ANNUAL RESULTS 2020

Santiago, Chile, February 26, 2021 – Corporación Nacional del Cobre (CODELCO) released its Annual Operational and Financial Report 2020:

- **Five sustainable development commitments.** In December 2020, CODELCO released five commitments associated with sustainability indicators. These undertakings have explicit targets set for 2030. The commitments (such as reducing carbon emissions by 70%, inland water use per ton of treated ore by 60% and recycling 65% of our industrial waste) will be measured using specific performance indicators.

- **Covid-19 Action Plan.** CODELCO's Covid-19 Action Plan, in place since early 2020, has been effective in securing employee health and safety, while maintaining operational continuity. We have intensified our Testing-Tracing-Isolating strategy reaching 28x the testing rate of regions where we operate.

- **Total copper production**, including CODELCO's stake in El Abra and Anglo American Sur, increased 1.2% to 1,727 ktons compared to 1,706 ktons in 2019. Higher copper output at Ministro Hales, Chuquicamata and Andina were the main drivers of this increase and offset the decline at El Teniente.

- **Direct cash cost C1.** C1 cash cost was 129.4 cents per pound, compared to 141.6 cents per pound in 2019. This 8.6% decrease was primarily due to lower input prices, such as electricity and diesel, operational efficiencies, higher production volume and favorable exchange rate depreciation of the Chilean peso against the U.S. dollar.

- **Cash and cash equivalents** remained high throughout the year. On December 31, 2020 cash and cash equivalents reached US$ 2.4 billion after the prepayment of US$ 1.5 billion of bank debt during the second half of 2020. Strengthening CODELCO's cash position was a conservative strategy in response to the uncertainty generated by the Covid-19 pandemic.

- **Revenues** were US$ 14.1 billion, 13.2% higher than the reported US$ 12.5 billion in 2019. An increase in copper sales volume (+3.0% own copper sales) and higher average realized copper price were the main drivers of the positive revenue performance in this period.

- **Adjusted EBITDA**(1) totaled US$ 5.3 billion, 30.8% higher than US$ 4.0 billion in 2019. Higher revenues and lower operating expenses due to operational efficiencies, local currency depreciation and favorable input prices contributed to an improved EBITDA.

- **Net financial debt**(2) reached US$ 16.2 billion on December 31, 2020, in line with net debt posted on the same day in 2019. Net debt to Adjusted EBITDA ratio stood at 3.1x, down from 4.0x on December 31, 2019.

- **Profit before tax** increased to US$ 1.0 billion from US$ 408 million in 2019. Higher revenues and gross profit margin because of lower operating expenses contributed to this improved performance.

- **Operating cash flows** totaled US$ 3.8 billion, which was 55.4% higher than cash flows from operating activities in 2019. Higher cash flows from sales of goods and lower payments to employees in this period because of local currency depreciation were the main drivers behind the increase.

- **Capex program.** As part of the Covid-19 measures, on June 20, 2020, CODELCO announced it would temporarily suspend construction on all its northern operation projects, including Chuquicamata underground mine. Additionally, on July 4, 2020, CODELCO announced the temporary suspension of construction work on El Teniente New Mine Level. However, because of the positive evolution of the pandemic, work on these projects has gradually resumed since August. Despite these temporary suspensions, scheduled production start dates for CODELCO's main projects remain unchanged. Additionally, in January 2021, CODELCO's Board of Directors approved the investment in Rajo Inca project.

- **Collective bargaining agreements.** CODELCO reached 6 collective bargaining agreements without disrupting production. The agreements involved more than 1,700 employees from El Teniente, Radomiro Tomic, Chuquicamata, Ventanas Divisions and the Corporate Office.

(1) Adjusted EBITDA is calculated by adding finance cost, income tax expense, depreciation and amortization of assets plus export taxes and impairment charges to profit (loss) for the period.
(2) We are including leases and Oriente Copper Netherlands loan in our financial debt to reflect IFRS16 and the financial debt of a wholly owned subsidiary.

FINANCIAL AND OPERATING DATA SUMMARY

	December 31,		Change	
	2019	2020	Amount	%
Total Copper Production ('000 mft)[1]	1,706	1,727	21.1	1.2
Total Own Molybdenum Production ('000 mtf)	22.4	27.9	5.5	24.6
Cash Cost (USc/lb)	141.6	129.4	(12.2)	(8.6)
Total Own Copper Sales ('000 mft)	1,804	1,859	55	3.0
Total Molybdenum Sales ('000 mft)	23.5	28.4	4.8	20.6
LME Copper Price (USc/lb)	272	280	7.9	2.9
Metals Week Molybdenum Price (US$/lb)	11.4	8.7	(2.7)	(23.4)
Average Exchange Rate (CLP/US$)	703	792	90	12.8
Closing Exchange Rate (CLP/US$)	745	711	(33)	(4.5)
Total Revenues (US$ million)	12,525	14,173	1648	13.2
Gross Profit (US$ million)	2,473	3,608	1134	45.9
Gross Margin (%)	19.7	25.5	6	28.9
Adjusted EBITDA (US$ million)[2]	4,043	5,289	1246	30.8
Adjusted EBITDA Margin (%)	32.3	37.3	5	15.6
Net Financial Debt (US$ million)[3]	16,221	16,171	(50)	(0.3)
Net Interest Expenses (US$ million)	442	702	260	58.9
Net Financial Debt to LTM Adjusted EBITDA	4.0	3.1	-1.0	(23.8)
Adjusted EBITDA to Net Interest Expenses	9.1	7.5	(1.6)	(17.7)
Net Financial Debt to total Capitalization (%)	55.30	53.29	(2.0)	(3.6)
Contribution to the Chilean Treasury (US$ million /cash flow)	1,000	1,292	292	29.2

(1) Total Production includes Codelco's share in El Abra and Anglo American Sur

(2) Adjusted EBITDA is defined as Net Income plus Income Tax, Royalty, Export Tax, Interest Expenses and Depreciation and Amortization

(3) Net Financial Debt is Financial Debt minus Cash and Cash Equivalents.

OPERATION: PRODUCTION, REVENUES, COST & ADJUSTED EBITDA

Consolidated Production. In 2020, consolidated copper output, including CODELCO's stake in El Abra and Anglo American Sur, increased 1.2% to 1,727 ktons compared to 1,706 ktons in 2019. Higher production at Ministro Hales, Chuquicamata and Andina were the main drivers of this increase and compensated the decline at El Teniente.

Molybdenum production increased 24.6% from 22.4 ktons in 2019 to 27.9 ktons in 2020, mainly due to increased production at Chuquicamata.

Copper Production (K ton)	DIVISION	2019	2020	Δ%
	Chuquicamata	385	401	*4.0%*
	Radomiro Tomic	266	261	*-2.1%*
	Mina Ministro Hales	152	171	*12.4%*
	Gabriela Mistral	104	102	*-1.9%*
	El Teniente	460	443	*-3.6%*
	Andina	170	184	*8.3%*
	Salvador	51	56	*11.3%*
	El Abra[1]	40	35	*-12.2%*
	Anglo American Sur[2]	78	74	*-4.8%*
	CODELCO Total	**1706**	**1727**	**1.2%**

(1) CODELCO's figures presented for El Abra include 49% of the mine's total production (CODELCO's share of production, i.e., 49% ownership interest in the mine).

(2) CODELCO's figures presented for Anglo American Sur include 20% of the mine's total production (CODELCO's share of production, i.e., 20% ownership interest in the mine).

Revenues. In 2020, revenues were 13.2% higher than the reported US$ 12.5 billion in 2019. An increase in copper sales volume (+3.0% own copper sales) and higher average realized copper price were the main drivers of the positive revenue performance in the period. In the case of molybdenum, revenues decreased -11.6% driven by a -23% price decline, but partially offset by higher sales volume.

Consolidated Costs. Unit cash costs varied with fluctuations in payable production and average realized by-product prices. In 2020, CODELCO's cash cost was 129.4 cents per pound, compared to 141.6 cents per pound in 2019. This -8.6% decrease was primarily due to i) lower input prices, such as electricity and diesel, ii) operational efficiencies of our smelters, iii) higher production and iv) favorable exchange rate depreciation of the Chilean peso against the U.S. dollar (in 2020, the average exchange rate was CLP 792 per U.S. dollar compared to CLP 703 per U.S. dollar in 2019).

Adjusted EBITDA. CODELCO's Adjusted EBITDA totaled US$5.3 billion, 30.8% higher than US$ 4.0 billion in 2019. Lower operating expenses due to operational efficiencies, local currency depreciation and favorable input prices contributed to an improved EBITDA. Additionally, as of December 31, 2020, Net debt to Adjusted EBITDA ratio stood at 3.1x, down from 4.0x on December 31, 2019. However, Adjusted EBITDA coverage ratio fell to 7.5x in 2020 from 9.1x in 2019.

Adjusted EBITDA is calculated by adding finance cost, income tax expense, depreciation and amortization of assets plus export taxes (Copper Reserve Law) and impairment charges to profit (loss) for the period. Impairment charges include charges and reversals of charges of investment projects, research projects and investment in associates and joint ventures. Debt is defined as bonds issued plus leases and loans from financial institutions. Net debt is defined as debt net of cash and cash equivalents. Adjusted EBITDA coverage ratio is the ratio of Adjusted EBITDA to finance cost net of finance income.

	December 31,	
	2019	2020
	(in thousands of U.S.$)	
Profit (loss) for the period	14,528	256,881
Income tax expense	393,245	787,003
Finance costs	479,307	742,464
Depreciation and amortization of assets	2,220,069	2,455,070
Copper Reserve Law	935,599	1,047,663
Adjusted EBITDA	**4,042,748**	**5,289,081**

CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

Chuquicamata Underground Mine: The underground mine began operations on April 30, 2019. On June 20, 2020, CODELCO announced it would temporarily suspend construction as a measure to prevent Covid-19 infection among employees and contractors. In August, work on the project was gradually resumed. As of December 31, 2020, overall progress was 99.6%.

Andina Mineral Transfer System: After a temporary suspension in April 2020, the project is currently under construction. Its overall progress was 93.0% as of December 31, 2020. Operation is scheduled to start in the second half of 2021.

El Teniente New Mine Level (NML): On July 4, 2020, CODELCO announced it would temporarily suspend construction as a measure to prevent Covid-19 infection among employees and contractors. In August, works on the project gradually resumed. As of December 31, 2020, overall progress was 65.3%. Operation is scheduled to start in the second half of 2023.

Salvador Rajo Inca Project: CODELCO's Board of Directors approved investment of the project in January 2021. Currently, the project is under construction. Operation is scheduled to start by the end of 2022.

Andina Future Development: Feasibility study is 87% complete. The environmental impact assessment is also underway.

AVERAGE METAL PRICE

	LME Copper (US$/lb.)	COMEX Copper (US$/lb.)	Molybdenum (US$/lb.)
1Q 2020	2.56	2.56	9.7
2Q 2020	2.42	2.43	8.4
3Q 2020	2.96	2.93	7.7
4Q 2020	3.25	3.27	9.0
Average 2020	2.80	2.80	8.7
1Q 2019	2.82	2.81	11.7
2Q 2019	2.77	2.78	12.1
3Q 2019	2.63	2.62	11.8
4Q 2019	2.67	2.68	9.6
Average 2019	2.72	2.72	11.4
Variation: 4Q 2020 vs. 4Q 2019	21.7%	21.9%	-6.1%
Variation: 4Q 2020 vs. 3Q 2020	9.9%	11.3%	16.8%
Variaton: 2020 vs. 2019	2.9%	3.0%	-23.4%

Sources: LME, COMEX and Metals Week Dealer Oxide

CASH FLOWS

During 2020, net cash flows from operating activities totaled US$ 3.8 billion, which was 55.4% higher than cash flows from operating activities in 2019. Higher cash flows from sales of goods and lower payments to employees in the period because of local currency depreciation were the main drivers behind the increase of operating cash flows.

CASH AND DEBT

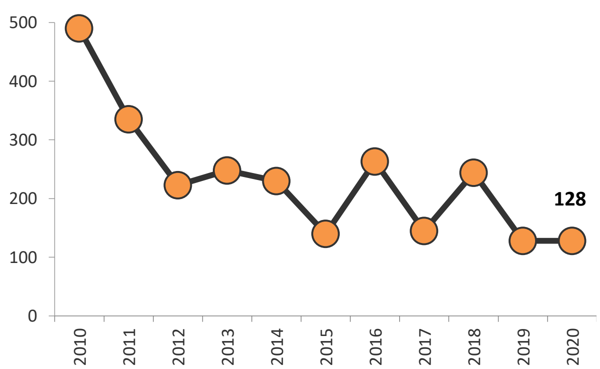
As of December 31, 2020, net debt amounted to US$ 16.2 billion, in line with net debt posted on the same day in 2019. Additionally, cash and cash equivalents increased to US$ 2.4 billion from US$ 1.5 billion on December 31, 2019. Strengthening CODELCO’s cash position was a conservative strategy in response to the uncertainty generated by the Covid-19 pandemic in 2020.

During 2020, CODELCO issued notes in an aggregate principal amount of US$ 3.3 billion, consisting of a US$ 1.0 billion international debt offering of 3.150% notes due 2030, a US$ 0.8 billion international debt offering of 3.150% notes due 2031, a US$ 1.0 billion international debt offering of 3.700% notes due 2050 and a US$ 0.5 billion international debt offering of 3.700% notes due 2050 (the notes due in 2050 form part of the same series of CODELCO’s outstanding 3.700% notes due 2050 issued on September 30, 2019, resulting in a total aggregate principal amount outstanding of US$ 1.9 billion in this series). These issuances significantly strengthened CODELCO’s liquidity position. Additionally, in April 2020, CODELCO entered into a three-year bilateral credit facility with The Bank of Nova Scotia for US$ 165 million. In May, CODELCO also entered into a three-year bilateral credit facility with BNP Paribas for US$ 100 million and into a seven-year bilateral credit facility with Export Development Canada for US$ 300 million. On the other hand, in the second half of the year, CODELCO prepaid six bank loans for a total amount of US$ 1,465 million and purchased, through a tender offer process, US$ 798 million of its international USD-denominated bonds with maturities in 2021, 2022, 2023, 2025 and 2027.

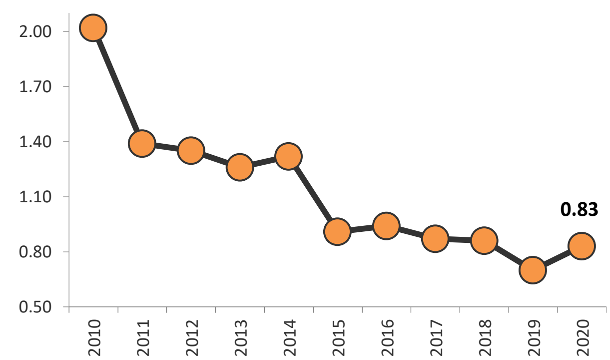
SUSTAINABILITY FOCUS: ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Safety. In June 2020, a fatal accident occurred at Radomiro Tomic, which resulted in the death of a contractor. We deeply regret this accident. Regarding metrics, the accident severity rate remained flat compared to 2019, and the accident frequency rate increased by 19% compared to 2019.

Severity Rate - Employees & Contractors
(Days lost & days charged / Million hours worked)



Frequency Rate - Employees & Contractors
(Lost time injury / Million hours worked)



Five sustainable development commitments. In December 2020, CODELCO released five commitments in areas of action associated with sustainability indicators. These undertakings have explicit targets set for 2030. The commitments (such as reducing carbon emissions by 70% and inland water use per ton of treated ore by 60%, as well as recycling 65% of our industrial waste) will be measured using specific performance indicators.

CODELCO's five commitments are as follows:

1. **Reduce carbon footprint:** Codelco will reduce its greenhouse gas emissions by 70%.

We will implement a 100% clean energy matrix. We will also innovate to replace all underground mine production and logistics equipment with electrical equipment and actively participate in the search for new clean energy sources such as green hydrogen.

2. **Reduce water footprint:** Codelco will reduce inland water use per ton of treated ore by 60%.

We will reduce the make-up (freshwater resources utilized by operations) through process efficiency. Codelco will incorporate a desalination plant for the Northern District and, through innovative solutions, recycle water from our tailing dams.

3. **Circular economy:** Codelco will recycle 65% of its industrial waste.

We will recycle 100% of mine truck tires and ramp up recycling efforts for primary, solid, non-hazardous waste from our operations and projects such as steel, wood, packaging materials, organic waste and scrap metal.

4. **A new tailings storage standard:** Tailings storage facilities (TSF) with 100% world-class sustainability measures in place.

Using innovative systems, Codelco will conduct online monitoring of the TSF physical and chemical stability and apply seepage control systems.

5. **Create additional social value in our territories:** Codelco will increase by 30% the goods and services supplied by local suppliers and increase employment of local workforce.

Moreover, Codelco will implement a new strategy for territory integration focused on creating social value, by promoting the use of local labor, strengthening mining education and increasing sustainability within the territory.

Collective bargaining agreements. In 2020, CODELCO reached 6 collective bargaining agreements without disrupting production. All the agreements were reached in the second half of the year and involved more than 1,700 employees from the following divisions: El Teniente, Radomiro Tomic, Chuquicamata, Ventanas; and the Corporate Office. All the agreements did not include wage increases in real terms. There are 17 collective bargaining negotiations scheduled for 2021, involving more than 7,000 employees.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (ThUS$)

Profit (loss)	Twelve months ended December 31,		
	2019	2020	Δ %
Revenue	12,524,931	14,173,168	13.2
Cost of sales	(10,051,441)	(10,565,179)	5.1
Gross profit	**2,473,490**	**3,607,989**	**45.9**
Other Income, by function	360,690	97,321	(73.0)
Impairment and reversed impairment according to IFRS 9	378	(206)	(154.5)
Distribution costs	(17,069)	(9,463)	(44.6)
Administrative expenses	(409,234)	(397,045)	(3.0)
Other expenses	(1,747,838)	(1,456,821)	(16.7)
Other gains (losses)	22,672	30,425	34.2
Profit (losses) from operating activities	**683,089**	**1,872,200**	**174.1**
Finance income	36,871	40,213	9.1
Finance costs	(479,307)	(742,464)	54.9
Share of profit of associates and joint ventures accounted for using the equity method	13,203	39,436	198.7
Foreign exchange differences	153,917	(165,501)	(207.5)
Profit for the period before tax	**407,773**	**1,043,884**	**(156.0)**
Income tax expense	(393,245)	(787,003)	100.1
Profit for the period	**14,528**	**256,881**	(1,668.2)
Profit (loss) attributable to:			
Profit (loss) attributable to owners of the parent	6,637	242,993	(3,561.2)
Profit (loss) attributable to non-controlling interests	7,891	13,888	(76.0)
Profit for the period	**14,528**	**256,881**	**(1,668.2)**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (ThUS$)

	December 31,	
Assets		
Current Assets	**2019**	**2020**
Cash and cash equivalents	1,303,105	2,107,493
Other current financial asset	172,951	283,890
Other current non-financial assets	20,969	32,634
Trade and other current receivables	2,588,268	3,249,317
Accounts receivables due from related companies, current	20,874	98,397
Inventory	1,921,135	1,912,067
Current tax asset	22,719	74,324
Total current assets	**6,050,021**	**7,758,122**
Non-current asset		
Non-current inventories	585,681	585,105
Other non-current financial assets	91,800	133,751
Other non-current non-financial assets	4,561	2,517
Non-current receivables	98,544	93,986
Accounts receivables due from related companies, non-current	15,594	224
Investment accounted for using the equity method	3,483,523	3,418,958
Intangible assets other than goodwill	47,837	45,895
Property, Plant and Equipment, net	29,268,012	29,551,905
Investment property	981	981
Assets by right of use	432,152	461,040
Assets for current taxes, not current	222,169	111,994
Deferred tax assets	43,736	45,908
Total non-current asset	**34,294,590**	**34,452,264**
TOTAL ASSETS	**40,344,611**	**42,210,386**

Liabilities	December 31,	
	2019	2020
Current liabilities		
Other current financial liabilities	1,250,590	529,946
Leases	127,761	145,404
Trade and other current payables	1,420,915	1,498,285
Accounts payables to related companies, current	137,234	198,924
Other current provisions	502,172	562,027
Current tax liabilities	13,857	8,445
Current employee benefit accruals	435,565	460,778
Other current non- financial liabilities	34,863	36,098
Total current liabilities	**3,922,957**	**3,439,907**
Non-current liabilities		
Other non-current financial liabilities	16,233,113	17,735,200
Leases	305,110	339,604
Other non-current liabilities	8,346	460
Other non-current provisions and accrued expenses	2,090,487	2,294,507
Deferred tax liabilities	4,860,881	5,527,795
Non-current employee benefit accruals	1,283,357	1,243,940
Other non-current non-financial liabilities	5,693	2,482
Total non-current liabilities	**24,786,987**	**27,143,988**
Total liabilities	**28,709,944**	**30,583,895**
Equity		
Issued Capital	5,619,423	5,619,423
Retained earnings	(196,260)	(194,696)
Other Reserves	5,291,747	5,276,822
Equity attributable to owners of the parent	**10,714,910**	**10,701,549**
Non-controlling interests	919,757	924,942
Total equity	**11,634,667**	**11,626,491**
TOTAL LIABILITIES AND EQUITY	**40,344,611**	**42,210,386**

CONSOLIDATED STATEMENTS OF CASH FLOWS (ThUS$)

	Twelve months ended December 31,	
Cash flow provided by (used in) operating activities:	**2019**	**2020**
Cash income provided by operating activities		
Cash flows provided by sales of goods and rendering of services	12,553,666	13,642,629
Other cash flows provided by operating activities	1,827,264	1,860,971
Types of cash payments		
Payments to suppliers for goods and services	(7,917,563)	(7,866,515)
Payments to and on behalf of employees	(1,800,223)	(1,475,278)
Other cash flows used in operating activities	(2,237,355)	(2,377,017)
Dividends received	87,434	22,715
Income taxes paid	(81,762)	(28,817)
Net cash flows provided by operating activities	**2,431,461**	**3,778,688**
Cash flows provided by (used in) investing activities:		
Purchases of property plant and equipment	(4,102,073)	(2,383,003)
Interest received	33,874	37,095
Other inflows (outflows) of cash	188,162	(81,820)
Net cash flows from (used in) investing activities	**(3,880,037)**	**(2,427,728)**
Cash flows used in financing activities:		
Proceeds from long term borrowings	3,918,199	3,996,000
Proceeds from short term borrowings	465,000	-
Repayments of borrowings	(2,234,446)	(3,248,184)
Payments of liabilities for financial leases	(148,181)	(132,263)
Dividends paid	-	(239,076)
Interest paid	(656,705)	(753,099)
Other inflows (outflows) of cash	197,555	(161,273)
Net cash flows used in financing activities	**1,541,422**	**(537,895)**
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	**92,846**	**813,065**
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	(18,866)	(8,677)
Net increase (decrease) in cash and cash equivalents	**73,980**	**804,388**
Cash and cash equivalents at beginning of period	1,229,125	1,303,105
Cash and cash equivalents at end of period	**1,303,105**	**2,107,493**

COMPANY PROFILE

CODELCO is the world's largest copper producer primarily engaged in the exploration, development and extraction of copper-bearing ores and by-products, processing ore into refined copper and international trade of refined copper and by-products. CODELCO is 100% owned by the Republic of Chile and controls approximately 6% of the world's proven and probable copper reserves; as defined by the U.S. Geological Survey. In 2020, CODELCO had an estimated 8% share of the total world copper production, producing approximately 1.7 million metric tons (including CODELCO's share in El Abra deposit, which is mined by Sociedad Contractual Minera El Abra and its share in Anglo American Sur).

CODELCO CORPORATE ADDRESS

1270 Huerfanos St.
P.O. Box 150 – D
Santiago, CHILE
Phone: (56-2) 2690 3000

INVESTOR CONTACT

Pablo Lubbert
Director of Investor Relations
Phone: (56-2) 2690 3938
e-mail: pablo.lubbert@CODELCO.cl

Alejandro Sanhueza
Head of Finance
Phone: (56-2) 2690 3248
e-mail: alejandro.sanhueza@CODELCO.cl

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 resources 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 ores 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 that regulates this and it is part of the Committee for Mineral Reserves International Reporting Standards (CRISCO).