

Santiago de Chile, May 25, 2018 – Corporación Nacional del Cobre (CODELCO) reported March 31, 2018 operational and financial results:

- **1Q 2018 revenues** were US\$ 3.5 billion, 16.2% higher than the US\$ 3.0 billion for the first three months of 2017, mainly due to the 19.4% increase in the average LME copper price and 6.0% increase in copper volume sold.
- **Adjusted EBITDA<sup>(1)</sup>** for the first three months of 2018 was US\$ 1.3 billion compared to US\$ 1.2 billion in the same period of 2017 principally due to the average copper price increase.
- **Net financial debt** decreased 8.7% to US\$12.6 billion as of March 31, 2018 compared to US\$13.8 billion in the same date of 2017 principally due to higher cash available. Net debt reduction together with the increase in Adjusted EBITDA have positively impacted net debt to last twelve month adjusted EBITDA ratio reaching 2.2x compared to 3.7x as of March 31, 2017.
- **Profit before tax** in the first three months of 2018 decreased to US\$ 264 million (7.5% of sales), from US\$ 293 million (9.7% of sales) in the same period of 2017, basically due to a non-cash charge related to the write-off of an innovation project of underground mining.
- **Operating cash flows** totaled US\$ 1.6 billion for the first quarter 2018 compared to US\$ 811 million in 2017 principally due to the increase in the income from sales of goods due to higher copper and molybdenum prices.
- **Capex program** of the three structural projects under construction, Chuquicamata Underground, El Teniente New Mine Level and Andina Mineral Transfer System, keeps progressing, as well as the feasibility study for the structural project of Inca Pit mine of Salvador division. On the other hand, while the overhaul of Andina Future Development project is being done to define the feasibility study authorization, the North District Desalination Plant tender process is progressing as expected.
- **Total copper mine production**, including El Abra and Anglo American Sur attributable production to CODELCO, reached 446 thousand tons in the first three months of 2018 compared to 416 thousand tons in 2017 mainly due to higher production in Radomiro Tomic, Chuquicamata and El Teniente Divisions, partially offset by lower production in Mina Ministro Hales and Andina Divisions.
- **Direct Cash Cost C1** per pound of copper was US\$ 135.1 in the first quarter of 2018, compared to US\$ 134.4 in the same period of 2017. This slightly increase of 0.5% is primarily attributable to higher operational costs due to increases in salaries and wages and main input expenses as well as the impact of the depreciation of the Chilean peso against the U.S. dollar, partially

offset by higher by-product credits primarily due to higher molybdenum average price for the period in addition to higher tonnage sold.

- **Six Labor bargain agreements**, covering roughly 3,000 employees, have been negotiated during the first three months of 2018 without impacting production, 1% salary increases, 36 month length and significant bonuses reduction compared to previous agreement.

## SUMMARY FINANCIAL AND OPERATING DATA

	March 31,			
	2018	2017	Amount	Variation %
Copper Production* ('000 mft)	446	416	30	7.2
Own Molybdenum Production ('000 mft)	6.7	6.7	-	-
Cash Cost (Usc/Pound)	135.1	134.4	0.7	0.5
Own Copper Sales ('000 mft)	434	406	28	6.9
Molybdenum Sales ('000 mft)	6.9	6.0	0.9	15.0
LME Copper Price (Usc/Pound)	315.7	264.5	51.2	19.4
Metals Week Molybdenum Price (US\$/Pound)	12.1	7.7	4.4	57.1
Average Exchange Rate (CLP/US\$)	602	656	(54)	(8.2)
Closing Exchange Rate (CLP/US\$)	603	663	(60)	(9.0)
Total Revenues (US\$ mn)	3,520	3,028	492	16.2
Gross Profit (US\$ mn)	912	797	115	14.4
Gross Margin (%)	25.9	26.3	(0.4)	(1.5)
Adjusted EBITDA (US\$ mn)	1,273	1,151	122	10.6
Adjusted EBITDA Margin (%)	36.2	38.0	(1.8)	(4.7)
Net Financial Debt** (US\$ mn)	12,553	13,750	(1,197)	(8.7)
Net Interest Expense (US\$mn)	113	129	(16)	(12.4)
Net Debt to LTM Adjusted EBITDA	2.2	3.7	(1.5)	(40.5)
Adjusted EBITDA to Net Interest Expenses	11.2	9.0	2.2	24.4
Net Debt to total Capitalization (%)	50.5	56.9	(6.4)	(11.2)
Contribution to the Chilean Treasury	395	258	137	53.1

\*Includes El Abra and Anglo American Sur shares of production relative to Codelco

\*\*Net of cash and cash equivalents. Excludes Mitsui debt to acquire 20% of Anglo American Sur asset, because is non-recourse to CODELCO

## OPERATION: PRODUCTION, REVENUES & COST

**Consolidated Production.-** Consolidated copper mine production, including El Abra and Anglo American Sur attributable production to CODELCO, increased 7.1% in the first three months of 2018 to 446 thousand tons compared to 416 thousand tons for the same period of 2017, mainly due to higher production coming from Radomiro Tomic, Chuquicamata and El Teniente Divisions in addition to the increased production coming from

Anglo American Sur and El Abra interests, partially offset by lower production in Mina Ministro Hales, Andina and Gabriela Mistral Divisions. CODELCO's own production increased 6.8% in first quarter 2018 compared to first quarter 2017 mainly due to increases in mineral ore mined and ore grade in Radomiro Tomic and the use of stocks in Chuquicamata and El Teniente. Ministro Hales production diminished in accordance with its mining plan due to lower mineral ore mined and the reduction in Andina is related to the fatal accident occurred in the mine on February.

Copper Production (K ton)	DIVISION	2018	2017
	Chuquicamata	70	53
	Radomiro Tomic	96	75
	Mina Ministro Hales	48	62
	Gabriela Mistral	25	27
	El Teniente	114	102
	Andina	50	58
	Salvador	14	14
	El Abra <sup>(1)</sup>	11	10
	Anglo American Sur <sup>(2)</sup>	19	17
<b>CODELCO Total</b>	<b>446</b>	<b>416</b>	

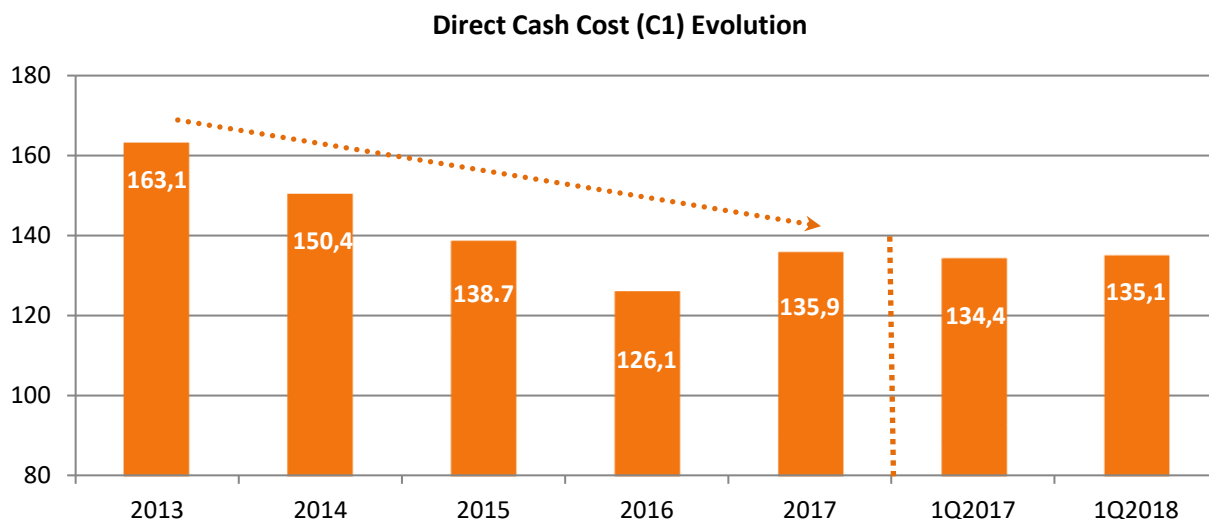
- 1) CODELCO's figures presented for El Abra include 49% of the mine's total production (the share of production which corresponds to CODELCO's 49% ownership interest in the mine).
- 2) CODELCO's figures presented for Anglo American Sur include 20% of the mine's total production (the share of production which corresponds to CODELCO's 20% ownership interest in the mine).

**Consolidated Revenues.-** Revenues for the first three months of 2018 increased 16.2% to US\$ 3.5 billion compared to US\$ 3.0 billion in the same period of 2017 mainly due to 14.7% higher revenues from own copper sales as the result of 19.4% higher average LME copper price. Molybdenum revenues increased by 78.6% due to an average price increase 56.8% and tonnage sold increased 15.9%.

**Consolidated Costs.-** Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. In the first three months of 2018, CODELCO's cash cost was 135.1 cents per pound, compared to 134.4 cents per pound in the same period of 2017. The slightly increase of 0.5% is primarily attributable to:

- 1) Operational cost increases: wages and salaries and materials
- 2) Chilean peso appreciation (1Q 2018 average exchange rate of CLP 602 per dollar compared to CLP 656 per dollar for the same period of 2017)

- 3) Higher by-product credits partially offset the operational cost increase as well as the unfavorable effect of the exchange rate movement.



#### CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

**Chuquicamata Underground:** Under construction with a 56.2% total progress as of March 2018. Mining transfer picket excavation to the crusher finished. In operation by 2019.

**Andina Mineral Transfer System:** Under construction with a 53.2% total progress as of March 2018. Massive excavations and structure assembly of the primary crushing dome finished. In operation by 2020.

**El Teniente New Mine Level.-** Under construction with a 46.7% total progress as of March 2018. 2018 program considers works in the access tunnel, the belt tunnel and mine interior. In operation by 2023.

**Northern District Desalination Plant.-** The announced tender process continues according to schedule.

**Salvador Inca Pit.-** Feasibility study was authorized and it is under development.

**Andina Development.-** Prefeasibility studies have been completed. Overhaul is being done to define the feasibility study authorization.

**New Emission Standards for Smelters (DS N°28):** Total capex of US\$2.1 billion to comply with environmental regulation:

- **Ventanas:** 100% progress - Project completed.
- **Salvador:** 66% progress.
- **Chuquicamata:** 59% progress.
- **El Teniente:** 52% progress.



## RESULTS

### MARCH 31, 2018

#### AVERAGE METAL PRICE

	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
<b>1Q 2018</b>	3.16	3.14	12.14
<b>1Q 2017</b>	2.65	2.65	7.74
<b>2Q 2017</b>	2.57	2.58	8.00
<b>3Q 2017</b>	2.88	2.89	8.05
<b>4Q 2017</b>	3.09	3.10	8.72
<b>Average 2017</b>	2.80	2.80	8.13
<b>Variation: 1Q 2018 vs. 1Q 2017</b>	19.2%	18.5%	56.8%
<b>Variation: 1Q 2018 vs. 4Q 2017</b>	2.3%	1.3%	39.2%

Source: LME, COMEX and Metals Week Dealer Oxide

#### CASH FLOWS

For the first three months of 2018, net cash flow from operating activities increased by 93.3% to US\$1.6 billion from US\$811 million for the same period in 2017 primarily due to the increase in cash received from the sales of goods as a direct consequence of higher average prices for copper and molybdenum.

#### CASH AND DEBT

As of March 31, 2018, CODELCO had consolidated cash and cash equivalents for US\$1.4 billion compared to US\$ 467 million at the same date of 2017. As of March 31, 2018, CODELCO's financial debt decreased to US\$ 14.0 billion compared to US\$ 14.2 billion at the same date of 2017. CODELCO's financial debt excludes the loan from Mitsui, non-recourse to CODELCO, to execute the Anglo American Sur option to acquire 20% of the asset. CODELCO's net financial debt\* reached US\$ 12.6 billion as of March 31, 2018 compared to US\$ 13.8 the year before. During the last twelve months debt movements include the issuance of CODELCO 2027 for US\$ 1.50 billion and CODELCO 2047 for US\$ 1.25 billion to buy-back short and medium term debt for US\$ 2.4 billion (Any & All tender offer for 2019, 2020 and 2021 notes and maximum tender offer for 2022, 2023 and 2025 notes). Since January 1, 2017, CODELCO has done rollovers for US\$600 million bilateral loan maturities and repaid loans for US\$ 656 million.

\* Net of cash and cash equivalents. Excludes Mitsui debt to acquire 20% of Anglo American Sur asset, because is non-recourse to CODELCO



**RESULTS**  
MARCH 31, 2018

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<b>Profit (loss)</b>	<b>1/1/2018 3/31/2018</b>	<b>1/1/2017 3/31/2017</b>	<b>Var Amnt</b>	<b>%</b>
Revenue	3,519,853	3,028,195	491,658	16.2
Cost of sales	(2,607,473)	(2,231,661)	(375,812)	16.8
<b>Gross profit</b>	<b>912,380</b>	<b>796,534</b>	<b>115,846</b>	<b>14.5</b>
Other Income, by function	58,461	26,944	31,517	117.0
Distribution costs	(5,670)	(2,356)	(3,314)	140.7
Administrative expenses	(104,681)	(93,264)	(11,417)	12.2
Other expenses	(475,713)	(305,756)	(169,957)	55.6
Other gains (losses)	7,426	9,372	(1,946)	(20.8)
<b>Profit (losses) from operating activities</b>	<b>392,203</b>	<b>431,474</b>	<b>(39,271)</b>	<b>(9.1)</b>
Finance income	10,101	5,012	5,089	101.5
Finance costs	(123,406)	(133,707)	10,301	(7.7)
Share of profit of associates and joint ventures accounted for using the equity method	17,043	13,349	3,694	27.7
Foreign exchange differences	(31,809)	(23,323)	(8,486)	36.4
<b>Profit for the period before tax</b>	<b>264,132</b>	<b>292,805</b>	<b>(28,673)</b>	<b>(9.8)</b>
Income tax expense	(196,001)	(250,367)	54,366	(21.7)
<b>Profit for the period</b>	<b>68,131</b>	<b>42,438</b>	<b>25,693</b>	<b>60.5</b>
Profit (loss) attributable to:				
Profit attributable to owners of the parent	63,996	38,878	25,118	64.6
Loss attributable to non-controlling interests	4,135	3,560	575	16.2
<b>Profit for the period</b>	<b>68,131</b>	<b>42,438</b>	<b>25,693</b>	<b>60.5</b>



**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	3/31/2018	3/31/2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,449,481	466,775
Other current financial asset	18,009	2,233
Other current non-financial assets	26,189	31,604
Trade and other current receivables	2,115,572	2,100,598
Accounts receivables due from related companies, current	18,990	383
Inventory	2,036,835	1,856,799
Current tax asset	29,412	9,278
<b>Total current assets different from other than assets or groups of assets for disposition classified as held for sale or held as distributable to owners</b>	<b>5,694,488</b>	<b>4,467,670</b>
Non-current assets or groups of assets for disposition classified as held as distributable to owners	2,953	-
<b>Total current assets</b>	<b>5,697,441</b>	<b>4,467,670</b>
<b>Non-current asset</b>		
Non-current inventories	434,304	369,667
Other non-current financial assets	192,729	91,587
Other non-current non-financial assets	11,076	12,875
Non-current receivables	88,631	92,669
Accounts receivables due from related companies, non-current	23,628	21,968
Investment accounted for using the equity method	3,681,957	3,750,948
Intangible assets other than goodwill	43,861	201,427
Property, Plant and Equipment, net	25,681,128	24,132,330
Investment property	981	981
Non-current tax asset	205,308	233,772
Deferred tax assets	31,666	
<b>Total non-current asset</b>	<b>30,395,269</b>	<b>28,908,224</b>
<b>TOTAL ASSETS</b>	<b>36,092,710</b>	<b>33,375,894</b>



**RESULTS**  
MARCH 31, 2018

**Liabilities**

	<b>3/31/2018</b>	<b>3/31/2017</b>
<b>Current liabilities</b>		
Other current financial liabilities	571,820	388,300
Trade and other current payables	1,412,182	1,035,263
Accounts payables to related companies, current	136,874	108,681
Other current provisions	602,275	218,888
Current tax liabilities	45,535	29,110
Current employee benefit accruals	302,412	258,945
Other current non- financial liabilities	54,047	98,202
<b>Total current liabilities</b>	<b>3,125,145</b>	<b>2,137,389</b>
<b>Non-current liabilities</b>		
Other non-current financial liabilities	14,403,076	14,976,911
Accounts payables to related companies, non-current	40,411	58,672
Other non-current provisions and accrued expenses	1,732,593	1,606,121
Deferred tax liabilities	4,490,033	3,363,072
Non-current employee benefit accruals	1,433,004	1,302,114
Other non-current non-financial liabilities	3,883	4,345
<b>Total non-current liabilities</b>	<b>22,103,000</b>	<b>21,311,235</b>
<b>Total liabilities</b>	<b>25,228,145</b>	<b>23,448,624</b>
<b>Equity</b>		
Issued Capital	4,619,423	3,624,423
Retained earnings	(63,568)	13,696
Other Reserves	5,354,566	5,306,943
<b>Equity attributable to owners of the parent</b>	<b>9,910,421</b>	<b>8,945,062</b>
Non-controlling interests	954,144	982,208
<b>Total equity</b>	<b>10,864,565</b>	<b>9,927,270</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>36,092,710</b>	<b>33,375,894</b>





**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	1/1/2018 3/31/2018	1/1/2017 3/31/2017
<b>Cash flow provided by (used in) operating activities:</b>		
Cash receipts provided by operating activities		
Cash flows provided by sales of goods and rendering of services	4,291,749	3,180,474
Other cash flows provided by operating activities	451,166	487,897
Types of cash payments		
Payments to suppliers for goods and services	(2,208,811)	(1,823,553)
Payments to and on behalf of employees	(588,602)	(533,593)
Other cash flows used in operating activities	(425,321)	(513,981)
Dividends received	59,987	15,773
Income taxes paid	(12,745)	(2,245)
<b>Net cash flows provided by operating activities</b>	<b>1,567,423</b>	<b>810,772</b>
<b>Cash flows provided by (used in) investing activities:</b>		
Other payments to acquire equity or debt instruments of other entities	(7,244)	-
Purchases of property plant and equipment	(1,001,934)	(820,559)
Interest received	7,411	579
Other inflows (outflows) of cash	(7,908)	24,146
<b>Net cash flows from (used in) investing activities</b>	<b>(1,009,675)</b>	<b>(795,834)</b>
<b>Cash flows used in financing activities:</b>		
Proceeds from current borrowings	688	35,929
Repayments of borrowings	-	(250)
Payments of finance lease liabilities classified as financing activities	(5,443)	(6,427)
Dividends paid	(382,071)	-
Interest paid	(178,872)	(154,190)
Other cash inflows	185	-
<b>Net cash flows used in financing activities</b>	<b>(565,513)</b>	<b>(124,938)</b>
<b>Net increase (decrease) in cash and cash equivalents before foreign exchange difference</b>	<b>(7,765)</b>	<b>(110,000)</b>
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	8,411	50
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>646</b>	<b>(109,951)</b>
Cash and cash equivalents at beginning of period	<b>1,448,835</b>	<b>576,726</b>
Cash and cash equivalents at end of period	<b>1,449,481</b>	<b>466,775</b>



### **COMPANY PROFILE**

CODELCO is the world's largest copper producer engaging primarily in the exploration, development and extraction of ores bearing copper and by-products, the processing of ore into refined copper and the international sale of refined copper and by-products. CODELCO is 100% owned by the Republic of Chile and controls approximately 7% of the world proven and probable copper reserves; as such term is defined by the U.S. Geological Survey. In 2017, CODELCO had an estimated 9% share of the total world copper production, with production of approximately 1.84 million metric tons (including CODELCO's share in the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra and its share in Anglo American Sur) and an estimated 9% share of the world's molybdenum production with own production of approximately 28,674 metric tons.

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As an Industry Standard, Codelco divides its mineral holdings into two categories, reserves and resources. Resources are ore bodies of economic value that have been identified and evaluated through exploration, reconnaissance and sampling. Reserves are the portion of the resource that can be extracted based on an economic, environmental and technological analysis set forth in the mining plan. Reserves and resources are both subdivided further, based on the degree of knowledge that Codelco has of their extent and composition. The system used by Codelco for categorizing mineral ore is according to the Chilean law (N° 20.235) which is in accordance with others systems widely used within the mining industry. The "Comisión Calificadora de Competencias en Recursos y Reservas Mineras" is the independent Chilean entity who regulates this and it is part of the Committee for Mineral Reserves International Reporting Standards (CRISCO).