiations relating to the issue of the Securities, pursuant to Decree Law No. 1,350 of 1976, as amended; (3) authorization granted by the Minister of Finance to the Company to issue the Securities pursuant to the *Estatutos* of the Company and a copy of such authorization delivered to the Ministry of Mining; (4) the delivery to the Ministry of Finance and the Ministry of Mining for approval and possible review of the proposed annual budget and a debt amortization budget pursuant to Decree Law No. 1,350 of 1976, as amended and (C) the Company will file with the *Servicio de Impuestos Internos* (i) on or before March 31, 2004, the terms and conditions of the Securities and (ii) notice of any relevant payment of fees and commissions made pursuant to the Securities, prior to the making of such payment.

(r) Neither the execution and delivery of the Fiscal and Paying Agency Agreement or this Agreement, the issue and sale of the Securities, nor the consummation of any other of the transactions herein or therein contemplated, nor the fulfillment of the terms hereof, thereof, or of the Securities will conflict with, or result in a default, breach or violation of or imposition of any lien, charge or encumbrance upon, any property or assets of the Company or any of its subsidiaries (except for any such conflict, default, breach, violation or imposition as would not have a current or prospective material adverse effect on (x) the rights of the holders of the Securities, or (y) the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken

as a whole) pursuant to (i) any provision of applicable law; (ii) the Decree Law No. 1,350 of 1976, as amended, or the *Estatutos* of the Company; (iii) any agreement or other instrument binding upon the Company or any of its subsidiaries; or (iv) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any of its subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company, any of its subsidiaries or their respective properties.

(s) The consolidated historical financial statements and schedules of the Company and its consolidated subsidiaries included in the Preliminary Memorandum and the Final Memorandum present fairly in all material respects the financial condition, results of operations and cash flows of the Company as of the dates and for the periods indicated and have been prepared in conformity with generally accepted accounting principles in Chile applied on a consistent basis throughout the periods involved (except as otherwise noted therein); the selected financial data set forth under the captions "Summary Financial Information" and "Selected Financial Information" in the Preliminary Memorandum and the Final Memorandum fairly present, on the basis stated in the Final Memorandum, the information included therein and have been prepared in conformity with generally accepted accounting principles in Chile applied on a consistent basis throughout the periods involved (except as otherwise noted therein).

(t) There is no pending or threatened action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries or its or their property that is not described in the Preliminary Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto), except for such proceedings that, if the subject of an unfavorable decision, ruling or finding would not, singly or in the aggregate, have a current or prospective material adverse effect (i) on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, or (ii) on the power or ability of the Company to perform its obligations under this Agreement, the Fiscal and Paying Agency Agreement or the Securities or to consummate the transactions contemplated in the Preliminary Memorandum and the Final Memorandum.

(u) No circumstance or other event has arisen that has caused or, with the giving of notice or the lapse of time, or both, would cause the Company to be in violation or default of (i) any provision of the Decree Law No. 1,350 of 1976, as amended, or its *Estatutos*; (ii) the terms of any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole; or (iii) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, except for such contraventions as would not have a current or prospective adverse effect on the Company or its subsidiaries, taken as a whole.

(v) The Company and its subsidiaries possess all concessions, licenses, certificates, permits and other authorizations issued by the appropriate government and other regulatory authorities necessary to conduct their respective businesses, as described

in the Preliminary Memorandum and the Final Memorandum, and neither the Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such concession, certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a current or prospective material adverse effect on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Preliminary Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto).

(w) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Chile and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(x) The Company and its subsidiaries have good and marketable title to all real property owned by them and good title to all other properties owned by them, including the Company's mining concessions, mining rights and water rights, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except (a) such as are set forth in or contemplated by the Preliminary Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto) or (b) where the failure to have good title would not have a current or prospective material adverse effect on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business; all of the leases and subleases material to the business of the Company and its subsidiaries, taken as a whole, and under which the Company or any of its subsidiaries holds properties described in the Preliminary Memorandum and the Final Memorandum, are in full force and effect, except (a) where the failure to be in full force and effect would not have a current or prospective material adverse effect on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, or (b) such as are set forth in or contemplated by the Preliminary Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto); and none of the Company or its subsidiaries has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any of its subsidiaries under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or any of its subsidiaries to the continued possession of the leased or subleased premises under any such lease or sublease, except (a) claims which are being contested by the Company or its subsidiaries in good faith and which would not have a current or prospective material adverse effect on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions

in the ordinary course of business, or (b) such as are set forth in or contemplated by the Preliminary Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto).

(y) Ernst & Young (Chile) Ltda., who have audited certain financial statements of the Company and its consolidated subsidiaries and delivered their report with respect to the audited consolidated financial statements and schedules included in the Preliminary Memorandum and the Final Memorandum, are independent public accountants with respect to the Company.

(z) Deloitte & Touche, Sociedad de Auditores y Consultores Ltda., who have conducted a limited review of certain interim financial statements of the Company and its consolidated subsidiaries included in the Preliminary Memorandum and the Final Memorandum, are independent public accountants with respect to the Company.

(aa) The Company and its subsidiaries (i) are in compliance with any and all applicable laws, regulations and approvals relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (“**Environmental Laws**”); (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) have not received notice of any actual or potential liability for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a current or prospective material adverse effect on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as described in the Preliminary Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto);

(bb) In the ordinary course of its business, the Company periodically reviews the effect of Environmental Laws on the business, operations and properties of the Company and its subsidiaries, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws, or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties); on the basis of such review, the Company has reasonably concluded that such associated costs and liabilities would not, singly or in the aggregate, have a current or prospective material adverse effect on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Preliminary Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto).

(cc) Since the respective dates as of which information is given in the Preliminary Memorandum and the Final Memorandum, nothing has occurred giving rise



to a current or prospective material adverse change in the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Preliminary Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto).

(dd) Pursuant to Article 52 of the Organic Law of the Central Bank of Chile and the Decree Law No. 1,350 of 1976, as amended, the Company is exempt from the Central Bank of Chile exchange regulations in connection with the issuance, placement and payments upon the Securities. The Company is entitled to make payments under the Securities with its own available foreign currency obtained from its export operations and deposited with the Central Bank of Chile.

(ee) The Company has validly and irrevocably submitted to the non-exclusive jurisdiction of any state or federal court located in the City of New York, New York, has validly and irrevocably waived, to the extent permitted by law, any objection to the venue of a proceeding in any such court and has validly and irrevocably appointed the Chilean Consul in New York, New York as its authorized agent for service of process.

(ff) The Company has validly and irrevocably waived, pursuant to Section 17 hereof, and will have validly and irrevocably waived pursuant to the Fiscal and Paying Agency Agreement and the Securities, for itself and its revenues and assets, to the extent permitted by applicable law, any immunity from suit, jurisdiction, attachment in aid or execution of a judgment or prior to a judgment, execution of a judgment or any other legal process with respect to its obligations, respectively, under this Agreement, the Fiscal and Paying Agency Agreement and the Securities to which it may be entitled or become entitled whether or not claimed, including sovereign immunity, except that for the attachment of mining concessions and the attachment of constructions, installations and other goods permanently destined to the investigation, extraction, or mining of minerals relating to such mining concessions, the consent of the Company will be required at the time of any enforcement proceeding as set forth in article 226 of the Mining Code of Chile. Each such waiver is binding under Chilean law and remains in full force and effect.

Any certificate signed by any officer of the Company and delivered to the Representative or counsel for the Initial Purchasers in connection with the offering of the Securities shall be deemed a representation and warranty by the Company, as to matters covered thereby, to each Initial Purchaser.

2. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to each Initial Purchaser, and each Initial Purchaser agrees, severally and not jointly, to purchase from the Company, at a purchase price of 99.459% of the principal amount thereof, the principal amount of Securities set forth opposite such Initial Purchaser's name in Schedule I hereto.

3. Delivery and Payment. Delivery of and payment for the Securities shall be made at 10:00 A.M., New York City time, on October 15, 2003 or at such time on such later date

(not later than October 20, 2003) as the Representative shall designate, which date and time may be postponed by agreement between the Representative and the Company or as provided in Section 9 hereof (such date and time of delivery and payment for the Securities, including as so postponed, being herein called the “**Closing Date**”). Delivery of the Securities shall be made to the Representative for the respective accounts of the several Initial Purchasers against payment by the several Initial Purchasers through the Representative of the purchase price thereof to or upon the order of the Company by wire transfer payable in same-day funds to the account specified by the Company. Delivery of the Securities shall be made through the facilities of The Depository Trust Company unless the Representative shall otherwise instruct.

4. Offering by Initial Purchasers. Each Initial Purchaser, severally and not jointly, represents and warrants to and agrees with the Company that:

(a) It has not offered or sold, and will not offer or sell, any Securities except (i) to persons it reasonably believes to be qualified institutional buyers (as defined in Rule 144A under the Act) and that, in connection with each such sale, it has taken or will take reasonable steps to ensure that the purchaser of such Securities is aware that such sale is being made in reliance on Rule 144A; or (ii) in accordance with the restrictions set forth in Exhibit A hereto.

(b) Neither it nor any person acting on its behalf has made or will make offers or sales of the Securities in the United States by means of any form of general solicitation or general advertising (within the meaning of Regulation D) in the United States.

5. Covenants of the Company. The Company agrees with each Initial Purchaser that:

(a) The Company will furnish to each Initial Purchaser and to counsel for the Initial Purchasers, without charge, during the period referred to in paragraph (c) below, as many copies of the Final Memorandum and any amendments and supplements thereto as they may reasonably request.

(b) Before amending or supplementing the Final Memorandum, the Company will furnish to the Initial Purchasers a copy of each such proposed amendment or supplement and will not use any such proposed amendment or supplement to which the Initial Purchasers reasonably object.

(c) If at any time prior to the completion of the sale of the Securities by the Initial Purchasers (as determined by the Representative), any event occurs as a result of which the Final Memorandum, as then amended or supplemented, would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it should be necessary to amend or supplement the Final Memorandum to comply with applicable law, the Company promptly (i) will notify the Representative of any such event; (ii) subject to the requirements of paragraph (b) of this Section 5, will prepare an amendment or supplement that will correct such statement or omission or effect such compliance; and (iii) will supply any supplemented or amended Final

Memorandum to the several Initial Purchasers and counsel for the Initial Purchasers without charge in such quantities as they may reasonably request.

(d) The Company will arrange, if necessary, for the qualification of the Securities for sale by the Initial Purchasers under the laws of such jurisdictions as the Initial Purchasers may reasonably designate and will maintain such qualifications in effect so long as required for the sale of the Securities; provided that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Securities, in any jurisdiction where it is not now so subject. The Company will promptly advise the Representative of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose.

(e) During the period of two years after the Closing Date, the Company will not, and will not permit any of its affiliates (as defined in Rule 144A under the Securities Act) to resell any of the Securities that have been reacquired by any of them.

(f) Neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf will, directly or indirectly, make offers or sales of any security, or solicit offers to buy any security, under circumstances that would require the registration of the Securities under the Act.

(g) Neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf will, directly or indirectly, make offers or sales of the Securities in Chile or to any resident of Chile, except as permitted by applicable Chilean law.

(h) Neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer or sale of the Securities in the United States.

(i) So long as any of the Securities are "restricted securities" within the meaning of Rule 144(a)(3) under the Act, the Company will, unless it becomes subject to and complies with Section 13 or 15(d) of the Exchange Act, or becomes exempt from such reporting requirements pursuant to, and complies with, Rule 12g3-2(b) under the Exchange Act, provide to each holder of such restricted securities and to each prospective purchaser (as designated by such holder) of such restricted securities, upon the request of such holder or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the Act. This covenant is intended to be for the benefit of the holders, and the prospective purchasers designated by such holders, from time to time of such restricted securities.

(j) Neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf will engage in any directed selling efforts (as defined in Regulation S) with respect to the Securities.

(k) The Company will cooperate with the Representative and use its best efforts to permit the Securities to be eligible for clearance and settlement through The Depository Trust & Clearing Corporation, Euroclear Bank N.V./S.A. and Clearstream Banking, *société anonyme* (Clearstream).

(l) The Company will use its best efforts to effect the listing of the Securities on the Luxembourg Stock Exchange and for so long as the Securities are outstanding, will file with the Luxembourg Stock Exchange and any other governmental agency, authority or instrumentality in Luxembourg as may be required, such reports, documents, agreements and other information which may, from time to time, be required to be so filed.

(m) The Company will not for a period of 60 days following the Execution Time, without the prior written consent of the Representative, offer, sell or contract to sell, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any Affiliate of the Company or any person in privity with the Company or any Affiliate of the Company), directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by the Company (other than the Securities).

(n) The Company will not take, directly or indirectly, any action designed to cause or result in, or that has constituted or which might reasonably be expected to constitute or cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(o) The Company agrees either to pay directly or to reimburse the Initial Purchasers, as the case may be, for the costs and expenses relating to the following matters: (i) the preparation of the Fiscal and Paying Agency Agreement, the issuance of the Securities and the fees and expenses of the Fiscal and Paying Agent (including, without limitation, the fees of counsel for such agent); (ii) the preparation, printing and reproduction of the Preliminary Memorandum and Final Memorandum and each amendment or supplement to either of them; (iii) the printing (and reproduction) and delivery (including postage, air freight charges and charges for counting and packaging) of such copies of the Preliminary Memorandum and Final Memorandum, and all amendments or supplements to either of them, as may, in each case, be reasonably requested for use in connection with the offering and sale of the Securities; (iv) the preparation, printing, authentication, issuance and delivery of certificates for the Securities, including any stamp or transfer taxes in connection with the original issuance and sale of the Securities; (v) the printing (and reproduction) and delivery of this Agreement, any blue sky memorandum and all other agreements or documents printed (or reproduced) and delivered in connection with the offering of the Securities; (vi) any registration or qualification of the Securities for offer and sale under the securities or blue sky laws of the several states (including filing fees and the reasonable fees and expenses of counsel for the Initial Purchasers relating to such registration and qualification); (vii) the fees and expenses in connection with the listing of the Securities

with the Luxembourg Stock Exchange (including the fees of the agent retained in connection with such listing); (viii) any fees charged by rating agencies for the rating of the Securities; (ix) the transportation and other expenses incurred by or on behalf of Company representatives in connection with presentations to prospective purchasers of the Securities; (x) the fees and expenses of the Company's accountants and the fees and expenses of counsel (including local and special United States and Chilean counsels) for the Company; (xi) all reasonable and documented costs and expenses incurred by the Initial Purchasers in connection with the offering and sale of the Securities including, without limitation, all fees and expenses incurred by the Initial Purchasers and all reasonable fees and disbursements of their U.S. legal counsel, Davis Polk & Wardwell, and their Chilean legal counsel, Philippi, Yrarrázaval, Pulido & Brunner; and (xii) all other costs and expenses incident to the performance by the Company and the Initial Purchasers of their obligations hereunder; *provided that*, if the offering of the Securities is completed, the Initial Purchasers shall pay for the costs and expenses described in this Section 5(o) for a total aggregate amount not exceeding US\$500,000 (the "**Expense Cap**") and the Company shall pay directly or reimburse the Initial Purchasers, as the case may be, for such portion of the costs and expenses described in this Section 5(o) as shall exceed the Expense Cap.

(p) The Company will apply the net proceeds from the sale of the Securities substantially in accordance with the description set forth in the Preliminary Memorandum and the Final Memorandum.

6. Conditions to the Obligations of the Initial Purchasers. The obligations of the Initial Purchasers to purchase the Securities on the Closing Date, shall be subject to the accuracy of the representations and warranties of the Company contained herein at the Execution Time and the Closing Date, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) The Company shall have requested and caused Cleary, Gottlieb, Steen & Hamilton, U.S. counsel for the Company, to furnish to the Representative its opinion, dated the Closing Date and addressed to the Representative, to the effect that:

(i) the Fiscal and Paying Agency Agreement has been duly executed and delivered by the Company under the laws of the State of New York and is a valid, binding and enforceable agreement of the Company; the Securities, when delivered to and paid for by the Initial Purchasers in accordance with this Agreement, will be the valid, binding and enforceable obligations of the Company, and will be entitled to the benefits of the Fiscal and Paying Agency Agreement pursuant to which such Securities are to be issued; and the statements set forth under the headings "Description of Notes", "Plan of Distribution" and "Transfer Restrictions" in the Final Memorandum, insofar as such statements purport to summarize certain provisions of the Securities and the Fiscal and Paying Agency Agreement, provide a fair summary of such provisions;

(ii) the statements made in the Final Memorandum under the heading “Taxation”, insofar as such statements purport to summarize certain federal income tax laws of the United States, constitute a fair summary of the principal U.S. federal income tax consequences of the purchase of the Securities by a U.S. holder (as defined in the Final Memorandum);

(iii) this Agreement has been duly executed and delivered by the Company under the law of the State of New York;

(iv) the issuance and sale of the Securities to the Initial Purchasers pursuant to this Agreement and the resale of the Securities by the Initial Purchasers as contemplated herein and in the Final Memorandum, the execution and delivery of this Agreement and the Fiscal and Paying Agency Agreement, and the performance by the Company of its obligations under this Agreement, the Fiscal and Paying Agency Agreement and the Securities (a) do not require any consent, approval, authorization, registration or qualification of or with any governmental authority of the United States or the State of New York (but such counsel need express no opinion as to any consent, approval, authorization, registration or qualification that may be required under state securities or Blue Sky laws), and (b) do not result in a breach or violation of any United States federal or New York State statute, rule or regulation of any United States federal or New York State court or governmental agency or body having jurisdiction over the Company (except as to United States federal securities laws and state securities or Blue Sky laws, as to which counsel need express no opinion other than as set forth elsewhere in the opinion) or (based solely on inquiry of the General Counsel and Chief Financial Officer of the Company) any judgment, decree or order of any New York state or federal court or other governmental authority;

(v) no registration of the Securities under the Act, and no qualification of an indenture under the Trust Indenture Act, is required for the issuance and sale of the Securities to the Initial Purchasers pursuant to this Agreement or for the offer and sale of the Securities by the Initial Purchasers as contemplated by this Agreement and the Final Memorandum;

(vi) the Company is not and, after giving effect to the issuance and sale of the Securities, will not be an “investment company” within the meaning of the Investment Company Act;

(vii) under the laws of the State of New York relating to submission to jurisdiction, the Company, pursuant to Section 14 of this Agreement and to the provisions of the Fiscal and Paying Agency Agreement and the Securities, has (1) validly and irrevocably appointed the person acting as or discharging the function of the Consul General of Chile in New York, New York, as its authorized representative in the United States, and as its authorized agent for the purpose described in Section 14 hereof and in the Fiscal and Paying Agency Agreement and the Securities; and service of process upon such agent in a manner permitted

by applicable law will be effective to confer valid personal jurisdiction over the Company in any action arising under this Agreement, the Fiscal and Paying Agency Agreement or the Securities, (2) validly and irrevocably submitted to the non-exclusive personal jurisdiction of any New York state or U.S. federal court located in the Borough of Manhattan, the City of New York, in any action brought by any Initial Purchaser, by any person who controls any Initial Purchaser or by the holder of any Securities arising out of or related to this Agreement, the Fiscal and Paying Agency Agreement or the Securities, and (3) to the fullest extent permitted by law, validly and irrevocably waived any objection to the venue of a proceeding in any such court; and

(viii) the irrevocable waiver by the Company pursuant to Section 17 of this Agreement and to the provisions of the Fiscal and Paying Agency Agreement and the Securities for itself and its revenues and assets, to the full extent permitted by applicable law, of any immunity to which it would otherwise be entitled (including sovereign immunity and immunity from pre-judgment attachment, post-judgment attachment and execution), is in each case valid and binding under the laws of the State of New York and U.S. federal law, subject to the limitations imposed by the United States Foreign Sovereign Immunities Act of 1976.

(b) The Company shall have requested and caused Cleary, Gottlieb, Steen & Hamilton, U.S. counsel for the Company, to furnish to the Representative its letter, dated the Closing Date and addressed to the Representative, to the effect that:

no information has come to such counsel's attention that causes it to believe that the Final Memorandum (except the financial statements and schedules and other financial and statistical data included therein, the information included in the second to last paragraph of the cover page of the Final Memorandum and certain information in the Final Memorandum with respect to stabilization, as to which such counsel expresses no view), as of the Closing Date and the Execution Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering its opinion under Section 6(a) hereof and furnishing its letter under Section 6(b) hereof, such counsel may rely (A) as to matters involving the application of laws of any jurisdiction other than the State of New York or Federal laws of the United States, to the extent they deem proper and specified in such opinion, upon the opinion of other counsel of good standing whom they believe to be reliable and who are satisfactory to counsel for the Initial Purchasers; and (B) as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and public officials. References to the Final Memorandum in Section 6(a) and Section 6(b) include any amendment or supplement thereto at the Closing Date.

(c) The Company shall have requested and caused Carey y Cía, Chilean counsel for the Company, to furnish to the Representative its opinion, dated the Closing Date and addressed to the Representative, to the effect that:

(i) The Company has been duly created and is validly existing as a state-owned enterprise under the laws of Chile, with full corporate power and authority to own or lease, as the case may be, and to operate its properties, exercise its mining concessions, mining rights and water rights, and conduct its business as described in the Final Memorandum, and is duly qualified to do business under the laws of each jurisdiction which requires such qualification;

(ii) the Fiscal and Paying Agency Agreement has been duly authorized, executed and delivered, and constitutes a legal, valid and binding instrument enforceable against the Company in accordance with its terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity); and the Securities have been duly and validly authorized and, when executed and authenticated in accordance with the provisions of the Fiscal and Paying Agency Agreement and delivered to and paid for by the Initial Purchasers under this Agreement, will have been duly executed and delivered by the Company and will constitute legal, valid, binding and enforceable obligations of the Company entitled to the benefits of the Fiscal and Paying Agency Agreement (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity);

(iii) the statements in the Final Memorandum under the heading "Taxation—Chilean Taxation" fairly summarize the matters therein described;

(iv) the statements in the Preliminary Memorandum and in the Final Memorandum under the captions "Enforceability of Civil Liabilities", "Exchange Rates", "Risk Factors — Risks Relating to CODELCO's Operations — CODELCO's compliance with environmental, health and safety laws may require increased capital commitments, and non-compliance may subject it to significant penalties", "Risk Factors — Risks Relating to CODELCO's Operations — Future compliance with a changing and complex regulation scheme may require changes in CODELCO's business", "Risk Factors — Risks Relating to CODELCO's relationship with the Chilean State", "Management's Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations for the Six-Month Periods ended June 30, 2002 and 2003 — Non-operating income (expense)", "Management's Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations for the Six-Month Periods ended June 30, 2002 and 2003 — Taxes", "Foreign Investment and Exchange Controls in Chile", "Certain Transactions" and "Regulatory Framework", insofar as such statements constitute summaries of Chilean legal matters, documents or proceedings referred to therein, fairly summarized the matters therein;

(v) such counsel has no reason to believe that at the Execution Time and on the Closing Date the Final Memorandum contained or contains any untrue statement of a material fact or omitted or omits to state any material fact



necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (in each case, other than the financial statements and other financial information contained therein, as to which such counsel need express no opinion);

(vi) this Agreement has been duly authorized, executed and delivered by the Company;

(vii) the Company has all requisite corporate power and authority, has taken all requisite corporate action, and has received and is in compliance with all governmental, judicial and other authorizations, approvals and orders necessary to enter into and perform this Agreement and the Fiscal and Paying Agency Agreement and to issue and perform its obligations under the Securities, and no consent, approval, authorization, filing with or order of any Chilean court or governmental agency or body is required in connection with the transactions contemplated herein, in the Fiscal and Paying Agency Agreement or in the Securities, except (i) such as may be required under the blue sky or securities laws of any jurisdiction in connection with the purchase and sale of the Securities by the Initial Purchasers in the manner contemplated in this Agreement and the Final Memorandum, (ii) the following authorizations and registrations required by Chilean law which have been obtained and remain in full force and effect:

(1) authorization granted by the President of Chile and by Decree of the Minister of Finance, whether general or specific, pursuant to Article 4 of Decree Law No. 2,349 of 1978; (2) authorization granted by the Minister of Finance for the Company to enter into negotiations relating to the issue of the Securities, pursuant to Decree Law No. 1,350 of 1976, as amended; (3) authorization granted by the Minister of Finance to the Company to issue the Securities pursuant to the *Estatutos* of the Company and a copy of such authorization delivered to the Ministry of Mining; (4) the delivery to the Ministry of Finance and the Ministry of Mining for approval and possible review of the proposed annual budget and a debt amortization budget pursuant to Decree Law No. 1,350 of 1976, as amended and (iii) the Company will file with the *Servicio de Impuestos Internos* (a) on or before March 31, 2004, the terms and conditions of the Securities and (b) notice of any relevant payment of fees and commissions made pursuant to the Securities, prior to the making of such payment.

(viii) neither the execution and delivery of the Fiscal and Paying Agency Agreement or this Agreement, the issue and sale of the Securities, nor the consummation of any other of the transactions herein or therein contemplated, nor the fulfillment of the terms hereof, thereof, or of the Securities will conflict with, or result in a default, breach or violation of, or imposition of any lien, charge or encumbrance upon, any property or asset of the Company or its subsidiaries pursuant to, (i) any provision of applicable Chilean law, (ii) the Decree Law No. 1,350 of 1976, as amended, or the *Estatutos* of the Company or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any of its subsidiaries of any Chilean court, regulatory body, administrative agency,

governmental body, arbitrator or other authority having jurisdiction over the Company, any of its subsidiaries or any of their respective properties;

(ix) pursuant to Article 52 of the Organic Law of the Central Bank of Chile and the Decree Law No. 1,350 of 1976, as amended, the Company is exempt from the Central Bank of Chile's regulations in connection with the issuance, placement and payments upon the Securities. The Company is entitled to make payments under the Securities with its own available foreign currency obtained from its export operations and deposited with the Central Bank of Chile;

(x) except as disclosed in the Final Memorandum, there are no transaction, stamp or other issuance or transfer taxes or duties or other similar fees or withholdings or charges required to be paid in connection with the execution and delivery of this Agreement, the Fiscal and Paying Agency Agreement, the issuance or sale by the Company of the Securities or the enforcement of the Securities, other than (i) a 1.608% stamp tax on the incurrence of the indebtedness evidenced by the Securities, which will be paid by the Company upon the issuance of the Securities and (ii) a 4% withholding tax on interest payments, and all other payments deemed to be interest payments, with respect to the Securities to the extent paid to a person domiciled or residing outside of Chile. Payments of fees, compensations and reimbursement of costs contemplated in this Agreement or in the Fiscal and Paying Agency Agreement, made to persons domiciled or residing outside of Chile are (or may be, in the case of reimbursement of costs) subject to a withholding tax at a rate of up to 35%, except if the payment is deemed a "*comisión mercantil*" pursuant to the Commercial Code of Chile, in which case (provided it is reported to the *Servicio de Impuestos Internos* prior to its payment) such payment is exempted from withholding tax, or the payment is deemed a technical assistance service, in which case it will be subject to a 20% withholding tax;

(xi) none of the holders of the Securities, the Initial Purchasers or the Fiscal and Paying Agent will be deemed resident, domiciled, carrying on business or subject to any tax liability in Chile solely by reason of the holding of the Securities or the execution, delivery, performance or enforcement of this Agreement, the Fiscal and Paying Agency Agreement or the Securities, assuming that none of such persons is domiciled or is a resident of Chile or has a permanent establishment in Chile;

(xii) the choice of law provision set forth in Section 15 hereof, in the Fiscal and Paying Agency Agreement and in the Securities is legal, valid and binding under the laws of Chile and such counsel knows of no reason why the courts of Chile would not give effect to the choice of New York law as the proper law of this Agreement, of the Fiscal and Paying Agency Agreement and of the Securities; the Company has the legal capacity to sue and be sued in its own name under the laws of Chile; the Company has the power to submit, and has irrevocably submitted, to the non-exclusive jurisdiction of the New York courts and has validly and irrevocably appointed the person acting as or discharging the

function of the Consul General of Chile in the City of New York, New York as its authorized agent for the purpose described in Section 14 hereof, in the Fiscal and Paying Agency Agreement and in the Securities under the laws of Chile; the irrevocable submission of the Company to the non-exclusive jurisdiction of the New York courts and the waivers by the Company of any objection to the venue of the proceeding in a New York court herein, in the Fiscal and Paying Agency Agreement and in the Securities are legal, valid and binding under the laws of Chile and such counsel knows of no reason why the courts of Chile would not give effect to such submission and waivers; service of process in the manner set forth in Section 14 hereof, in the Fiscal and Paying Agency Agreement and in the Securities will be effective to confer valid personal jurisdiction over the Company under the laws of Chile; and the courts in Chile will recognize as valid and final, and will enforce, any final and conclusive judgment against the Company obtained in a New York court arising out of or in relation to the obligations of the Company under this Agreement, the Fiscal and Paying Agency Agreement or the Securities, subject only to the conditions and qualifications described in the Final Memorandum under the caption "Enforceability of Civil Liabilities";

(xiii) the Company has validly and irrevocably waived pursuant to Section 17 hereof and to the provisions of the Fiscal and Paying Agency Agreement and the Securities for itself and its revenues and assets, to the full extent permitted by Chilean law, any immunity from suit, jurisdiction, attachment in aid or execution of a judgment or prior to a judgment, execution of a judgment or any other legal process with respect to its obligations, respectively, under this Agreement, the Fiscal and Paying Agency Agreement and the Securities to which it may be entitled or become entitled whether or not claimed, including sovereign immunity, except that for the attachment of mining concessions and the attachment of constructions, installations and other goods permanently destined to the investigation, extraction, or mining of minerals relating to such mining concessions, the consent of the Company will be required at the time of any enforcement proceeding as set forth in article 226 of the Mining Code of Chile. Each such waiver is binding under Chilean law and remains in full force and effect; and

(xiv) this Agreement, the Fiscal and Paying Agency Agreement and the Securities are in proper legal form under the laws of Chile for the enforcement thereof against the Company in Chile without the need to obtain any other consent, approval or authorization, to file any notification or to take any further action on the part of the Initial Purchasers or the Fiscal and Paying Agent and to ensure the legality, validity, enforceability or admissibility in evidence of any of this Agreement, the Fiscal and Paying Agency Agreement and the Securities, and except for their official translation into Spanish for their presentation to a Chilean court and subject to the payment of the applicable stamp tax, if any, when due (and applicable penalties, if any), it is not necessary that any other document be filed or recorded with any court or other authority in Chile or that any stamp or similar tax be paid on or in respect of any such document or the Securities.

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws of any jurisdiction other than Chile, to the extent they deem proper and specified in such opinion, upon the opinion of other counsel of good standing whom they believe to be reliable and who are satisfactory to counsel for the Initial Purchasers; and (B) as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and public officials. References to the Final Memorandum in this Section 6(c) include any amendment or supplement thereto at the Closing Date.

(d) The Company shall have requested and caused Waldo Fortin Cabezas, General Counsel of the Company, to furnish to the Representative its opinion, dated the Closing Date and addressed to the Representative, to the effect that:

(i) The Company has been duly created and is validly existing as a state-owned enterprise under the laws of Chile, with full corporate power and authority to own or lease, as the case may be, and to operate its properties and conduct its business as described in the Final Memorandum, and is duly qualified to do business under the laws of each jurisdiction which requires such qualification;

(ii) the Fiscal and Paying Agency Agreement has been duly authorized, executed and delivered, and constitutes a legal, valid and binding instrument enforceable against the Company in accordance with its terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity); and the Securities have been duly and validly authorized and, when executed and authenticated in accordance with the provisions of the Fiscal and Paying Agency Agreement and delivered to and paid for by the Initial Purchasers under this Agreement, will have been duly executed and delivered by the Company and will constitute legal, valid, binding and enforceable obligations of the Company entitled to the benefits of the Fiscal and Paying Agency Agreement (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity);

(iii) to the knowledge of such counsel, there is no pending or threatened action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries or its or their property that is not set forth in or contemplated by the Final Memorandum (exclusive of any amendment or supplement thereto), except for such proceedings that, if the subject of an unfavorable decision, ruling or finding would not singly or in the aggregate, have a current or prospective material adverse effect (i) on the condition (final or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, or (ii) on the power or ability of the Company to perform its obligations under this Agreement, the Fiscal and Paying Agency Agreement or the Securities or to consummate the transactions contemplated in the Final Memorandum;

(iv) such counsel has no reason to believe that at the Execution Time and on the Closing Date the Final Memorandum contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (in each case, other than the financial statements and other financial information contained therein, as to which such counsel need express no opinion);

(v) this Agreement has been duly authorized, executed and delivered by the Company;

(vi) the Company has all requisite corporate power and authority, has taken all requisite corporate action, and has received and is in compliance with all governmental, judicial and other authorizations, approvals and orders necessary to enter into and perform this Agreement and the Fiscal and Paying Agency Agreement and to issue and perform its obligations under the Securities, and no consent, approval, authorization, filing with or order of any Chilean court or governmental agency or body is required in connection with the transactions contemplated herein, in the Fiscal and Paying Agency Agreement or in the Securities, except (i) such as may be required under the blue sky or securities laws of any jurisdiction in connection with the purchase and sale of the Securities by the Initial Purchasers in the manner contemplated in this Agreement and the Final Memorandum and (ii) the following authorizations and registrations required by Chilean law which have been obtained and remain in full force and effect: (1) authorization granted by the President of Chile and by Decree of the Minister of Finance, whether general or specific, pursuant to Article 4 of Decree Law No. 2,349 of 1978; (2) authorization granted by the Minister of Finance for the Company to enter into negotiations relating to the issue of the Securities, pursuant to Decree Law No. 1,350 of 1976, as amended; (3) authorization granted by the Minister of Finance to the Company to issue the Securities pursuant to the *Estatutos* of the Company and a copy of such authorization delivered to the Ministry of Mining; (4) the delivery to the Ministry of Finance and the Ministry of Mining for approval and possible review of the proposed annual budget and a debt amortization budget pursuant to Decree Law No. 1,350, as amended and (iii) the Company will file with the *Servicio de Impuestos Internos* (a) on or before March 31, 2004, the terms and conditions of the Securities and (b) notice of any relevant payment of fees and commissions made pursuant to the Securities, prior to the making of such payment.

(vii) pursuant to Article 52 of the Organic Law of the Central Bank of Chile and the Decree Law No. 1,350 of 1976, as amended, the Company is exempt from the Central Bank of Chile's regulations in connection with the issuance, placement and payments upon the Securities. The Company is entitled to make payments under the Securities with its own available foreign currency obtained from its export operations and deposited with the Central Bank of Chile;

(viii) neither the execution and delivery of the Fiscal and Paying Agency Agreement or this Agreement, the issue and sale of the Securities, nor the consummation of any other of the transactions herein or therein contemplated, nor the fulfillment of the terms hereof or thereof will conflict with, result in a breach or violation of, or imposition of any lien, charge or encumbrance upon any property or asset of the Company or its subsidiaries pursuant to, (i) any provision of applicable law; (ii) the Decree Law No. 1,350 of 1976, as amended, or the *Estatutos* of the Company; (iii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which the Company or any of its subsidiaries is a party or bound or to which its respective property is subject; or (iv) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any of its subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company, any of its subsidiaries or any of their respective properties;

(ix) the statements in the Preliminary Memorandum and in the Final Memorandum under the captions “Enforceability of Civil Liabilities”, “Exchange Rates”, “Risk Factors — Risks Relating to CODELCO’s Operations — CODELCO’s compliance with environmental, health and safety laws may require increased capital commitments, and non-compliance may subject it to significant penalties”, “Risk Factors — Risks Relating to CODELCO’s Operations — Future compliance with a changing and complex regulation scheme may require changes in CODELCO’s business”, “Risk Factors — Risks Relating to CODELCO’s relationship with the Chilean State”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations for the Six-Month Periods ended June 30, 2002 and 2003 — Non-operating income (expense)”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Results of Operations for the Six-Month Periods ended June 30, 2002 and 2003 — Taxes”, “Foreign Investment and Exchange Controls in Chile”, “Certain Transactions”, “Regulatory Framework” and “Legal Proceedings”, insofar as such statements constitute summaries of Chilean legal matters, documents or proceedings referred to therein, fairly summarized the matters therein;

(x) no subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such subsidiary’s capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary’s property or assets to the Company or any other subsidiary of the Company, except as described in or contemplated by the Final Memorandum (exclusive of any amendment or supplement thereto);

(xi) the Company and its subsidiaries possess all concessions, licenses, certificates, permits and other authorizations issued by the appropriate government and other regulatory authorities necessary to conduct their respective businesses, and neither the Company nor any such subsidiary has received any

notice of proceedings relating to the revocation or modification of any such concession, certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a current or prospective material adverse effect on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Memorandum (exclusive of any amendment or supplement thereto);

(xii) the Company and its subsidiaries have good and marketable title to all real property owned by them and good title to all other properties owned by them, including the Company's mining concessions, mining rights and water rights, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except (a) such as are set forth in or contemplated by the Final Memorandum (exclusive of any amendment or supplement thereto) or (b) where the failure to have good title would not have a current or prospective material adverse effect on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business; all of the leases and subleases material to the business of the Company and its subsidiaries, taken as a whole, and under which the Company or any of its subsidiaries holds properties described in the Final Memorandum, are in full force and effect, except (a) where the failure to be in full force and effect would not have a current or prospective material adverse effect on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, or (b) such as are set forth in or contemplated by the Final Memorandum (exclusive of any amendment or supplement thereto); and none of the Company or its subsidiaries has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any of its subsidiaries under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or any of its subsidiaries to the continued possession of the leased or subleased premises under any such lease or sublease, except (a) claims which are being contested by the Company or its subsidiaries in good faith and which would not have a current or prospective material adverse effect on the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, or (b) such as are set forth in or contemplated by the Final Memorandum (exclusive of any amendment or supplement thereto);

(xiii) the choice of law provision set forth in Section 15 hereof, in the Fiscal and Paying Agency Agreement and in the Securities is legal, valid and binding under the laws of Chile and such counsel knows of no reason why the courts of Chile would not give effect to the choice of New York law as the proper law of this Agreement, of the Fiscal and Paying Agency Agreement and of the Securities; the Company has the legal capacity to sue and be sued in its own name

under the laws of Chile; the Company has the power to submit, and has irrevocably submitted, to the non-exclusive jurisdiction of the New York courts and has validly and irrevocably appointed the person acting as or discharging the function of the Consul General of Chile in the City of New York, New York as its authorized agent for the purpose described in Section 14 hereof, in the Fiscal and Paying Agency Agreement and in the Securities under the laws of Chile; the irrevocable submission of the Company to the non-exclusive jurisdiction of the New York courts and the waivers by the Company of any objection to the venue of the proceeding in a New York court herein, in the Fiscal and Paying Agency Agreement and in the Securities are legal, valid and binding under the laws of Chile and such counsel knows of no reason why the courts of Chile would not give effect to such submission and waivers; service of process in the manner set forth in Section 14 hereof, in the Fiscal and Paying Agency Agreement and in the Securities will be effective to confer valid personal jurisdiction over the Company under the laws of Chile; and the courts in Chile will recognize as valid and final, and will enforce, any final and conclusive judgment against the Company obtained in a New York court arising out of or in relation to the obligations of the Company under this Agreement, the Fiscal and Paying Agency Agreement or the Securities, subject only to the conditions and qualifications described in the Final Memorandum under the caption "Enforceability of Civil Liabilities";

(xiv) to the knowledge of such counsel, the Company and its subsidiaries (i) are in compliance with any and all Environmental Laws, (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole;

(xv) except as disclosed in the Final Memorandum, there are no transaction, stamp or other issuance or transfer taxes or duties or other similar fees or withholdings or charges required to be paid in connection with the execution and delivery of this Agreement, the Fiscal and Paying Agency Agreement, the issuance or sale by the Company of the Securities or the enforcement of the Securities, other than (i) a 1.608% stamp tax on the incurrence of the indebtedness evidenced by the Securities, which will be paid by the Company upon the issuance of the Securities and (ii) a 4% withholding tax on interest payments, and all other payments deemed to be interest payments, with respect to the Securities to the extent paid to a person domiciled or residing outside of Chile. Payments of fees, compensations and reimbursement of costs contemplated in this Agreement or in the Fiscal and Paying Agency Agreement, made to persons domiciled or residing outside of Chile are (or may be, in the case of reimbursement of costs) subject to a withholding tax at a rate of up to 35%, except if the payment is deemed a "*comisión mercantil*" pursuant to the Commercial Code of Chile, in



which case (provided it is reported to the *Servicio de Impuestos Internos* prior to its payment) such payment is exempted from withholding tax, or the payment is deemed a technical assistance service, in which case it will be subject to a 20% withholding tax;

(xvi) none of the holders of the Securities, the Initial Purchasers or the Fiscal and Paying Agent will be deemed resident, domiciled, carrying on business or subject to any tax liability in Chile solely by reason of the holding of the Securities or the execution, delivery, performance or enforcement of this Agreement, the Fiscal and Paying Agency Agreement or the Securities, assuming that none of such persons is domiciled or is a resident of Chile or has a permanent establishment in Chile;

(xvii) the Company has validly and irrevocably waived pursuant to Section 17 hereof and to the provisions of the Fiscal and Paying Agency Agreement and the Securities for itself and its revenues and assets, to the full extent permitted by Chilean law, any immunity from suit, jurisdiction, attachment in aid or execution of a judgment or prior to a judgment, execution of a judgment or any other legal process with respect to its obligations, respectively, under this Agreement, the Fiscal and Paying Agency Agreement and the Securities that it may be entitled or become entitled whether or not claimed, including sovereign immunity, except that for the attachment of mining concessions and the attachment of constructions, installations and other goods permanently destined to the investigation, extraction, or mining of minerals relating to such mining concessions, the consent of the Company will be required at the time of any enforcement proceeding as set forth in article 226 of the Mining Code of Chile. Each such waiver is binding under Chilean law and remains in full force and effect; and

(xviii) this Agreement, the Fiscal and Paying Agency Agreement and the Securities are in proper legal form under the laws of Chile for the enforcement thereof against the Company in Chile without the need to obtain any other consent, approval or authorization, to file any notification or to take any further action on the part of the Initial Purchasers or the Fiscal and Paying Agent and to ensure the legality, validity, enforceability or admissibility in evidence of any of this Agreement, the Fiscal and Paying Agency Agreement and the Securities, and except for their official translation into Spanish for their presentation to a Chilean court and subject to the payment of the applicable stamp tax, if any, when due (and applicable penalties, if any), it is not necessary that any other document be filed or recorded with any court or other authority in Chile or that any stamp or similar tax be paid on or in respect of any such document or the Securities.

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws of any jurisdiction other than Chile, to the extent they deem proper and specified in such opinion, upon the opinion of other counsel of good standing whom they believe to be reliable and who are satisfactory to counsel for the Initial Purchasers; and (B) as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and

public officials. References to the Final Memorandum in this Section 6(d) include any amendment or supplement thereto at the Closing Date.

(e) The Representative shall have received from Davis Polk & Wardwell, U.S. counsel for the Representative, such opinion or opinions, dated the Closing Date and addressed to the Representative, with respect to the issuance and sale of the Securities, the Fiscal and Paying Agency Agreement, the Final Memorandum (as amended or supplemented at the Closing Date) and other related matters as the Representative may reasonably require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(f) The Representative shall have received from Philippi, Yrarrázaval, Pulido & Brunner, Chilean counsel for the Representative, such opinion or opinions, dated the Closing Date and addressed to the Representative, with respect to the issuance and sale of the Securities, the Fiscal and Paying Agency Agreement, the Final Memorandum (as amended or supplemented at the Closing Date) and other related matters as the Representative may reasonably require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(g) The Company shall have furnished to the Representative a certificate of the Company, signed by the Chief Financial Officer or the Senior Vice President of Finance of the Company, dated the Closing Date, to the effect that the signatory of such certificate has carefully examined the Final Memorandum, any amendment or supplement to the Final Memorandum and this Agreement and that:

(i) the representations and warranties of the Company in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date; and

(ii) since the date of the most recent financial statements included in the Final Memorandum (exclusive of any amendment or supplement thereto), there has been no development giving rise to a current or prospective material adverse change in the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated by the Final Memorandum (exclusive of any amendment or supplement thereto).

(h) At the Execution Time and at the Closing Date, the Company shall have requested and caused Ernst & Young (Chile) Ltda., independent public accountants, to furnish to the Representative letters, dated respectively as of the Execution Time and as of the Closing Date, in form and substance satisfactory to the Representative, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial and other information contained in each of the Preliminary Memorandum and the Final Memorandum at and for periods ended on dates

prior to January 1, 2003; provided that the letter delivered on the Closing Date shall use a “cut-off date” not earlier than three business days prior to the date hereof.

References to the Final Memorandum in this Section 6(h) include any amendment or supplement thereto at the date of the applicable letter.

(i) At the Execution Time and at the Closing Date, the Company shall have requested and caused Deloitte & Touche, Sociedad de Auditores y Consultores Ltda., independent public accountants, to furnish to the Representative letters, dated respectively as of the Execution Time and as of the Closing Date, in form and substance satisfactory to the Representative, containing statements and information of the type ordinarily included in accountants’ “comfort letters” to underwriters with respect to the financial statements and certain financial and other information contained in each of the Preliminary Memorandum and the Final Memorandum at and for periods ended on dates after January 1, 2003; provided that the letter delivered on the Closing Date shall use a “cut-off date” not earlier than three business days prior to the date hereof.

References to the Final Memorandum in this Section 6(i) include any amendment or supplement thereto at the date of the applicable letter.

(j) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in the Final Memorandum (exclusive of any amendment or supplement thereto), there shall not have been (i) any change or decrease specified in the letter or letters referred to in paragraph (i) of this Section 6; or (ii) any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth or contemplated in the Final Memorandum (exclusive of any amendment or supplement thereto) the effect of which, in any case referred to in clause (i) or (ii) above, is, in the reasonable judgment of the Representative, so material and adverse as to make it impractical or inadvisable to proceed with the offering, sale or delivery of the Securities as contemplated by the Final Memorandum (exclusive of any amendment or supplement thereto).

(k) Subsequent to the Execution Time, there shall not have been any decrease in the rating accorded the Company or any of the Company’s debt securities by any “nationally recognized statistical rating organization” (as defined for purposes of Rule 436(g) under the Act) or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

(l) Prior to the Closing Date, the Company shall have furnished to the Representative such further information, certificates and documents as the Representative may reasonably request.

If any of the conditions specified in this Section 6 shall not have been fulfilled in all material respects when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not have been delivered in form and substance reasonably satisfactory to the Representative and counsel for the Initial

Purchasers, this Agreement and all obligations of the Initial Purchasers hereunder may be canceled at, or at any time prior to, the Closing Date by the Representative. Notice of such cancellation shall be given to the Company in writing or by telephone or facsimile confirmed in writing.

The documents required to be delivered by this Section 6 will be delivered at the office of counsel for the Initial Purchasers, at 450 Lexington Avenue, New York, New York, on the Closing Date.

7. Reimbursement of Expenses. If the sale of the Securities provided for herein is not consummated within twelve months because any condition to the obligations of the Initial Purchasers set forth in Section 6 hereof is not satisfied, because of any termination pursuant to Section 10 hereof or because of any refusal, inability or failure on the part of the Company to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Initial Purchasers, the Company will reimburse the Initial Purchasers severally through the Representative on demand for all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities.

8. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless each Initial Purchaser, the directors, officers, employees and agents of each Initial Purchaser and each person who controls any Initial Purchaser within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Memorandum, the Final Memorandum or any information provided by the Company to any holder or prospective purchaser of Securities pursuant to Section 5(h), or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and agrees to reimburse each such indemnified party, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action, as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Memorandum or the Final Memorandum, or in any amendment thereof or supplement thereto, in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Initial Purchasers through the Representative specifically for inclusion therein; provided further, that with respect to any untrue statement or omission of a material fact made in any Preliminary Memorandum, the indemnity agreement contained in this Section 8(a) shall not inure to the benefit of any Initial Purchaser from whom the person asserting any such loss, claim, damage or liability purchased the Securities concerned, to the extent that any such loss, claim, damage or liability of such Initial Purchaser occurs under the circumstance where it shall have been determined by a court of competent jurisdiction by final and nonappealable judgment that (w) the Company had

previously furnished copies of the Final Memorandum to the Representative, (x) delivery of the Final Memorandum was required by the Act to be made to such person, (y) the untrue statement or omission of a material fact contained in the Preliminary Memorandum was corrected in the Final Memorandum and (z) there was not sent or given to such person, at or prior to the written confirmation of the sale of such Securities to such person, a copy of the Final Memorandum. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Initial Purchaser severally and not jointly agrees to indemnify and hold harmless the Company, each of its directors, each of its officers, and each person who controls the Company within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company to each Initial Purchaser, but only with reference to information relating to such Initial Purchaser furnished to the Company in writing by or on behalf of such Initial Purchaser through the Representative specifically for inclusion in the Preliminary Memorandum or the Final Memorandum (or in any amendment or supplement thereto). This indemnity agreement will be in addition to any liability which any Initial Purchaser may otherwise have. The Company acknowledges that the statements set forth in the last paragraph of the cover page regarding delivery of the Securities and, under the heading "Plan of Distribution", the paragraph related to stabilization and syndicate covering transactions in the Preliminary Memorandum and the Final Memorandum, constitute the only information furnished in writing by or on behalf of the Initial Purchasers for inclusion in the Preliminary Memorandum or the Final Memorandum (or in any amendment or supplement thereto).

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel (including local counsel) retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time

after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. It is understood, however, that the indemnifying party shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one such separate firm of attorneys (in addition to any local counsel) at any time for all such indemnified parties and controlling persons, which firm shall be designated in writing by the indemnified parties. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding, and (ii) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of an indemnified party.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 8 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Company and the Initial Purchasers agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively “Losses”) to which the Company and one or more of the Initial Purchasers may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and by the Initial Purchasers on the other from the offering of the Securities; provided, however, that in no case shall any Initial Purchaser (except as may be provided in any agreement among the Initial Purchasers relating to the offering of the Securities) be responsible for any amount in excess of the purchase discount or commission applicable to the Securities purchased by such Initial Purchaser hereunder. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Company and the Initial Purchasers shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and of the Initial Purchasers on the other in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. Benefits received by the Company shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Initial Purchasers shall be deemed to be equal to the total purchase discounts and commissions in each case set forth on the cover of the Final Memorandum. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Company on the one hand or the Initial Purchasers on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Initial Purchasers agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 8, each person who controls an Initial Purchaser within the meaning of

either the Act or the Exchange Act and each director, officer, employee and agent of an Initial Purchaser shall have the same rights to contribution as such Initial Purchaser, and each person who controls the Company within the meaning of either the Act or the Exchange Act and each officer and director of the Company shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this paragraph (d).

9. Default by an Initial Purchaser. If any one or more Initial Purchasers shall fail to purchase and pay for any of the Securities agreed to be purchased by such Initial Purchaser hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Initial Purchasers shall be obligated severally to take up and pay for (in the respective proportions which the principal amount of Securities set forth opposite their names in Schedule I hereto bears to the aggregate principal amount of Securities set forth opposite the names of all the remaining Initial Purchasers) the Securities which the defaulting Initial Purchaser or Initial Purchasers agreed but failed to purchase; provided, however, that in the event that the aggregate principal amount of Securities which the defaulting Initial Purchaser or Initial Purchasers agreed but failed to purchase shall exceed 10% of the aggregate principal amount of Securities set forth in Schedule I hereto, the remaining Initial Purchasers shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Securities, and if such nondefaulting Initial Purchasers do not purchase all the Securities, this Agreement will terminate without liability to any nondefaulting Initial Purchaser or the Company. In the event of a default by any Initial Purchaser as set forth in this Section 9, the Closing Date shall be postponed for such period, not exceeding five Business Days, as the Representative shall determine in order that the required changes in the Final Memorandum or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Initial Purchaser of its liability, if any, to the Company or any nondefaulting Initial Purchaser for damages occasioned by its default hereunder.

10. Termination. This Agreement shall be subject to termination in the absolute discretion of the Representative, by notice given to the Company prior to delivery of and payment for the Securities, if at any time prior to such time (i) trading in securities generally on the Santiago Stock Exchange, the New York Stock Exchange or the Nasdaq National Market shall have been suspended or limited or minimum prices shall have been established on either such exchange or the Nasdaq National Market; (ii) a banking moratorium shall have been declared in New York either by federal or New York state authorities or in Chile by the Chilean Central Bank or other competent government regulator; or (iii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable judgment of the Representative, impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities as contemplated by the Final Memorandum (exclusive of any amendment or supplement thereto).

11. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company or its officers and of the Initial Purchasers set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of the Initial Purchasers or the Company or any of the officers, directors or controlling persons referred to in Section 8 hereof,

and will survive delivery of and payment for the Securities. The provisions of Sections 7 and 8 hereof shall survive the termination or cancellation of this Agreement.

12. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Representative, will be mailed, delivered or telefaxed to J.P. Morgan Securities Inc., c/o Transaction Execution Group, (fax no.: 212-834-6618), J.P. Morgan Securities Inc., 270 Park Avenue, New York, New York 10017 or, if sent to the Company, will be mailed, delivered or telefaxed to the Corporación Nacional del Cobre de Chile, c/o Waldo Fortin Cabezas, General Counsel (fax no.: (562) 690-3021) and confirmed to the General Counsel, Corporación Nacional del Cobre de Chile, at Huérfanos 1270, Santiago, Chile, to the attention of the Legal Department.

13. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 8 hereof, and, except as expressly set forth in Section 5(h) hereof, no other person will have any right or obligation hereunder.

14. Jurisdiction. The Company agrees that any suit, action or proceeding against the Company brought by any Initial Purchaser, the directors, officers, employees and agents of any Initial Purchaser, or by any person who controls any Initial Purchaser, arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in any state or federal court in the City of New York, New York, and waives, to the extent legally permitted, any objection which it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any suit, action or proceeding. The Company has appointed the person acting as or discharging the function of the Consul General of Chile in the City of New York, New York as its authorized agent (the "**Authorized Agent**") upon whom process may be served in any suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated herein which may be instituted in any state or federal court in the City of New York, New York, by any Initial Purchaser, the directors, officers, employees and agents of any Initial Purchaser, or by any person who controls any Initial Purchaser, and expressly accepts the non-exclusive jurisdiction of any such court in respect of any such suit, action or proceeding. The Company hereby represents and warrants that the Authorized Agent has accepted such appointment and has agreed to act as said agent for service of process, and the Company agrees to take any and all action, including the filing of any and all documents that may be necessary to continue such appointment in full force and effect as aforesaid. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Company. Notwithstanding the foregoing, any action arising out of or based upon this Agreement may be instituted by any Initial Purchaser, the directors, officers, employees and agents of any Initial Purchaser, or by any person who controls any Initial Purchaser, in any court of competent jurisdiction in Chile.

15. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York.



16. Currency. Each reference in this Agreement to U.S. dollars (the “**relevant currency**”) is of the essence. To the fullest extent permitted by law, the obligation of the Company in respect of any amount due under this Agreement will, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the relevant currency that the party entitled to receive such payment may, in accordance with its normal procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the Business Day immediately following the day on which such party receives such payment. If the amount in the relevant currency that may be so purchased for any reason falls short of the amount originally due, the Company will pay such additional amounts, in the relevant currency, as may be necessary to compensate for the shortfall. Any obligation of the Company not discharged by such payment will, to the fullest extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided herein, will continue in full force and effect.

17. Waiver of Immunity. To the extent that the Company may be entitled in any jurisdiction in which judicial proceedings may at any time be commenced hereunder, to claim for itself or its revenues or assets any immunity, including sovereign immunity, from suit, jurisdiction, attachment in aid of execution of a judgment or prior to a judgment, execution of a judgment or any other legal process with respect to its obligations hereunder and to the extent that in any such jurisdiction there may be attributed to the Company such an immunity (whether or not claimed), the Company hereby irrevocably agrees not to claim and irrevocably waives such immunity to the maximum extent permitted by law, except that for the attachment of mining concessions and the attachment of constructions, installations and other goods permanently destined to the investigation, extraction, or mining of minerals relating to such mining concessions, the consent of the Company will be required at the time of any enforcement proceeding as set forth in article 226 of the Mining Code of Chile. Each such waiver is binding under Chilean law and remains in full force and effect. Notwithstanding the foregoing, any action based on this Agreement may be instituted by the Initial Purchasers in any competent court in Chile.

18. Payment Free and Clear. All payments to be made by the Company under this Agreement shall be paid free and clear of and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature (including any amounts that result from the payment of fees, compensation or reimbursement of costs contemplated in this Agreement or in the Fiscal and Paying Agency Agreement), imposed by Chile, or by any department, agency or other political subdivision or taxing authority thereof, and all interest, penalties or similar liabilities with respect thereto (collectively, “**Chilean Taxes**”). If any Chilean Taxes are required by law to be deducted or withheld in connection with such payments, the Company will increase the amount paid so that the full amount of such payment is received by the Initial Purchasers.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

20. Headings. The section headings used herein are for convenience only and shall not affect the construction hereof.

21. **Definitions.** The terms which follow, when used in this Agreement, shall have the meanings indicated.

“**Act**” shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

“**Affiliate**” shall have the meaning specified in Rule 501(b) of Regulation D.

“**Business Day**” shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in the City of New York or Santiago, Chile.

“**Chile**” shall mean the Republic of Chile.

“**Commission**” shall mean the Securities and Exchange Commission.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

“**Execution Time**” shall mean, the date and time that this Agreement is executed and delivered by the parties hereto.

“**Internal Revenue Service**” shall mean the United States Internal Revenue Service.

“**Investment Company Act**” shall mean the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission promulgated thereunder.

“**Regulation D**” shall mean Regulation D under the Act.

“**Regulation S**” shall mean Regulation S under the Act.

“**Trust Indenture Act**” shall mean the Trust Indenture Act of 1939, as amended, and the rules and regulations of the Commission promulgated thereunder.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this Agreement and your acceptance shall represent a binding agreement between the Company and the several Initial Purchasers.

Very truly yours,

Corporación Nacional del Cobre de Chile

By:

Name:

Title:

  
FRANCISCO TOMIC

senior IP market development  
CFO

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

By: J.P. Morgan Securities Inc.

By:

  
Name: Santiago Bausili

Title: Vice President

SCHEDULE I

Initial Purchasers	Principal Amount of Firm Securities to be Purchased
J.P. Morgan Securities Inc.....	US\$400,000,000
BNP Paribas Securities Corp.....	30,000,000
RBC Dominion Securities Corporation.....	30,000,000
Banco Bilbao Vizcaya Argentaria, S.A.....	20,000,000
Dresdner Kleinwort Wasserstein Securities LLC .....	20,000,000
Total .....	US\$500,000,000

Selling Restrictions for Offers and Sales outside the United States

(1) (a) The Securities have not been and will not be registered under the Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Act. Each Initial Purchaser represents and agrees that, except as permitted by Section 4(a)(i) of the Agreement to which this is an exhibit, it has not offered or sold, and will not offer or sell, any Securities constituting part of its allotment to U.S. persons (which term shall not include dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners (other than an estate or trust)). Accordingly, each Initial Purchaser represents and agrees that neither it, nor any of its Affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Securities. Terms used in this paragraph have the meanings given to them by Regulation S.

(b) Each Initial Purchaser also represents and agrees that it has not entered and will not enter into any contractual arrangement with any distributor (as that term is defined by Regulation S) with respect to the distribution of the Securities, except with its Affiliates or with the prior written consent of the Company.

(2) Each Initial Purchaser represents and agrees that (i) it has not offered or sold and, prior to the date six months after the date of issuance of the Securities, will not offer or sell any Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 of the United Kingdom with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Securities to a person who is of a kind described in Article 9(3) of the Financial Services Act 1996 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom the document may otherwise lawfully be issued or passed on.

## ANEXO 1

### ACTIVIDADES Y NEGOCIOS

#### (1) Antecedentes Generales.

CODELCO-CHILE es el productor de cobre más grande del mundo y una de las empresas más grandes de Chile en términos de ventas (US\$3,5 mil millones en el año 2002). Al 31 de diciembre de 2002, el total de activos y patrimonio de CODELCO-CHILE ascendían a US\$6,7 mil millones y US\$2,7 mil millones, respectivamente, sin considerar el valor de sus concesiones mineras, derechos mineros y de aguas. CODELCO-CHILE se dedica, principalmente, a la exploración, desarrollo y extracción de minerales que contienen cobre y subproductos de cobre; al procesamiento del mineral para convertirlo en cobre refinado; y a la venta internacional de cobre refinado y de subproductos de cobre. CODELCO-CHILE es de propiedad del Estado de Chile en un 100%, y controla aproximadamente un 17% de las reservas identificadas de cobre. En el año 2002, CODELCO-CHILE tenía una participación aproximada de un 15% en la producción de cobre del mundo occidental, con una producción de 1,7 millones de toneladas métricas (incluida su participación minoritaria en la mina El Abra) y una participación de aproximadamente 27% en la producción de molibdeno del mundo occidental, con una producción de 19.901 toneladas métricas.

El principal producto comercial de CODELCO-CHILE es el cobre en cátodos de Grado A. En el año 2002, el cobre representó un 85,7% del total de las ventas de CODELCO-CHILE, mientras que los subproductos obtenidos de su producción de cobre representaron un 14,3% del total de sus ventas.

El siguiente cuadro presenta cierta información relativa a la producción, costos y precios de CODELCO-CHILE.

**Información Relativa a la Producción de Cobre, Costo de Producción y Precio  
(producción en miles de toneladas métricas; costos y precios en centavos por libra)**

	Año terminado al 31 de diciembre					Período de 6 meses terminado al 30 de junio	
	1998	1999	2000	2001	2002	2002	2003
<b>Producción de Cobre de CODELCO-CHILE</b>	1.403	1.507	1.516	1.592	1.520	716,2	741,1
<b>Costo de Producción de CODELCO-CHILE</b>	44,7	39,8	43,7	40,7	40,9	41,7	42,4
<b>Precio Promedio en LME<sup>1</sup></b>	75,0	71,3	82,3	71,6	70,6	71,8	75,0

La misión de CODELCO-CHILE es desarrollar plenamente sus capacidades mineras y habilidades de negocios afines en forma responsable y flexible, con el objeto de maximizar su valor económico a largo plazo y su contribución al país. CODELCO-CHILE se ha impuesto como meta aumentar en forma substancial el valor de la compañía durante el período 2001-2006; con todo, la referida meta será adecuada si las actuales proyecciones, a largo plazo, sobre los precios del cobre varían durante el período de seis años antes referido. Asimismo, se ha comprometido a entregar todos sus ingresos operacionales netos a la Tesorería General de la República.

#### (2) Producción de Cobre.

En minas de tajo abierto, el proceso de producción de cobre de los minerales sulfurados se inicia en el tajo de la mina. Primero se procede a perforar y tronar los desechos de rocas y minerales, para después cargarlos en camiones diesel eléctricos mediante palas eléctricas. Los desechos son transportados a las áreas de vaciado. En las minas subterráneas, el mineral de cobre es depositado en los carros y transportado al circuito de chancado, donde los chancadores giratorios reducen el mineral a un tamaño no mayor de 3/4 de pulgada. En ambos tipos de minas, el mineral es transportado posteriormente a los molinos de cabillas y bolas, los cuales

<sup>1</sup> Precio de cátodos de cobre, Grado A.

lo reducen a polvo. En el proceso convencional de concentración/fundición/refinación del mineral sulfurado, el mineral finamente molido es agitado con una solución de agua y productos químicos, para después ser bombeado como mezcla acuosa hacia el separador por flotación. Posteriormente la solución es aireada, con lo cual se genera una espuma que contiene minerales que se depositan en la superficie, mientras que las rocas de desecho se depositan en el fondo. La espuma es succionada y filtrada para producir concentrados de cobre. Las rocas de desecho, llamadas relaves, son enviadas a las instalaciones de almacenamiento de relaves. Los concentrados de cobre (que contienen cobre de una ley de aproximadamente 30%) son posteriormente enviados a la fundición.

En la fundición, los concentrados son mezclados con fundentes y colocados dentro de hornos de reverbero o dentro de un convertidor Teniente (un tipo de convertidor de tecnología avanzada diseñado por CODELCO-CHILE) para ser fundidos y producir "mate" y "escoria". El mate de los hornos reverberos contiene aproximadamente un 45% de cobre y el mate del convertidor Teniente aproximadamente un 75%. La escoria es un residuo del proceso de fundición que contiene hierro y otras impurezas. El mate es transferido mediante cucharones hacia los convertidores para ser oxidado en dos etapas. Primero, los sulfuros de hierro del mate son oxidados con sílice, con lo cual se produce una escoria que es devuelta a los hornos reverberos. Posteriormente, las impurezas del mate sulfurado son oxidadas para producir cobre ampollado. El cobre ampollado contiene aproximadamente un 98,5% de cobre. Parte de este cobre ampollado es vendido a los clientes. El resto es transferido a la refinación electrolítica.

Después de un tratamiento adicional en el horno anódico, el cobre es fundido en ánodos y luego transportado al estanque electrolítico de la refinación. El cobre anódico está formado por aproximadamente un 99,0% de cobre. En la refinación electrolítica, los ánodos son suspendidos en estanques que contienen una solución de ácido y sulfato de cobre. A los ánodos se los hace pasar por una corriente eléctrica y una solución química para depositar cobre depurado en placas de cobre puro. Los cátodos de cobre refinado resultantes están formados en un 99,99% de cobre. La plata y pequeñas cantidades de otros metales contenidos en los ánodos se depositan en el fondo del estanque y son recuperados por separado.

Un proceso alternativo al método de concentración/fundición/refinación es el proceso de lixiviación de los minerales de óxido, en el que después se los procesa mediante un método de extracción por solventes y electrorefinación, por medio del cual el mineral es lixiviado durante varios días para producir una solución rica en cobre, de la cual el cobre es recuperado mediante el proceso de extracción por solventes y, posteriormente, por electrorefinación, con el objeto de producir cobre de alta ley. CODELCO-CHILE posee instalaciones de extracción por solventes y electrorefinación en las Divisiones Codelco Norte, El Teniente y Salvador. Con el proceso de extracción por solventes y electrorefinación se puede producir cobre refinado, usando minerales de baja ley, más económicamente que con el proceso tradicional de concentración/fundición/refinación.

### **(3) Operaciones.**

Las operaciones cupríferas de CODELCO-CHILE se encuentran concentradas en cuatro divisiones: **A. La División Codelco Norte**, que es la división más grande de CODELCO-CHILE y que fue formada, en agosto del año 2002, por las antiguas División Chuquicamata y División Radomiro Tomic. Chuquicamata ha estado en operaciones desde el año 1915, y cuenta con instalaciones de fundición y refinación. En el año 2002 esta división produjo 596.743 toneladas métricas de cobre, representando casi un 39% de la producción total de cobre de CODELCO-CHILE. Radomiro Tomic, que es la división más nueva de CODELCO-CHILE, produjo 297.119 toneladas métricas de cátodos de cobre en el año 2002 (mediante el proceso de extracción por solventes y electrorefinación), a un costo de 32,8 centavos por libra. **B. La División El Teniente**, que opera la mina de cobre subterránea más grande del mundo y que ha estado en operaciones durante más de 80 años. Las instalaciones de la División El Teniente incluyen la fundición de Caletones. En el año 2002, esta división produjo 334.306 toneladas métricas de cobre. **C. La División Andina**, que no cuenta con capacidad de fundición independiente, en el año 2002 produjo 751.336 toneladas métricas de concentrado con un contenido de 218.706 toneladas métricas de cobre. **D. La División Salvador**, cuyas instalaciones incluyen el complejo de fundición y refinación de Potrerillos (con una capacidad de 520.000 toneladas métricas de concentrado), y que en el año 2002 produjo 72.819 toneladas métricas de cobre.

La siguiente tabla muestra la producción de cobre de las minas de CODELCO-CHILE en comparación con la producción del sector privado en Chile, durante el período de cinco años terminado al 31 de diciembre de 2002:

**Producción de Cobre en las Minas Chilenas (CODELCO-CHILE y el Sector Privado)**  
(en miles de toneladas métricas)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>CODELCO-CHILE</b>					
División Codelco Norte (1)					
Chuquicamata	650	630	630	642	597
Radomiro Tomic	162	190	191	260	297
División El Teniente	339	346	356	356	334
División Andina	164	249	258	253	219
División Salvador	88	92	81	81	73
El Abra (2)	98	108	97	107	110
<b>Producción Total CODELCO-CHILE</b>	<b>1.501</b>	<b>1.615</b>	<b>1.613</b>	<b>1.699</b>	<b>1.630</b>
<b>SECTOR PRIVADO CHILENO (3)</b>	<b>2.186</b>	<b>2.776</b>	<b>2.989</b>	<b>3.040</b>	<b>2.951</b>
<b>Producción Total Chilena</b>	<b>3.687</b>	<b>4.391</b>	<b>4.602</b>	<b>4.739</b>	<b>4.581</b>

- (1) A contar del 1° de agosto de 2002, se eliminaron las Divisiones Chuquicamata y Radomiro Tomic, creándose, a contar de igual fecha, la División Codelco Norte, sucesora de las dos anteriores.
- (2) Las cifras de CODELCO-CHILE para El Abra incluyen el 49% de la producción total de la mina (producción que corresponde a CODELCO-CHILE en virtud de su participación en el 49% de la propiedad de la mina El Abra). La restante producción de El Abra se incluye en las cifras del "Sector Privado Chileno".
- (3) Fuente: Comisión Chilena del Cobre.

La siguiente tabla muestra un desglose de la producción de cobre de CODELCO-CHILE durante el período de cinco años terminado al 31 de diciembre de 2002:

**Producción de Cobre de CODELCO-CHILE (excluido El Abra)**  
(en miles de toneladas métricas)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Cátodos</b>	845	879	854	963	942
<b>Refinado a Fuego</b>	129	163	159	157	133
<b>Blister</b>	205	191	207	194	203
<b>Concentrados</b>	224	275	296	279	242
<b>TOTAL</b>	<b>1.403</b>	<b>1.508</b>	<b>1.516</b>	<b>1.592</b>	<b>1.520</b>

La siguiente tabla contiene los principales proyectos de inversión de CODELCO-CHILE para el período 2003-2008 (los proyectos pueden ser modificados a discreción de CODELCO-CHILE):



## Principales Proyectos de Desarrollo 2003-2008

<u>Ubicación</u>	<u>Proyecto</u>	<u>Estatus</u>	<u>Inversión</u> (en millones de U.S.\$)
<b>Codelco Norte</b>	Reubicación de la Estación de Molienda	En Desarrollo	48
<b>Codelco Norte</b>	Mejoras en la Refinería, Concentrador y Camiones	En Desarrollo	198
<b>Salvador—Potrerillos</b>	Expansión de la Capacidad de Fundición	En Desarrollo	27
<b>El Teniente</b>	Expansión de la Capacidad Productiva	En Desarrollo	327
<b>El Teniente</b>	Expansión de la Capacidad de Fundición	En Desarrollo	55
<b>Codelco Norte</b>	Nueva Planta de Tratamiento en Mina Sur	En Evaluación	152
<b>Codelco Norte</b>	Plan Integrado para Codelco Norte—Mansa Mina	En Evaluación	565
<b>Codelco Norte</b>	Desarrollo del Proyecto Gaby	En Evaluación	521
<b>Codelco Norte</b>	Expansión de la Capacidad de Fundición	En Evaluación	81
<b>Andina</b>	Expansión de la Capacidad Productiva	En Evaluación	823
<b>El Teniente</b>	Expansión de la Capacidad Productiva	En Evaluación	131
<b>TOTAL PROYECTOS PRINCIPALES</b>			<b>\$2.928</b>

Los principales proyectos de desarrollo de CODELCO-CHILE (listados más arriba) junto con sus otros proyectos de inversión alcanzan un total de U.S.\$4,6 billones para el período 2003-2008.

### A. División Codelco Norte.

Con el fin de obtener beneficios de la sinergias resultantes de una gestión unificada de las Divisiones de Chuquicamata y Radomiro Tomic, en agosto del año 2002 CODELCO-CHILE fusionó las dos divisiones aludidas en una sola división, denominada "División Codelco Norte".

(i) **Chuquicamata - Operaciones Mineras.** Con anterioridad a la creación de la División Codelco Norte, Chuquicamata era la división más grande de CODELCO-CHILE. La mina de Chuquicamata, junto con su fundición y refinería, produjo 596.743 toneladas métricas de cobre refinado en el año 2002, representando aproximadamente un 39% de la producción de cobre de CODELCO-CHILE. Chuquicamata es una mina a tajo abierto que produce principalmente concentrados sulfurados, los cuales son fundidos y refinados en sus instalaciones. El tamaño del tajo es de casi 4 kilómetros de largo, que van de norte a sur, por 2 kilómetros de ancho y 700 metros de profundidad. Chuquicamata es una de las minas productoras de cobre más grandes del mundo, siendo también catalogada como una de las minas productoras de más bajo costo. Esta mina que se ha mantenido en operaciones desde el año 1915, está ubicada en el desierto de Atacama, a unos 1.200 kilómetros al norte de Santiago y a 240 kilómetros al este de Antofagasta. A diciembre del año 2002, Chuquicamata empleaba 7.286 personas.

Chuquicamata es un depósito de mineral tipo pórfido. La característica más importante de este depósito es la falla regional que va de norte a sur, la falla Fisura Occidental, que corta el mineral en el lado oeste y constituye el pronunciado límite del depósito. La capa de enriquecimiento supergénica, donde por las fuerzas naturales el cobre se redeposita en las capas inferiores, tiene un grosor de casi 800 metros en la parte central de la mina. Hacia el norte, la mina Chuquicamata es más angosta y se fusiona con el depósito mineral de Radomiro Tomic a unos 5 kilómetros al norte de Chuquicamata.

Uno de los proyectos en curso de CODELCO-CHILE, en la mina de Chuquicamata, es el denominado "Proyecto de Integración Nueva Calama", iniciativa tendiente a reubicar a los habitantes de la ciudad de Chuquicamata, localizada a las afueras de las instalaciones mineras, en la ciudad vecina de Calama. La mayor parte del terreno cercano a la mina, actualmente disponible para depositar las grandes pilas de desechos mineros, ya ha sido usado, lo que significa un mayor gasto en combustibles (para el transporte de los desechos en camiones de volteo a terrenos más alejados de la mina) y otros costos relacionados. El "Proyecto de Integración Nueva

Calama" incluye la participación de CODELCO-CHILE en la construcción y financiamiento tanto de casas y departamentos para los empleados de la mina, como de centros comerciales en Calama. El área correspondiente a la ciudad de Chuquicamata será entonces utilizada como una nueva área de depósito de rocas de desecho y como embalse de tratamiento de SX-EW. CODELCOCHILE espera invertir aproximadamente U.S.\$150 millones en la implementación de este proyecto, de los cuales, al 30 de junio de 2003, ya han sido invertidos U.S.\$97 millones.

**Producción de Cobre y Costo – Chuquicamata**  
(producción en miles de toneladas métricas y costos en centavos por libra)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Producción de Cobre</b>	650	630	630	642	597
<b>Costo</b>	41,9	37,4	43,5	40,4	39,6

Los costos de producción en Chuquicamata son inferiores al costo de producción promedio mundial y, entre el año 1998 y diciembre de 2002, han disminuido en aproximadamente un 5,5%. Técnicas mejoradas de administración de explotación, como el cambio de un diseño minero de banco abierto a banco cerrado, han resultado en una disminución de la tasa de desmonte, una reducción en la fuerza laboral y un mejoramiento en las prácticas de gestión.

(ii) **Chuquicamata - Operaciones de Fundición.** Chuquicamata utiliza un horno flash Outokumpu, cinco convertidores Pierce Smith y dos convertidores Teniente para procesar 1,6 millones de toneladas métricas de concentrado de cobre de 31,1% al año. Chuquicamata se encuentra integrado desde el proceso de extracción hasta la producción de cátodos.

(iii) **Radomiro Tomic.** El depósito Radomiro Tomic se encuentra ubicado a 5 kilómetros al norte del tajo principal de Chuquicamata. Radomiro Tomic comenzó a operar a fines del año 1997, y hasta antes de la creación de la División Codelco Norte era la división más nueva de CODELCO-CHILE. Radomiro Tomic, cuyas instalaciones están equipadas con la más alta tecnología, es la productora de cobre más grande del mundo que utiliza, en forma altamente eficiente, el proceso de extracción por solventes y electrorefinación (SX-EW). A diciembre del año 2002, la división empleaba 681 personas, alcanzando una producción de 297.119 toneladas métricas de cobre, a un costo de 32,8 centavos por libra.

**Producción de Cobre y Costo – Radomiro Tomic**  
(producción en miles de toneladas métricas y costos en centavos por libra)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Producción de Cobre</b>	162	190	191	260	297
<b>Costos</b>	36,7	33,1	33,8	31,6	32,8

**B. División El Teniente.**

(i) **Operaciones Mineras.** La División El Teniente es la segunda división de mayor tamaño de CODELCO-CHILE y es responsable de la operación de la mina subterránea de El Teniente, ubicada a 80 kilómetros al sudeste de Santiago. Con una producción de 334.306 toneladas métricas en el año 2002, es la mina de cobre subterránea más grande del mundo.

El depósito de El Teniente es también un depósito de mineral de tipo pórfido. El depósito cubre una columna vertical mineralizada de más de 1.500 metros. En la parte norte del depósito se encuentra una intrusión tabular subvertical de dacita pórfida de 2 kilómetros de largo por 200 metros de ancho y en la parte sudeste se encuentra un depósito de cuarzo-diorita. Las rocas de los muros son en su mayoría de andesita, las cuales están altamente mineralizadas, y contienen una alta concentración de calcopirita y bornita. El tamaño del depósito es de por lo menos 3 kilómetros, de norte a sur, por casi un kilómetro de ancho.

La mina El Teniente produce principalmente concentrados, los cuales son fundidos en la fundición de Caletones. Actualmente, la mina explota diversos sectores, los que gradualmente permitirán aumentar la producción desde 100.000 toneladas diarias aproximadas, correspondientes al año 2002, a aproximadamente 130.000 toneladas diarias de mineral para el año 2004. Se espera que el sector Esmeralda de la mina, el cual se comenzó a explotar a finales del año 1998, se transforme en el principal sector productivo, con una producción esperada de 45.000 toneladas diarias de mineral. A diciembre del año 2002, El Teniente empleaba 5.085 personas.

**Producción de Cobre y Costo – División El Teniente**  
(producción en miles de toneladas métricas y costos en centavos por libra)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Producción de Cobre</b>	339	346	356	356	332
<b>Costos</b>	48,2	40,8	43,6	40,4	40,3

(ii) **Operaciones de Fundición.** La División El Teniente incluye también la fundición de Caletones, la cual tiene una capacidad de fundición de 1,25 millones de toneladas métricas de concentrado al año. La mina de El Teniente suministra a la fundición de Caletones 1,1 millones de toneladas métricas de concentrado al año. El restante concentrado procesado por la fundición proviene de la División Andina, que se encuentra a una distancia de 300 kilómetros.

La fundición de Caletones cuenta con dos convertidores Teniente modificados, tres convertidores Pierce Smith, hornos de refinación y plantas de tratamiento de gas. El Teniente no cuenta con una planta de refinación electrolítica, y la producción de la refinación se vende como cobre refinado a fuego o ánodos para ser refinados en otros lugares, tales como la refinación de Ventanas de propiedad de Enami o la de Chuquicamata.

**C. División Andina.**

**Operaciones Mineras.** La División Andina opera las minas Andina y Sur-Sur, ambas ubicadas a 50 kilómetros al noreste de Santiago. La producción de la División Andina proviene de minas de tajo abierto y de minas subterráneas. Esta división no cuenta con instalaciones de fundición. Su producción es procesada en la fundición de Caletones de la División El Teniente, en la refinación de Ventanas de Enami o en la División Salvador, y parte de sus concentrados se vende a Enami u otros compradores. A diciembre del año 2002, Andina empleaba 1.154 personas y produjo 751.366 toneladas métricas de concentrado.

El depósito de mineral tipo pórfido Río Blanco-Los Bronces es uno de los depósitos de cobre más grandes de Chile, cuya parte nor-occidental es de propiedad de la División Andina de CODELCO-CHILE, mientras que la parte sud-occidental es de propiedad de Compañía Minera Disputada de Las Condes, subsidiaria de Anglo American Corporation. El depósito se caracteriza por los abundantes cuerpos de rocas de turmalina y brecha mineralizadas con sulfuros de cobre, en su mayoría de calcopirita. El depósito tiene cuatro kilómetros de largo, de norte a oeste, con un ancho máximo de casi un kilómetro.

**Producción de Cobre y Costo – División Andina**  
(producción en miles de toneladas métricas y costos en centavos por libra)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Producción de Cobre</b>	164	249	258	253	219
<b>Costos</b>	61,9	47,9	50,5	48,0	49,7

Como parte de su continuo proceso de expansión, CODELCO-CHILE ha implementado un programa de inversiones que le ha permitido casi duplicar la producción y capacidad de disposición de relaves de esta división. Uno de los objetivos de este programa es aumentar la producción de la mina, en un plazo de 4 años, desde 50.000 a 100.000 toneladas métricas diarias de mineral. A fin de alcanzar esta meta, la división debe aumentar su actual capacidad de concentración.

#### D. División Salvador.

(i) **Operaciones Mineras.** La División Salvador es la más pequeña de las divisiones de CODELCO-CHILE. En el año 2002 produjo 72.819 toneladas métricas de cobre fino. El complejo incluye la mina, el concentrador de Salvador, y la fundición y refinería de Potrerillos. La mina Salvador se encuentra ubicada a 900 kilómetros al norte de Santiago y a 120 kilómetros al este del puerto de Chañaral. Los concentrados se transportan mediante ductos y camiones hasta Potrerillos, que se encuentra a 67 kilómetros de la mina.

La División Salvador es la que tiene la reserva más pequeña de todas las divisiones de CODELCO-CHILE; sin embargo, se proyecta que la vida útil de la reserva identificada superará los 15 años. Salvador cuenta también con prometedores proyectos de desarrollo que, en opinión de CODELCO-CHILE, aumentarán tanto sus reservas como su producción. El depósito Salvador es un típico depósito de mineral de cobre pódrido de tamaño medio. Tiene una cubierta lixiviada de entre 80 y 200 metros sobre una capa de enriquecimiento de forma lenticular con un diámetro de un kilómetro, que alcanza un grosor máximo aproximado de 250 metros. Esta capa de enriquecimiento se encuentra en la actualidad casi totalmente explotada. La explotación se concentra actualmente en el mineral primario ubicado debajo de la capa de enriquecimiento secundaria (niveles de los Incas). A diciembre del año 2002, Salvador empleaba 1.906 personas.

#### Producción de Cobre y Costo – División Salvador (producción en miles de toneladas métricas y costos en centavos por libra)

	1998	1999	2000	2001	2002
Producción de Cobre	88	92	81	81	73
Costo	56,5	54,8	62,1	59,6	69,4

(ii) **Operaciones de Fundición.** Las instalaciones de fundición y refinación se encuentran ubicadas en Potrerillos. Estas instalaciones cuentan con un convertidor Teniente y cuatro convertidores Pierce Smith, con una capacidad anual de 520.000 toneladas métricas de concentrado.

#### (4) Otras Líneas de Negocios y Empresas Conjuntas.

##### A. División Talleres.

Creada en el año 1992, la División Talleres se organizó para tres líneas de negocios: fundición de acero; fabricación y mantenimiento de equipo pesado, incluyendo carros para la minería y celdas de flotación; y producción de cal. La División Talleres participa en grandes proyectos mineros tanto en Chile como en el extranjero. Un 2,4% de las operaciones de fundición de metales y ventas de maquinarias de la División Talleres en el año 2002 se realizaron para otras compañías mineras y clientes industriales. A diciembre del año 2002, Talleres empleaba 267 personas.

##### B. Empresas Conjuntas.

CODELCO-CHILE ha emprendido una serie de proyectos y formado diversas empresas conjuntas con ciertas compañías mineras y no mineras del sector privado, tales como:

(i) **El Abra:** compañía creada el año 1994, con una participación del 49% de CODELCO-CHILE y del 51% de Cyprus Amax Minerals Company (propiedad de Phelps Dodge Corporation) para desarrollar y explotar el yacimiento El Abra. La puesta en marcha de este proyecto, cuya producción se inició en agosto de 1996, siete meses antes de la fecha programada, requirió de una inversión de U.S.\$1,05 billones. Tiene una capacidad de producción anual aproximada de 225.000 toneladas métricas de cátodos de cobre por año e incluye una de las instalaciones de SX-EW más grandes del mundo. El yacimiento está ubicado 105 kilómetros al norte de la ciudad de Calama, a una altura de 3.900 metros sobre el nivel del mar. Este proyecto importa una explotación a rajo abierto de aproximadamente 770 millones de toneladas métricas de óxidos de cobre, con una ley promedio de 0,55%, y una vida útil de mina estimada en 17 años, basado en reservas identificadas. Durante el año 2002 fueron construidas instalaciones para lixiviar los minerales de Baja Ley obtenidos de la explotación

de la mina. La producción del año 2002 ascendió a 225.230 toneladas métricas de cobre fino a un costo de 46,8 centavos por libra.

El proyecto El Abra fue originalmente financiado a través de un crédito sindicado de U.S.\$850 millones, sin responsabilidad para CODELCO-CHILE, no obstante de haber prendado su interés accionario en la propiedad de El Abra para asegurar el referido préstamo. El crédito fue refinanciado en noviembre del año 1997, lo que redujo los gastos por concepto de intereses.

La participación de CODELCO-CHILE en las pérdidas de El Abra, generadas por los bajos precios del cobre y la dificultades operacionales experimentadas el año 2001, ascendía a un total de U.S.\$27 millones el año 2001 y a un total de U.S.\$39 millones el año 2002. Al 30 de junio del año 2003, CODELCO-CHILE tiene una inversión, registrada en su balance, correspondiente a El Abra, por un monto neto de U.S.\$55 millones.

Al 30 de junio del año 2003, los préstamos vigentes de CODELCO-CHILE a El Abra ascienden a U.S.\$36 millones. Estos créditos resultan de compromisos previos de Cyprus Amax y CODELCO-CHILE de respaldar el desarrollo de la mina, proporcionando financiamiento en caso de precios bajos del cobre durante el año 2001. Dicho financiamiento, por la suma de U.S.\$70 millones, fue otorgado en noviembre del año 2001, a través de la adquisición de deuda subordinada por parte de CODELCO-CHILE (49%) y Cyprus Amax (51%). Al 30 de junio de 2003, las cuentas por pagar adeudadas por CODELCO-CHILE a El Abra ascienden a U.S.\$11,4 millones. No existen otros compromisos por parte de CODELCO-CHILE de asistir financieramente a El Abra.

**(ii) Electroandina S.A. e Inversiones Tocopilla Limitada; Empresa Eléctrica del Norte Grande S.A. ("Edelnor"):** En enero del año 1996, la entonces División Tocopilla de CODELCO-CHILE, que operaba una planta termoeléctrica para el suministro de energía eléctrica a varias operaciones mineras en el norte de Chile, fue dividida en dos compañías: Electroandina S.A. e Inversiones Tocopilla Limitada. Inversiones Tocopilla Limitada, una sociedad "holding", controla el 65,2% de las acciones de Electroandina S.A. y CODELCO-CHILE posee directamente el 34,8% restante de las acciones. CODELCO-CHILE vendió 51% de Inversiones Tocopilla Limitada a Tractebel Andino S.A., manteniendo en dicha compañía intereses correspondientes al 49%.

Electroandina S.A. genera y transmite electricidad en el norte de Chile. Es importante destacar que CODELCO-CHILE obtiene el suministro de energía eléctrica para la División Codelco Norte, a través de contratos de suministro de largo plazo celebrados con Electroandina S.A.

Como consecuencia de la incorporación del gas natural y el significativo exceso de capacidad en el sistema de distribución de energía eléctrica del norte de Chile, Electroandina S.A. ha comenzado el proceso de aumentar su capacidad de generación y, a través de la consolidación con otros proveedores de la región, se encuentra en la búsqueda de oportunidades que le permitan convertirse en el principal proveedor de energía eléctrica del norte de Chile. Al 30 de junio de 2003, la deuda de Electroandina S.A. para con CODELCO-CHILE asciende a U.S.\$45.4 millones, y las cuentas por pagar de CODELCO-CHILE en favor de Electroandina S.A. U.S.\$8,3 millones.

Con fecha 5 de noviembre de 2002, CODELCO-CHILE y Tractebel Andino S.A. adquirieron en forma conjunta aproximadamente el 82% de Edelnor, quien, a su vez, es dueño de una capacidad de generación de aproximadamente 687 megawatts de energía eléctrica instalada en el norte de Chile. La transacción significó un inversión total de CODELCO-CHILE de aproximadamente U.S.\$42.8 millones. Con posterioridad a la mencionada inversión, Edelnor inició y, desde entonces, ha concluido un proceso de reorganización iniciado en los Estados Unidos de América bajo el Capítulo 11, que incluye la reestructuración de su deuda. Al 30 de junio del año 2003, CODELCO-CHILE ha invertido, directa o indirectamente a través de sus subsidiarias, un total aproximado de U.S.\$90 millones en Edelnor. CODELCO-CHILE ha anunciado su intención de deshacerse de sus inversiones en el sector eléctrico.

Bajo los términos de un acuerdo financiero entre Edelnor e Inversiones Mejillones S.A., esta última, de cuyo capital CODELCO-CHILE indirecta y directamente es propietario de aproximadamente el 67%, podría ser requerido para proveer financiamiento a Edelnor por una suma aproximada de U.S.\$15 millones.

Para el año terminado al 31 de diciembre de 2002, Electroandina S.A. registraba una pérdida neta de U.S.\$2 millones, y para el período de seis meses terminado al 30 de junio de 2003, un ingreso neto de U.S.\$1,1 millones. Al 30 de junio de 2003, la inversión de CODELCO-CHILE en Electroandina S.A. ascendía a U.S.\$53 millones.

Para el año terminado al 31 de diciembre de 2002, Edelnor registra un ingreso neto de aproximadamente U.S.\$21 millones y para el período de 6 meses terminado al 30 de junio de 2003, un ingreso neto de U.S.\$5 millones.

(iii) **Sociedades de Exploración:** En los últimos años, debido a que un gran número de compañías han expresado formalmente su interés en asociarse con CODELCO-CHILE para fines de exploración, la empresa ha comenzado a participar cada vez más en actividades de exploración con ciertos socios estratégicos. En el año 2001 se firmaron contratos para efectuar exploraciones en el área de Gradaus, Brasil, con Barrick Do Brasil Ltda., una empresa brasileña, y en el área de Sonora, México. Asimismo, durante el año 2003 se han suscrito acuerdos para efectuar exploraciones en otras áreas de México, a través de Minera Pecobre, S.A. de C.V., una asociación con Minera Peñoles S.A., compañía mexicana. CODELCO-CHILE se encuentra actualmente en negociaciones para desarrollar exploraciones conjuntas con compañías canadienses, tales como Cominco, Mantos de Oro y Placer Dome, y con compañías norteamericanas, como Barrick Gold y Newmont.

La siguiente tabla muestra los principales acuerdos de explotación y exploración de los cuales CODELCO-CHILE era parte al 30 de junio de 2003:

**Principales Acuerdos de Explotación y Exploración  
(al 30 de junio de 2003)**

Acuerdos para Proyectos de Explotación	Socio	Tipo
El Abra	Phelps Dodge (EE.UU.)	Cobre
<b>Acuerdos para Proyectos de Exploración</b>		
<b>Proyectos en Chile</b>		
Sierra Mariposa	Placer Dome (Canadá)	Cobre
Río Hurtado	Barrick (EE.UU.)	Cobre/Oro
Purén	Mantos de Oro (Canadá)	Oro
Paloma	Newmont (EE.UU.)	Cobre
Vallenar y otros	Cementos Bio-Bio (Chile)	Cobre
<b>Proyectos en el Extranjero</b>		
Sonora y otros	Peñoles (México)	Cobre/Oro
Gradaus	Barrick (Brasil)	Cobre

(5) **Reservas y Recursos.**

CODELCO-CHILE integra los datos geológicos, geometalúrgicos y geotécnicos en sistemas de modelación computacional y calcula sus reservas de minerales mediante métodos geoestadísticos generalmente aplicados por la industria minera y en conformidad con la normativa chilena aplicable; lo anterior, con el fin de realizar estimaciones con respecto a la naturaleza y extensión de los depósitos mineros de CODELCO-CHILE, y a los costos de producción y precios de mercado.

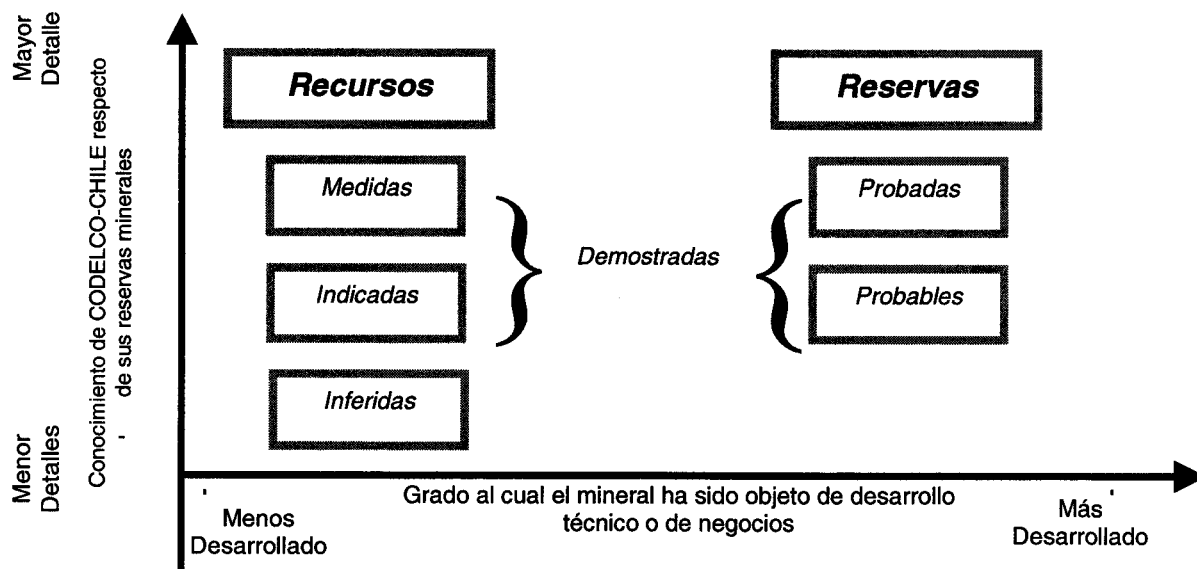
Pueden distinguirse dos categorías de depósitos mineros de CODELCO-CHILE: *Reservas* y *Recursos*. Las *Reservas* corresponden a depósitos minerales respecto de los cuales CODELCO-CHILE ha establecido un plan de negocios. Los *Recursos* corresponden a depósitos minerales respecto de los cuales CODELCO-CHILE no ha establecido un plan de negocios.

La *Reservas* y los *Recursos*, a su vez, se subdividen atendido el grado de conocimiento de CODELCO-CHILE respecto de su extensión y composición. Si el conocimiento de CODELCO-CHILE, respecto de las *Reservas*, es amplio y directo, deben considerarse *Reservas Probadas*; y si dicho conocimiento, por parte de CODELCO-CHILE, no obstante ser substancial es menos amplio, deben considerarse *Reservas Probables*. Ambas categorías de *Reservas* son también referidas como *Reservas Demostrables*. En lo que respecta a los *Recursos*, si el conocimiento de CODELCO-CHILE, respecto de los mismos, es amplio y directo, se considerarán *Recursos Medidos*; si dicho conocimiento, por parte de CODELCO-CHILE, no obstante ser substancial es menos

amplio, deben considerarse *Recursos Indicados*; y si dicho conocimiento es sólo indirecto, se considerarán *Recursos Inferidos*.

Los *Recursos Medidos e Indicados* (en oposición a los *Inferidos*) son también conjuntamente referidos como *Recursos Demostrados*. Todas las categorías de *Recursos* son también conjuntamente referidas como *Recursos Identificados*.

El siguiente diagrama muestra la relación entre las distintas categorías de *Reservas* y *Recursos*:



En conformidad a los métodos y categorías descritas más arriba, las *Reservas Demostradas* de CODELCO-CHILE alcanzan 38 millones de toneladas de mineral de cobre, cifra que asegura una producción futura (a los actuales niveles) de, al menos, 24 años. Los *Recursos Demostrados* de CODELCO-CHILE alcanzan 81 millones de toneladas de mineral de cobre, y sus *Recursos Identificados* alcanzan 251 millones de toneladas de mineral de cobre. Los *Recursos* y *Reservas* totales de CODELCO-CHILE serían suficientes para 131 años de producción futura, a los actuales niveles.

La siguiente tabla indica cantidad y ley de las reservas minerales de CODELCO-CHILE por división:

	Recursos Identificados			Recursos Demostrados			Reservas Demostradas		
	Reservas Minerales (1)	Ley Promedio	Cobre Fino (2)	Reservas Minerales (1)	Ley Promedio	Cobre Fino (2)	Reservas Minerales (1)	Ley Promedio	Cobre Fino (2)
Codelco Norte	22.412	0,31%	69	4.704	0,52%	24	2.099	0,71%	15
Salvador	2.075	0,39	8	1.418	0,46	7	340	0,70	2
Andina	9.121	0,74	67	2.204	0,79	17	741	0,94	7
El Teniente	14.005	0,65	90	4.192	0,78	33	1.287	1,08	14
Otros (3)	3.658	0,47	17	938	0,53	5			
<b>Total</b>	<b>51.271</b>	<b>0,49%</b>	<b>251</b>	<b>13.456</b>	<b>0,64%</b>	<b>86</b>	<b>4.467</b>	<b>0,85%</b>	<b>38</b>

(1) En millones de toneladas métricas.

(2) En millones de toneladas métricas finas.

(3) Incluye áreas tales como el depósito Gaby, que no se encuentra ubicado en alguna de las 4 divisiones de CODELCO-CHILE.

El sistema descrito precedentemente, tendiente a categorizar reservas minerales, es ampliamente utilizado en la industria minera (y recogido en la legislación internacional en el código australiano denominado "Joint Ore Reserves Committee" (JORC), en el "Mineral Resources Committee" (SAMREC) de Sudáfrica, y en el "Reporting Code" de Gran Bretaña). Otros sistemas de categorización son también utilizados, a saber, el sistema "U.S. Geological Survey".

La tabla que sigue muestra las reservas mineras mundiales y las correspondientes a CODELCO-CHILE según el sistema "U.S. Geological Survey":

	<b>Todo el Mundo (en millones de toneladas)</b>	<b>CODELCO-CHILE (en millones de toneladas)</b>	<b>Participación de CODELCO-CHILE (%)</b>
<b>Recursos</b>	1.600	251	16%
<b>Base de Reserva (1)</b>	950	166	17%

(1) Según dicho término se define por el "U.S. Geological Survey".

#### **(6) Costos de Producción de Cobre.**

Los costos de producción de CODELCO-CHILE incluyen todos los costos y gastos incurridos en conexión con la extracción y producción de los diversos tipos de cobre y subproductos asociados. Estos costos de producción no incluyen los costos administrativos y operacionales incurridos en relación con el procesamiento de otros productos de cobre comprados a terceros.

En el año 2002, la producción anual de cobre de CODELCO-CHILE fue de 1,7 millones de toneladas métricas (incluida su participación minoritaria en la mina El Abra). Debido a ello, cada centavo de fluctuación del precio promedio anual por libra de cobre, le significa a CODELCO-CHILE una variación en las utilidades operacionales de aproximadamente US\$33 millones. Considerando que los precios del cobre han disminuido, CODELCO-CHILE continúa focalizado en el control de sus costos de producción, los que en general presentaron una disminución en el período 1993-1998 y se han mantenido desde esa fecha. En el año 2002, el costo de producción de CODELCO-CHILE era de 40,9 centavos por libra en comparación con los 44,7 centavos por libra del año 1998.

CODELCO-CHILE continúa desarrollando y perfeccionando sus programas y prácticas de administración, con el objeto de reducir el costo de producción de cobre y mantener las sustanciales disminuciones de costos logradas en los últimos años, hecho que en opinión de CODELCO-CHILE, le ha permitido enfrentar los desafíos presentados por los actuales bajos niveles en los precios del cobre. Éstos incluyen (i) técnicas mejoradas de identificación de depósitos y explotación; (ii) desarrollo de una fuerza laboral y de administración participativa que ha resultado en una mejor productividad laboral; (iii) implementación de programas de jubilación anticipada y reducción de la fuerza de trabajo; (iv) disminución del monto invertido en la contratación externa de servicios de mantenimiento y apoyo operacional; y (v) reducción de gastos en materiales usados en los procesos de producción de cobre debido a una mejor relación con los proveedores. CODELCO-CHILE estima que con estas prácticas y programas podrá reducir aún más los costos de producción por libra.

#### **(7) Desarrollo de Recursos.**

CODELCO-CHILE cuenta con un programa de exploración bimodal que tiene por objeto aumentar las reservas de sus actuales divisiones y explorar nuevos depósitos en otros lugares. El programa de exploración está enfocado a descubrir materiales de óxido lixiviables en lugar de materiales sulfurosos, porque el costo de la extracción de los materiales de óxido es menor. CODELCO-CHILE tiene aproximadamente un 17% de la base de reserva de cobre del mundo occidental.

Si bien cada división cuenta con nuevos proyectos, es posible resumir los principales proyectos de exploración de CODELCO-CHILE, según su orden de importancia económica, de la siguiente forma:



- **Gaby.** CODELCO-CHILE ha estimado que este depósito alcanzaría aproximadamente 474 millones de toneladas métricas de material de óxido, con una ley de cobre de aproximadamente 0,5%. Gaby se encuentra actualmente en etapa de ingeniería conceptual y CODELCO-CHILE espera dar inicio al proceso de ingeniería básica el año 2003.
- **Toki Cluster.** Corresponde a un grupo de 4 depósitos individuales (Opache, Genoveva, Yoki y Quetena) ubicados a 5 kilómetros al noroeste de la ciudad de Calama. CODELCO-CHILE estima que este grupo de depósitos alcanzaría aproximadamente 3.473 millones de toneladas métricas de material de óxido y sulfuros, con una ley de cobre de aproximadamente 0,45%. Las exploraciones de CODELCO-CHILE en el Toki Cluster han alcanzado un nivel avanzado.
- **Óxidos Norte en Chuquicamata.** Este depósito se encuentra al norte del tajo principal, cercano al depósito Radomiro Tomic. Tiene 60 metros de montera y podría llegar a ser factible como una operación a tajo abierto de bajo costo. CODELCO-CHILE estima que este depósito contiene aproximadamente 234 millones de toneladas métricas de material de óxido, con una ley de cobre de aproximadamente 0,48%.
- **Sur-Sur en Andina.** CODELCO-CHILE opina que este depósito contiene más de 1,7 billones de toneladas métricas de mineralización de óxido identificada, con una ley de cobre de 0,69%. Recientemente se ha iniciado el proceso de ingeniería básica en Sur-Sur, y CODELCO-CHILE espera comenzar sus operaciones para el año 2006.
- **Damiana en Salvador.** CODELCO-CHILE estima que este depósito contiene una zona mineralizada de aproximadamente 387 millones de toneladas de material de óxido, que yace a sólo 40 metros de la montera, con una ley de cobre de 0,33%. Recientemente se ha iniciado el proceso de ingeniería conceptual en Damiana.

Dentro de cada división existen, además, otras localidades que se están estudiando actualmente. Estas localidades le ofrecen a CODELCO-CHILE la posibilidad de efectuar exploraciones cerca de los depósitos con los cuales está familiarizada.

## (8) Comercialización.

### A. Generalidades.

CODELCO-CHILE cuenta con 17 representantes de ventas para más de 35 países del mundo. La siguiente tabla muestra el desglose de las ventas de CODELCO-CHILE por tipo de producto, incluidos los productos de terceros, durante el período de cinco años terminado al 31 de diciembre de 2002:

<b>Ventas por Tipo de Producto (en miles de toneladas métricas)</b>					
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Cátodos</b>	1.268	1.445	1.451	1.64	1.580
<b>Refinado a Fuego</b>	130	163	158	154	138
<b>Blister</b>	46	43	74	69	86
<b>Concentrados</b>	102	122	182	197	130
<b>TOTAL</b>	<u>1.546</u>	<u>1.773</u>	<u>1.872</u>	<u>2.06</u>	<u>1.934</u>

La estrategia de comercialización de CODELCO-CHILE está enfocada hacia cuatro áreas principales:

- **Fijación de Precios.** CODELCO-CHILE fija para sus productos precios que son competitivos en el mercado.
- **Establecimiento de Relaciones a Largo Plazo.** CODELCO-CHILE promueve las ventas mediante contratos anuales y relaciones directas a largo plazo con los consumidores de cobre.

- **Calidad y Servicio de Ventas.** CODELCO-CHILE se concentra en la calidad del producto y en un servicio de ventas basado en el cumplimiento de los plazos, la programación y las condiciones de entrega del producto.
- **Diversificación.** CODELCO-CHILE cuenta con una cartera de ventas diversificada geográficamente.

#### **B. Fijación de Precios y Operaciones de Cobertura de Riesgos.**

Gran parte del cobre producido se vende a clientes que mantienen relaciones de largo plazo con CODELCO-CHILE, generalmente en virtud de contratos anuales. Para dichos contratos, el precio se fija según los precios promedio mensuales cotizados en el LME en un determinado período, correspondiendo éste, habitualmente, al mes siguiente del mes programado para el embarque. Los cátodos que no se vendan mediante contratos anuales son vendidos a *brokers/traders* y consumidores sobre una base de venta al contado.

CODELCO-CHILE aplica una política de premio a las ventas de sus cátodos Grado A. Los montos de los premios para los diferentes mercados se ajustan de acuerdo a los costos de flete marítimo vigentes y a las condiciones de pago estándar de los diferentes mercados, como también a las características individuales y a las condiciones competitivas de dichos mercados. Para el año 2002, el premio base para las ventas CIF (embarques de cobre, incluyendo el envío y los costos por seguro) a Rotterdam fue de U.S.\$38 por tonelada métrica, a diferencia de la prima establecida para el año 2001 de U.S.\$43 por tonelada métrica.

Por otra parte, CODELCO-CHILE vende gran parte de sus concentrados de cobre a través de contratos a largo plazo. Generalmente, estos contratos tienen una duración de tres años y estipulan volúmenes fijos. Por regla general, cada año se negocian los contratos que cubren un tercio de los términos correspondientes a un tercio del volumen. El precio de venta se basa en los precios internacionales de las bolsas de metales que generalmente están vinculados a los precios de cierre del LME para el cobre de Grado A, más/ menos ciertos premios.

El molibdeno se vende en forma de sulfuros a plantas calcinadoras, *brokers/traders* y otros refinadores bajo contratos anuales. Los precios se basan en el promedio mensual del precio alto y bajo de óxido para distribuidores de molibdeno, según la cotización publicada en el "Metals Week" durante un periodo determinado, el cual generalmente corresponde al mes siguiente a aquel para el cual se programó el embarque.

Dependiendo de las condiciones del mercado, CODELCO-CHILE, de tiempo en tiempo, ha decidido participar en actividades de cobertura de riesgo a fin de moderar el riesgo respecto de posibles fluctuaciones en el precio del cobre. Las decisiones respecto de las políticas sobre coberturas de riesgo deben ser aprobadas por el Directorio de CODELCO-CHILE. Dependiendo de las condiciones del mercado, CODELCO-CHILE puede optar por participar, en el futuro, en las referidas actividades de cobertura de riesgo.

Actualmente CODELCO-CHILE no tiene suscritos contratos de futuros tendientes a brindarle una cobertura de riesgo respecto de posibles fluctuaciones en el precio del cobre. Sin perjuicio de lo anterior, CODELCO-CHILE, en forma periódica y a solicitud de sus clientes, celebra contratos de futuros relativos a la venta de su cobre, a fin de proveer de protección a sus clientes frente a las fluctuaciones en el precio que ellos deban pagar por dichas ventas.

#### **C. Principales Clientes de las Exportaciones.**

La mayoría de los clientes de CODELCO-CHILE reciben embarques mensuales. En consecuencia, el volumen de ventas de CODELCO-CHILE es relativamente constante durante todo el año. Las ventas de cobre de CODELCO-CHILE son diversificadas, vendiéndose un 45% de los productos a Asia, un 30% a Europa, un 14% a América del Norte, y un 11% a América del Sur (incluido un 7% a Chile). Aproximadamente el 29% de su volumen total de venta de cobre está dirigido a sus 10 principales consumidores.

La siguiente tabla muestra las ventas de cobre de CODELCO-CHILE a los principales mercados de exportación (incluido Chile) durante el período de tres años terminado al 31 de diciembre de 2002.

**Ventas de Cobre**  
(en miles de toneladas métricas)

	<u>2000</u>	<u>2001</u>	<u>2002</u>
China	318	353	339
Corea del Sur	194	195	252
Estados Unidos de América	204	446	186
Francia	195	237	176
Taiwán	126	98	129
Chile	131	46	127
Italia	116	162	123
México	82	107	76
Alemania	134	93	75
Brasil	79	93	60
España	20	42	37
Japón	54	35	25

La baja en las ventas a los Estados Unidos de América el año 2002, se debió principalmente a una baja del 5% en el consumo de cobre, ligada, esta última, a la disminución en la producción industrial en dicho país. La disminución significativa en las ventas a Alemania desde el año 1999, se debió principalmente a una mayor debilidad en las condiciones generales de la economía de dicho país.

**(9) Competencia.**

CODELCO-CHILE estima que la competencia en el mercado cuprífero se basa en el precio, la calidad y el despacho oportuno del producto. Los productos de CODELCO-CHILE compiten con otros materiales, como el aluminio y los plásticos. CODELCO-CHILE también compete con otras empresas mineras y personas naturales en la adquisición de concesiones mineras y arriendos de propiedades mineras, y en el reclutamiento y contratación de empleados calificados.

**(10) Empleados.**

Al 31 de diciembre de 2002, CODELCO-CHILE contaba con 16.907 empleados, de los cuales aproximadamente un 97% formaban parte de los contratos de negociación colectiva suscritos con los sindicatos.

El año 1996, la División Chuquicamata fue escenario de una huelga durante 10 días y el año 1998 de un retardo laboral. El año 2000 la División Radomiro Tomic experimentó un retardo laboral, y el año 2003, la División El Teniente, una corta huelga generada por aproximadamente 1.500 subcontratistas. Ninguno de estos eventos tuvo un efecto importante en la producción de las divisiones.

Durante el año 2002, CODELCO-CHILE empleó una fuerza laboral promedio de 16.917 personas, o sea, un 1,0% inferior a la empleada en el año 2001. Esta disminución confirma la tendencia de los últimos años, durante los cuales CODELCO-CHILE redujo su fuerza laboral de 18.258 empleados en 1998 a 16.907 empleados al 31 de diciembre de 2002, como resultado de sus esfuerzos por incrementar la productividad de la empresa. Al 30 de junio del año 2003, CODELCO-CHILE empleaba 16.782 personas.

CODELCO-CHILE ha anunciado su plan de reducir hasta 1.600 trabajadores de la División Codelco Norte para el año 2007, como parte de un plan a largo plazo tendiente a incrementar su eficiencia.

En el año 2002, CODELCO-CHILE invirtió US\$7,7 millones en el desarrollo y capacitación de sus empleados. Se realizaron alrededor de 6.019 sesiones de capacitación, que incluyeron la asistencia de varios empleados a diversos cursos, con la participación de un total de 77.790 participantes y 1.160.294 horas de clase impartidas.

El año 2000, la administración junto con los sindicatos de trabajadores del cobre y supervisores alcanzaron un acuerdo en torno al significado y contenido de la "Alianza Estratégica". En efecto, el propósito de esta

"Alianza Estratégica" es unir fuerzas para alcanzar la implementación de las metas de CODELCO-CHILE para el período 2001-2006, en el entendimiento de que lo anterior beneficia a todas las partes del acuerdo sin menoscabar la independencia ni el rol específico de cada una de ellas.

Dentro de los elementos específicos de los negocios de CODELCO-CHILE que interesan a la "Alianza Estratégica" se incluyen: la visión futura acerca del cobre y de CODELCO-CHILE; los valores que deben gobernar cada una de las acciones de CODELCO-CHILE y de sus trabajadores; su misión; el área de negocios en que concentrará sus esfuerzos; los objetivos y compromisos para los próximos 5 años; y su modelo de gestión y conducción estratégica o prioridades.

En la actualidad existen 12.500 personas empleadas por subcontratistas regulares de CODELCO-CHILE. En períodos de aumento de producción o inversión, dicho número ha aumentado hasta 25.000 empleados. En conformidad al Código del Trabajo, CODELCO-CHILE es subsidiariamente responsable del cumplimiento de las obligaciones laborales y de seguridad social correspondientes a los subcontratistas respecto de sus empleados. Por esta razón, CODELCO-CHILE ha llegado a un acuerdo con una agencia gubernamental chilena para proveer un sistema que facilite la tarea de supervisión del cumplimiento de dichas obligaciones laborales y de seguridad social de los subcontratistas.

### Número de Empleados por División

División	enero-diciembre		Variación (%) 2001/2002
	2001	2002	
Codelco Norte			
Chuquicamata	7.252	7.245	(0,1)
Radomiro Tomic	649	682	(5,1)
Salvador	2.057	1.941	(5,6)
Andina	1.188	1.157	(2,6)
El Teniente	5.252	5.171	(1,5)
Casa Matriz	450	507	12,7
Talleres	296	264	(10,8)
<b>TOTAL</b>	<b>17.144</b>	<b>16.967</b>	<b>(1,0)</b>

**(11) Administración.**

**Generalidades.**

La administración y dirección de CODELCO-CHILE es responsabilidad del Directorio y del Presidente Ejecutivo. El Presidente de la República designa, ya sea directa o indirectamente, a los siete miembros del Directorio de CODELCO-CHILE, que son: (i) el Ministro de Minería; (ii) el Ministro de Hacienda; (iii) otros tres directores, uno de los cuales debe ser un alto oficial de las Fuerzas Armadas o de Carabineros de Chile y otro que debe ser un ingeniero civil; (iv) un representante de la Confederación de Trabajadores del Cobre de CODELCO-CHILE; y (v) un representante de la Asociación Nacional de Supervisores del Cobre que haya trabajado al menos 5 años en CODELCO-CHILE. El Ministro de Minería y el Ministro de Hacienda actúan como directores mientras ocupen dichos cargos. Los demás directores duran cuatro años en el cargo.

El Presidente Ejecutivo es designado por el Directorio y permanece en el cargo mientras tenga la confianza del mismo. Es de responsabilidad del Presidente Ejecutivo implementar las resoluciones adoptadas por el Directorio y supervisar las actividades de CODELCO-CHILE.

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