Corporación Nacional del Cobre de Chile
Casa Matriz
Huérfanos 1270
Santiago
Región Metropolitana, Santiago
www.codelco.com

PE-152/2020
Santiago, 10 de diciembre de 2020.

Señor
Joaquín Cortez Huerta
Presidente
Comisión para el Mercado Financiero
Santiago

Ref.: HECHO ESENCIAL. Codelco Chile,
Inscripción Registro de Valores Nº 785.

De nuestra consideración:

De conformidad a lo establecido en la Ley N°18.045 y en la Norma de Carácter General N°30 y Circular N° 1072 de esa Comisión, adjunto acompaño “Formulario Hecho Esencial. Colocación de Bonos en el Extranjero”, el cual complementa nuestra nota PE-151/2020 enviada con fecha 07 de diciembre de 2020.

Saluda atentamente a Ud.,

Octavio Araneda Osés
Presidente Ejecutivo

FORMULARIO HECHO ESENCIAL

COLOCACIÓN DE BONOS EN EL EXTRANJERO

1.0 IDENTIFICACIÓN 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	22 690 3000
1.7	Actividades y negocios	Ver **Anexo 1**.

2.0 ESTA COMUNICACIÓN SE HACE EN VIRTUD DE LO ESTABLECIDO EN EL ARTÍCULO 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 PÚBLICA Y/O DE LA OFERTA DE ELLOS, SEGÚN CORRESPONDA.

3.0 CARACTERÍSTICAS EMISIÓN

3.1	Moneda de denominación	Dólares de los Estados Unidos de América (US$).
3.2	Moneda total emisión	US$ 500.000.000
3.3	Portador / a la orden	Bonos registrados a nombre de los tenedores en los libros de DTC
3.4	Series	Bonos 2051
3.4.1	Monto de la serie	US$ 500.000.000
3.4.2	Nº de bonos	Ver 3.4.3
3.4.3	Valor nominal bono	US$200.000 mínimo. En caso de sumas superiores, serán por múltiplos de US$1,000.
3.4.4	Tipo reajuste	N/A
3.4.5	Tasa de interés	3,150%
3.4.6	Fecha de emisión	07/12/2020

3.4.7 Para cada serie llenar la siguiente tabla de desarrollo:

Bonos 2051:

El capital de los bonos será pagadero en su integridad a su vencimiento, el día 15 de enero de 2051.

Los bonos devengarán un interés de 3,150% anual, calculado en base de un año de 360 días, el cual será pagadero en 60 cuotas los días 15 de enero y 15 de julio de cada año, a partir del 15 de julio de 2021.

Nº Cuota Interés	Nº Cuota Amortiz.	Fecha	Intereses	Amortización	Total Cuota	Saldo Capital
1	-	15-jul-2021	9.231.250	-	9.231.250	500.000.000
2	-	15-ene-2022	7.875.000	-	7.875.000	500.000.000
3	-	15-jul-2022	7.875.000	-	7.875.000	500.000.000
4	-	15-ene-2023	7.875.000	-	7.875.000	500.000.000
5	-	15-jul-2023	7.875.000	-	7.875.000	500.000.000
6	-	15-ene-2024	7.875.000	-	7.875.000	500.000.000
7	-	15-jul-2024	7.875.000	-	7.875.000	500.000.000
8	-	15-ene-2025	7.875.000	-	7.875.000	500.000.000
9	-	15-jul-2025	7.875.000	-	7.875.000	500.000.000
10	-	15-ene-2026	7.875.000	-	7.875.000	500.000.000
11	-	15-jul-2026	7.875.000	-	7.875.000	500.000.000
12	-	15-ene-2027	7.875.000	-	7.875.000	500.000.000
13	-	15-jul-2027	7.875.000	-	7.875.000	500.000.000
14	-	15-ene-2028	7.875.000	-	7.875.000	500.000.000
15	-	15-jul-2028	7.875.000	-	7.875.000	500.000.000
16	-	15-ene-2029	7.875.000	-	7.875.000	500.000.000
17	-	15-jul-2029	7.875.000	-	7.875.000	500.000.000
18	-	15-ene-2030	7.875.000	-	7.875.000	500.000.000
19	-	15-jul-2030	7.875.000	-	7.875.000	500.000.000
20	-	15-ene-2031	7.875.000	-	7.875.000	500.000.000
21	-	15-jul-2031	7.875.000	-	7.875.000	500.000.000
22	-	15-ene-2032	7.875.000	-	7.875.000	500.000.000
23	-	15-jul-2032	7.875.000	-	7.875.000	500.000.000
24	-	15-ene-2033	7.875.000	-	7.875.000	500.000.000
25	-	15-jul-2033	7.875.000	-	7.875.000	500.000.000
26	-	15-ene-2034	7.875.000	-	7.875.000	500.000.000
27	-	15-jul-2034	7.875.000	-	7.875.000	500.000.000
28	-	15-ene-2035	7.875.000	-	7.875.000	500.000.000
29	-	15-jul-2035	7.875.000	-	7.875.000	500.000.000
30	-	15-ene-2036	7.875.000	-	7.875.000	500.000.000
31	-	15-jul-2036	7.875.000	-	7.875.000	500.000.000
32	-	15-ene-2037	7.875.000	-	7.875.000	500.000.000
33	-	15-jul-2037	7.875.000	-	7.875.000	500.000.000
34	-	15-ene-2038	7.875.000	-	7.875.000	500.000.000
35	-	15-jul-2038	7.875.000	-	7.875.000	500.000.000
36	-	15-ene-2039	7.875.000	-	7.875.000	500.000.000
37	-	15-jul-2039	7.875.000	-	7.875.000	500.000.000
38	-	15-ene-2040	7.875.000	-	7.875.000	500.000.000
39	-	15-jul-2040	7.875.000	-	7.875.000	500.000.000
40	-	15-ene-2041	7.875.000	-	7.875.000	500.000.000
41	-	15-jul-2041	7.875.000	-	7.875.000	500.000.000
42	-	15-ene-2042	7.875.000	-	7.875.000	500.000.000
43	-	15-jul-2042	7.875.000	-	7.875.000	500.000.000
44	-	15-ene-2043	7.875.000	-	7.875.000	500.000.000
45	-	15-jul-2043	7.875.000	-	7.875.000	500.000.000
46	-	15-ene-2044	7.875.000	-	7.875.000	500.000.000
47	-	15-jul-2044	7.875.000	-	7.875.000	500.000.000
48	-	15-ene-2045	7.875.000	-	7.875.000	500.000.000

49	-	15-jul-2045	7.875.000	-	7.875.000	500.000.000
50	-	15-ene-2046	7.875.000	-	7.875.000	500.000.000
51	-	15-jul-2046	7.875.000	-	7.875.000	500.000.000
52	-	15-ene-2047	7.875.000	-	7.875.000	500.000.000
53	-	15-jul-2047	7.875.000	-	7.875.000	500.000.000
54	-	15-ene-2048	7.875.000	-	7.875.000	500.000.000
55	-	15-jul-2048	7.875.000	-	7.875.000	500.000.000
56	-	15-ene-2049	7.875.000	-	7.875.000	500.000.000
57	-	15-jul-2049	7.875.000	-	7.875.000	500.000.000
58	-	15-ene-2050	7.875.000	-	7.875.000	500.000.000
59	-	15-jul-2050	7.875.000	-	7.875.000	500.000.000
60	-	15-ene-2051	7.875.000	500.000.000	507.875.000	0

3.5 Garantías ----- No X

3.5.1 Tipo y montos de las garantías

No aplica.

3.6 Amortización Extraordinaria: ----- No X

3.6.1 Procedimientos y fechas:

No aplica.

4.0 OFERTA: Pública Privada X X

5.0 PAÍS DE COLOCACIÓN

5.1 Nombre Bonos vendidos a los Compradores Iniciales ("*Initial Purchasers"*) domiciliados en los Estados Unidos de América.

5.2 Normas para obtener autorización de transar

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

6.0 INFORMACIÓN QUE PROPORCIONARÁ

6.1 A futuros tenedores de bonos

Prospecto informativo ("*Offering Memorandum*") de fecha 7 de Diciembre de 2020. Ver **Anexo 2.**

6.2 A futuros representantes de tenedores de bonos

Mismo documento mencionado en el punto 6.1 precedente.

7.0 CONTRATO DE EMISION

7.1 Características generales

Contrato de Compraventa ("*Purchase Agreement*") celebrado el día 7 de

Diciembre de 2020 entre (A) Corporación Nacional del Cobre de Chile, como emisor de los bonos, y (B) BofA Securities Inc.; J.P. Morgan Securities LLC; Mizuho Securities USA LLC y Scotia Capital (USA) Inc. como Compradores Iniciales (“*Initial Purchasers*”). Ver **Anexo 3.**

El objeto del Purchase Agreement fue la adquisición, por los Compradores Iniciales (“*Initial Purchasers*”), de la totalidad de los bonos emitidos por Corporación Nacional del Cobre de Chile, bajo los términos y condiciones que se expresan en dicho contrato.

7.2 Derechos y obligaciones de los tenedores de bonos

Los bonos emitidos por Corporación Nacional del Cobre de 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 Corporación Nacional del Cobre de 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 1933 y, por lo tanto, solamente podrán ser vendidos a ciertos compradores institucionales calificados de acuerdo a lo dispuesto en la *Rule 144 A* de la mencionada ley y/o fuera de los Estados Unidos de América, 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 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 (hoy CMF), 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 CMF en el presente "Formulario de Hecho Esencial Colocación de Bonos en el Extranjero", con fecha 7 de Diciembre de 2020.

NOMBRE	CARGO	C.N.I.	FIRMA
Octavio Araneda	Presidente Ejecutivo	8088228-9	

ANEXO 1

MEMORIA ANUAL

https://www.codelco.com/prontus_codelco/site/artic/20200328/asocfile/20200328104056/memori2019_codelco.pdf

ANEXO 2

OFFERING MEMORANDUM

ANEXO 3

PURCHASE AGREEMENT

EXECUTION VERSION

CORPORACIÓN NACIONAL DEL COBRE DE CHILE

U.S.$500,000,000

3.150% Notes Due 2051

Purchase Agreement

New York, New York
December 7, 2020

BofA Securities, Inc.
One Bryant Park
New York, New York 10036

and

J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

and

Mizuho Securities USA LLC
1271 Avenue of the Americas
New York, New York 10020

and

Scotia Capital (USA) Inc.
250 Vesey Street
New York, New York 10281

As Representatives of the Initial Purchasers

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 which you (the "**Representatives**") are acting as representatives, U.S.$500,000,000 principal amount of its 3.150% Notes Due 2051 (the "**Securities**") to be issued pursuant to the indenture (the "**Original**

Indenture”), dated February 5, 2019, among the Company, The Bank of New York Mellon, as trustee, paying agent, transfer agent and registrar (the “**Trustee**”), and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg paying agent (the “**Luxembourg Agent**”), as supplemented by the ninth supplemental indenture to be dated as of December 14, 2020, between the Company and the Trustee (the “**Ninth Supplemental Indenture**” and, together with the Original Indenture, the “**Indenture**”). 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 December 7, 2020 (including any and all exhibits thereto, the “**Preliminary Memorandum**”), and a final offering memorandum, dated December 7, 2020 (as amended or supplemented at the Execution Time, including any and all exhibits thereto, the “**Final Memorandum**”). For the purposes of this purchase agreement (this “**Agreement**”), “**Additional Written Offering Communication**” means any written communication (as defined in Rule 405 under the Act) that constitutes an offer to sell or a solicitation of an offer to buy the Securities other than the Preliminary Memorandum or the Final Memorandum, and “**Time of Sale Memorandum**” means the Preliminary Memorandum together with the pricing term sheet prepared by the Company substantially in the form of Exhibit B hereto and any Additional Written Offering Communications identified in SCHEDULE II hereto. Each of the Preliminary Memorandum, the Time of Sale 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, the Time of Sale Memorandum, the Final Memorandum and any Additional Written Offering Communications identified in SCHEDULE II hereto, 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 Time of Sale Memorandum, at the Execution Time, does not and, on the Closing Date, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Preliminary Memorandum, at the date thereof, did not, and the Final Memorandum, at the date thereof, did not and, on the Closing Date, 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, the Time of Sale 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 Representatives specifically for inclusion therein, it being understood that the only such information is set forth in Section 7(b) hereof.

(b) Except for the Additional Written Offering Communications, if any, identified in SCHEDULE II hereto, and electronic road shows, if any, furnished to you before first use, the Company has not prepared, used or referred to, and will not, without your prior consent, prepare, use or refer to, any Additional Written Offering Communication.

(c) 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.

(d) 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.

(e) 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 sell 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(a)(2) of the Act).

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

(g) 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.

(h) 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 Indenture under the Trust Indenture Act.

(i) Each of the Company and its Affiliates, and any person acting on its or their behalf, has complied with the offering restrictions requirement of Regulation S.

(j) 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 each of the Time of Sale Memorandum and the Final Memorandum will not be, required to register as an “investment company” within the meaning of the Investment Company Act.

(k) 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).

(l) 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.

(m) Except as disclosed in each of the Time of Sale 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 Indenture, the issuance or sale by the Company of the Securities or the enforcement of the Securities, other than (i) a 0.8% 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. If thin capitalization rules apply, as described in the Time of Sale Memorandum and the Final Memorandum, such interest payments would be subject to a 35% penalty tax that would be payable by the Company. The withholding tax applicable to the interest payments made by the Company can be credited against such 35% penalty tax. Payments of fees, compensations and reimbursement of costs contemplated in this Agreement or in the Indenture, 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%; *provided, however*, that any such payment (A) is exempted from withholding tax if it is deemed a "*comisión mercantil*" pursuant to the Commercial Code of Chile and the interpretation of the Chilean Internal Revenue Service (*Servicio de Impuestos Internos*, or the "**SII**") or (B) subject to a 15% withholding tax if it is deemed payment for a professional or technical assistance service, *provided* that the payment is not made to a party organized, domiciled or resident in one of the countries which falls under the scope of article 41H of the Chilean Income Tax Law. The withholding tax rate applicable to payments of fees, compensation, services and reimbursement of costs to a person not domiciled in, or resident of, Chile may be reduced or may be exempted if there is a double taxation treaty in force between Chile and the country of such person's residency that contemplates a reduced or exempt regime applicable to such payments.

(n) Any information provided by the Company pursuant to Section 5(j) 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.

(o) 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. Each of the Company's subsidiaries has been duly organized and is validly existing and in good standing under the laws of their respective jurisdictions of organization and, together with the Company, have the corporate power to own or lease, as the case may be, and to operate their properties and conduct their business as described in the Time of Sale Memorandum and the Final Memorandum, and are 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), earnings, 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.

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

(q) This Agreement has been duly authorized, executed and delivered by the Company; the Indenture has been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery thereof by the Trustee, constitutes a valid and binding instrument enforceable against the Company in accordance with its terms (subject, as to the enforcement of remedies, to applicable bankruptcy, liquidation, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally and general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law); and the Securities have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture 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 enforceable against the Company in accordance with their terms and entitled to the benefits of the Indenture (subject, as to the enforcement of remedies, to applicable bankruptcy, liquidation, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally and general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(r) The Securities and the Indenture will conform in all material respects to the descriptions thereof in the Final Memorandum.

(s) 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 Indenture 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 distribution of the Securities by the Initial Purchasers in the manner contemplated herein and in each of the Time of Sale Memorandum 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: (A) 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 and pursuant to Decree No. 1,009 issued by the Ministry of Finance, published in the Official Gazette on December 23, 1978, as renewed by Decree No. 1,554 dated October 28, 2019 and published in the Official Gazette on December 18, 2019; (B) 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 and pursuant to Ordinary Resolution No. 2741 issued by the Ministry of Finance on November 26, 2020; (C) authorization granted by the Minister of Finance to the Company to issue the Securities, pursuant to Decree Law No. 1,350 of 1976, as amended and pursuant to Ordinary Resolution No. 2796 issued by the Ministry of Finance on December 4, 2020; and (D) 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.

(t) Neither the execution and delivery of the Indenture 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 has conflicted or will conflict with, or has resulted or will 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, in the case of (i), (iii) or (iv) below, for any such conflict, default, breach, violation or imposition as would not have a current or prospective material adverse effect on (x) the consummation of the transactions contemplated hereby or the rights of the holders of the Securities or (y) the condition (financial or otherwise), earnings, business or properties of the Company and its subsidiaries, taken as a whole) pursuant to (i) any provision of applicable law; (ii) Decree Law No. 1,350 of 1976, as amended from time to time, and the Company's by-laws, as restated in Decree No. 3 of January 13, 2012 and published in the Official Gazette on July 4, 2012, 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 their respective properties.

(u) The consolidated historical financial statements and schedules of the Company and its consolidated subsidiaries included in each of the Time of Sale 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 International Financial Reporting Standards as adopted by the International Accounting Standards Board ("**IFRS**") in respect of full year periods for 2017, 2018 and 2019 and interim periods, in each case applied on a consistent basis throughout the periods involved (except as otherwise noted therein); the selected financial data set forth under the captions "Summary Consolidated Financial Data" and "Selected Consolidated Financial Data" in each of the Time of Sale Memorandum and the Final Memorandum fairly present, on the basis stated in each of the Time of Sale Memorandum and the Final Memorandum, the information included therein and have been prepared in conformity with IFRS in respect of full year periods for 2017, 2018 and 2019 and interim periods, in each case applied on a consistent basis throughout the periods involved (except as otherwise noted therein).

(v) 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 each of the Time of Sale 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), earnings, 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 Indenture or the Securities or to consummate the transactions contemplated in each of the Time of Sale Memorandum and the Final Memorandum.

(w) 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 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 material adverse effect on the Company or its subsidiaries, taken as a whole.

(x) 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 each of the Time of Sale 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), earnings, 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.

(y) 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 IFRS 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 to existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(z) 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 (i) such as are set forth in or contemplated by each of the Time of Sale Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto) or (ii) where the failure to have good title would not have a current or prospective material adverse effect on the condition (financial or otherwise), earnings 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 each of the Time of Sale Memorandum and the Final Memorandum, are in full force and effect, except (i) 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), earnings, 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) such as are set forth in or contemplated by each of the Time of Sale 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 (i) 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), earnings, 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) such as are set forth in or contemplated by each of the Time of Sale Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto).

(aa) Deloitte Auditores y Consultores Ltda., who have audited the full-year 2017, 2018 and 2019 financial statements of the Company included in each of the Time of Sale Memorandum and the Final Memorandum and conducted a limited review of the interim unaudited financial statements of the Company as of September 30, 2020 and for the nine-month periods ended September 30, 2019 and 2020 included in each of the Time of Sale Memorandum and the Final Memorandum, are an independent audit firm with respect to the Company.

(bb) 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 (x) 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), earnings, 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, and (y) as described in each of the Time of Sale Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto).

(cc) 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), earnings, 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 each of the Time of Sale Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto).

(dd) Since the respective dates as of which information is given in each of the Time of Sale Memorandum and the Final Memorandum, nothing has occurred giving rise to a current or prospective material adverse change in the condition (financial or otherwise), earnings, 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 each of the Time of Sale Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto).

(ee) Pursuant to Article 52 of the Organic Law of the Central Bank of Chile and Decree Law No. 1,350 of 1976, as amended, the Company is exempt from the Central Bank of Chile's 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.

(ff) 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 Cogency Global Inc. in New York, New York as its authorized agent for service of process.

(gg) The Company has validly and irrevocably waived, pursuant to Section 17 hereof, and will have validly and irrevocably waived pursuant to the Indenture 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 Indenture and the Securities to which it may be entitled or become entitled whether or not claimed, including sovereign immunity, except that (i) for the attachment and judicial sale of mining concessions and installations and other goods permanently dedicated to exploration or extraction of minerals relating to such mining concessions, except with respect to mortgages, the consent of the Company will be required and shall be given in the same judicial proceeding in which the attachment and sale is sought (as set forth in article 226 of the Mining Code of Chile); and (ii) pursuant to the Chilean Constitution, the mining concessions corresponding to mining deposits exploited by the Company upon its creation in 1976 cannot be subject to attachment nor to any act of disposition by the Company. Each such waiver is binding under Chilean law and remains in full force and effect.

(hh) The Company has an authorized capitalization as set forth in each of the Time of Sale Memorandum and the Final Memorandum under the heading "Capitalization"; and all the outstanding shares of capital stock or other equity interests of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

(ii) Neither the Company nor any of its subsidiaries nor, to the best knowledge of the Company, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) taken any action, directly or indirectly, that violated or is in violation of any provision of any applicable anti-bribery or anti-corruption law or regulation enacted in any jurisdiction, including, without limitation, the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or under the Bribery Act of 2010 of the United Kingdom, or any other applicable anti-bribery or anti-corruption laws; or (iv) made any unlawful bribe, influence payment, kickback or other unlawful payment or gift of money or anything of value prohibited under any applicable law or regulation in connection with the Company. The Company has instituted, and maintains and enforces, policies and procedures designed to promote and achieve the Company and its subsidiaries' compliance with all applicable anti-bribery and anti-corruption laws.

(jj) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, and applicable money laundering statutes of all jurisdictions, rules and regulations thereunder and related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no 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 with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened or contemplated.

(kk) Neither the Company, any of its subsidiaries, nor any director or officer of the Company or any of its subsidiaries, nor to the knowledge of the Company, any agent, employee or affiliate (other than the Republic of Chile) of the Company or any of its subsidiaries (i) is currently an individual or entity that is, or is owned or controlled or is acting on behalf of, one or more individuals or entities (other than the Republic of Chile) that are currently the subject of any sanctions administered or enforced by the United States (including administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**") or the U.S. Department of State), the European Union, Her Majesty's Treasury or the United Nations Security Council (collectively, the "**Sanctions**"), (ii) organized, located or a resident in a country or territory that is currently the subject of territorial Sanctions broadly prohibiting dealing with such country or territory (each such country, a "**Sanctioned Country**," currently the Crimea region, Cuba, Iran, North Korea or Syria, and such persons, "**Sanctioned Persons**" and each such person, a "**Sanctioned Person**"), or (iii) will, directly or indirectly, use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity in any manner that would result in a violation of any Sanctions by, or would reasonably be expected to result in the imposition of Sanctions against, any individual or entity participating in the offering, whether as underwriter, advisor, investor or otherwise. Neither the Company nor any of its subsidiaries has, to the knowledge of the Company, engaged in any dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country, in the preceding 3 years, that have resulted in a violation of Sanctions by, or the imposition of Sanctions against, the Company or the Initial Purchasers, nor does the Company or any of its subsidiaries have any plans to engage in dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country that would result in a violation of Sanctions by, or the imposition of Sanctions against, the Company or the Initial Purchasers.

(ll) No labor disturbance by or dispute with employees of the Company or any of its subsidiaries exists or, to the best knowledge of the Company, is contemplated or threatened, and the Company is not aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of the Company's subsidiaries' principal suppliers, contractors or customers, except (x) as would not have a material adverse effect on the condition (financial or otherwise), earnings, 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 and (y) as set forth in or contemplated in each of the Time of Sale Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto).

(mm) The Company and its subsidiaries have insurance covering their respective properties, operations, personnel and businesses, which insurance is in amounts and insures against such losses and risks as are adequate to protect the Company and its subsidiaries and their respective businesses, except where any failure to have such insurance would not result in a material adverse effect on the condition (financial or otherwise), earnings, 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; and neither the Company nor any of its subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business at a cost that would not result in a material adverse effect on the condition (financial or otherwise), earnings, 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.

Any certificate signed by any officer of the Company and delivered to the Representatives 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. (a) 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 99.429% of the principal amount of the Securities, plus accrued interest, if any, from December 14, 2020 to the Closing Date (as defined below) (0.045% of the principal amount of the Securities to be used by the Initial Purchasers out of the spread over the offering price set forth in the Final Memorandum to pay for expenses payable by the Initial Purchasers pursuant to Section 5(p) of this Agreement, with any remaining balance of such 0.045% to be refunded to the Company), the principal amount of Securities set forth opposite such Initial Purchaser's name in SCHEDULE I hereto.

(b) The Company acknowledges and agrees that the Initial Purchasers are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of Securities contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. Additionally, no Initial Purchaser is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Initial Purchasers shall have no responsibility or liability to the Company with respect thereto. Any review by the Initial Purchasers of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Initial Purchasers and shall not be on behalf of the Company.

3. Delivery and Payment. Delivery of and payment for the Securities shall be made at 10:00 A.M., New York City time, on December 14, 2020 or at such time on such later date as the Representatives shall designate, which date and time may be postponed by agreement between the Representatives and the Company or as provided in Section 8 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 Representatives for the respective accounts of the several Initial Purchasers against payment by the several Initial Purchasers through the Representatives 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 ("**DTC**") unless the Representatives shall otherwise instruct.

4. Offering by the 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 or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Act.

(c) Unless it has obtained or will obtain the prior written consent of the Company, it has not used, and will not use, or authorize use of, any written communication that constitutes an offer to sell or the solicitation of an offer to buy the Securities other than: (i) the Preliminary Memorandum; (ii) the Time of Sale Memorandum; (iii) the Final Memorandum; (iv) any Additional Written Offering Communications identified in SCHEDULE II hereto; and (v) any Bloomberg or other customary electronic communications providing certain ratings or proposed terms of the Securities or relating to marketing, administrative or procedural matters in connection with the offering of the Securities.

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 (d) below, electronic copies of the materials contained in the Time of Sale Memorandum, the Final Memorandum and any amendments and supplements thereto as they may reasonably request.

(b) Before amending or supplementing the Preliminary Memorandum, the Time of Sale Memorandum or 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) The Company will furnish to each Initial Purchaser a copy of each proposed Additional Written Offering Communication to be prepared by or on behalf of, used by, or referred to by the Company and agrees not to use or refer to any proposed Additional Written Offering Communication to which the Initial Purchasers reasonably object.

(d) If at any time prior to the completion of the sale of the Securities by the Initial Purchasers (as determined by the Representatives), any event occurs as a result of which the Time of Sale Memorandum or 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 Time of Sale Memorandum or the Final Memorandum to comply with applicable law, the Company promptly: (i) will notify the Representatives 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 Time of Sale Memorandum or the Final Memorandum to the several Initial Purchasers and counsel for the Initial Purchasers without charge in such quantities as they may reasonably request.

(e) 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 Representatives 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.

(f) During the period of one year after the Closing Date, the Company will not resell, and will not permit any person that is an affiliate (as defined in Rule 144 under the Act) at the time of any contemplated resale or that has been an affiliate within the three months preceding such time to resell, any of the Securities that have been reacquired by any of them, except for Securities purchased by the Company or any of its affiliates and resold in a transaction registered under the Act or in reliance of Regulation S.

(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 any security, or solicit offers to buy any security, under circumstances that would require the registration of the Securities under the Act.

(h) 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.

(i) 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 or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Act.

(j) 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.

(k) 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.

(l) The Company will cooperate with the Representatives and use its best efforts to permit the Securities to be eligible for clearance and settlement through DTC, including its indirect participants, Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A., Luxembourg ("**Clearstream**").

(m) The Company will use its best efforts to effect the listing of the Securities on the Euro MTF market of the Luxembourg Stock Exchange and for so long as the Securities are outstanding, will file with the Euro MTF market of 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; *provided* that the Company may, in its reasonable discretion, de-list the Securities in the event that any European or national legislation becomes effective in Luxembourg in a manner that would require the Company to publish or produce financial statements according to accounting principles or standards that are different from IFRS or that would otherwise impose requirements that the Company determines, in its reasonable discretion, are not reasonable.

(n) The Company will not for a period of 30 days following the Execution Time, without the prior written consent of the Representatives, 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 any public or broadly marketed offering of, any U.S. dollar-denominated debt securities issued or guaranteed by the Company in the international capital markets (other than the Securities).

(o) 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.

(p) The Company agrees either to pay directly or to reimburse the Initial Purchasers, as the case may be, for the reasonable and documented expenses relating to the following matters: (i) the issuance of the Securities and the fees and expenses of the Trustee (including, without limitation, the fees of counsel for such trustee); (ii) the preparation, printing and reproduction of each of the Preliminary Memorandum and Final Memorandum and each amendment or supplement to either of them, including the pricing term sheet prepared by the Company and any Additional Written Offering Communications identified in SCHEDULE II hereto; (iii) the printing (and reproduction) and delivery (including postage, air freight charges and charges for counting and packaging) of such copies of each 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 listing of the Securities with the Euro MTF market of the Luxembourg Stock Exchange (including the fees of the agent retained in connection with such listing); (viii) the approval of the Securities for book-entry transfer by DTC, Euroclear and Clearstream; (ix) the rating of the Securities by rating agencies; (x) the expenses incurred by the Company or the Initial Purchasers in connection with presentations to prospective purchasers of the Securities; (xi) the fees and expenses of the Company's accountants; (xii) the fees and expenses of counsel (including local and special United States and Chilean counsels) for the Company; (xiii) all other reasonable and documented expenses incurred by the Initial Purchasers in connection with the offering and sale of the Securities; and (xiv) all other fees 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 (A) is not completed 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 9 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 shall pay directly all costs and expenses contemplated by this Section 5(p) or, to the extent the Initial Purchasers have borne such costs and expenses, shall reimburse the Initial Purchasers severally through the Representatives; and (B) is completed, the Initial Purchasers shall pay for all such costs and expenses of this Section 5(p) *pro rata* in proportion to each Initial Purchaser's commitment to purchase Securities as listed in SCHEDULE I hereto in accordance with Section 2(a) and this Section 5(p) (except for the costs and expenses contemplated by 5(p)(ix), 5(p)(xi)and 5(p)(xii), which shall be paid directly by the Company whether or not the offering of the Securities is completed), and the Company shall cover such costs and expenses of this Section 5(p) pursuant to Section 2(a).

(q) The Company will apply the net proceeds from the sale of the Securities substantially in accordance with the description set forth under the heading "Use of Proceeds" in each of the Time of Sale Memorandum and the Final Memorandum.

(r) The Company will not take any action or omit to take any action (such as issuing any press release relating to any Securities without an appropriate legend) which may result in the loss by any of the Initial Purchasers of the ability to rely on any stabilization safe harbor provided by the Financial Conduct Authority under the U.K. Financial Services and Markets Act 2000 (the "**FSMA**").

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 LLP, U.S. counsel for the Company, to furnish to the Representatives its opinion, dated the Closing Date and addressed to the Representatives, substantially to the effect that:

(i) the Indenture 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, entitled to the benefits of the Indenture pursuant to which such Securities are to be issued; the statements set forth under the headings "Description of Notes" and "Transfer Restrictions" in the Time of Sale Memorandum and the Final Memorandum, insofar as such statements purport to summarize certain provisions of the Securities and the Indenture, provide a fair summary of such provisions; and the statements in Final Memorandum under the heading "Plan of Distribution," insofar as such statements purport to summarize certain provisions of this Agreement, provide a fair summary of such provisions;

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

(iii) the statements made in each of the Time of Sale Memorandum and the Final Memorandum under the heading "Taxation—United States 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 an investment in the Securities by a U.S. Holder (as defined in each of the Time of Sale Memorandum and the Final Memorandum);

(iv) the issuance and the sale of the Securities to the Initial Purchasers pursuant to this Agreement and the execution and delivery of this Agreement and the Indenture do not, and the performance by the Company of its obligations under this Agreement, the Indenture and the Securities will not, (A) require any consent, approval, authorization, registration or qualification of or with any governmental authority of the United States or the State of New York that in such counsel's experience normally would be applicable to general business entities with respect to such issuance, sale or performance (but such counsel need express no opinion relating to United States federal securities laws or any state securities or blue sky laws other than as set forth in (v) below); or (B) result in a violation of any United States federal or New York State law or published rule or regulation that in such counsel's experience normally would be applicable to general business entities with respect to such issuance, sale or performance (but such counsel need not express any opinion relating to the United States federal securities laws or any state securities or blue sky laws, except as set forth in (v) below) or (based solely on inquiry of the General Counsel and Head of Finance of the Company) any judgment, decree or order applicable to the Company 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 the Indenture under the Trust Indenture Act, are required for the offer and sale of the Securities by the Company to the Initial Purchasers pursuant to and in the manner contemplated by this Agreement or by the Initial Purchasers as contemplated by this Agreement, the Time of Sale Memorandum and the Final Memorandum;

(vi) no registration of the Company under the Investment Company Act is required for the offer and sale of the Securities by the Company in the manner contemplated herein and by each of the Time of Sale Memorandum and the Final Memorandum; and

(vii) under the laws of the State of New York relating to submission to jurisdiction, the Company, pursuant to Section 14 of this Agreement, Section 1.12 of the Indenture and the provisions of the Securities, has (a) 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 arising out of or related to this Agreement that is brought by an Initial Purchaser or by any person who controls any Initial Purchaser, or in any action arising out of or related to the Indenture or the Securities that is brought by the holder of any Securities; (b) to the fullest extent permitted by law, validly and irrevocably waived any objection to the venue of a proceeding in any such court and (c) validly appointed Cogency Global Inc., as its authorized representative in the United States, and as its authorized agent for the purpose described in Section 14 hereof, the Indenture 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 Indenture or the Securities.

(b) The Company shall have requested and caused Cleary Gottlieb Steen & Hamilton LLP, U.S. counsel for the Company, to furnish to the Representatives its letter, dated the Closing Date and addressed to the Representatives, substantially to the effect that no information has come to such counsel's attention that causes it to believe that:

(i) the Time of Sale Memorandum (except the financial statements and schedules and other financial and statistical data included therein, the information therein relating to the Company's ore reserves, as to which such counsel expresses no view), as of the Execution Time, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and

(ii) the Final Memorandum (except the financial statements and schedules and other financial and statistical data included therein, the information therein relating to the Company's ore reserves, as to which such counsel expresses no view), as of the Closing Date and the Execution Time, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order 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. Ltda., Chilean counsel for the Company, to furnish to the Representatives its opinion, dated the Closing Date and addressed to the Representatives, substantially to the effect that:

(i) the Company has been duly created and is validly existing as a state-owned company 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 each of the Time of Sale Memorandum and the Final Memorandum, and is duly qualified to do business under the laws of each jurisdiction which requires such qualification;

(ii) the Indenture 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, liquidation, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally and general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law); and the Securities have been duly and validly authorized and, when executed and authenticated in accordance with the provisions of the Indenture 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 Indenture (subject, as to the enforcement of remedies, to applicable bankruptcy, liquidation, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally and general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law);

(iii) the statements in each of the Time of Sale Memorandum and the Final Memorandum under the captions "Presentation of Financial and Statistical Information", "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 costs, including 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 Operations—Labor disruptions involving CODELCO's employees or the employees of its independent contractors could affect CODELCO's production levels and costs", "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO is subject to an extensive labor reform law promulgated by the Government of Chile that could affect its business and operating results in the future", "Risk Factors—Risks Relating to CODELCO's Relationship with the Government of Chile", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Nine Months Ended September 30, 2019 and 2020—Other expenses", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Nine Months Ended September 30, 2019 and 2020—Foreign exchange differences", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Nine Months Ended September 30, 2019 and 2020—Income tax expense", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Three Years Ended December 31, 2019—Other expenses", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Three Years Ended December 31, 2019—Income tax expense", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Distributions to the Chilean Treasury", "Regulatory Framework", "Management", "Related Party Transactions", "Foreign Investment and Exchange Controls in Chile" and "Taxation—Chilean Taxation", insofar as such statements constitute summaries of Chilean legal matters, documents or proceedings referred to therein, fairly summarize the matters therein;

(iv) such counsel has no reason to believe that (A) at the Execution Time, the Time of Sale Memorandum contained any untrue statement of a material fact or omitted 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 (B) 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 its obligations under this Agreement and the Indenture 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 Indenture 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, the Time of Sale Memorandum 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: (A) 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 and pursuant to Decree No. 1,009 issued by the Ministry of Finance, published in the Official Gazette on December 23, 1978, as renewed by Decree No. 1,554 dated October 28, 2019 and published in the Official Gazette on December 18, 2019; (B) 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 and pursuant to Ordinary

Resolution No. 2741 issued by the Ministry of Finance on November 26, 2020; (C) authorization granted by the Minister of Finance to the Company to issue the Securities, pursuant to Decree Law No. 1,350 of 1976, as amended and pursuant to Ordinary Resolution No. 2796 issued by the Ministry of Finance on December 4, 2020; and (D) 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;

(vii) neither the execution and delivery of the Indenture 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) Decree Law No. 1,350 of 1976, as amended from time to time, and the Company's by-laws, as restated in Decree No. 3 of January 13, 2012 and published in the Official Gazette on July 4, 2012, 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;

(viii) pursuant to Article 52 of the Organic Law of the Central Bank of Chile and 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;

(ix) except as disclosed in each of the Time of Sale 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 Indenture, the issuance or sale by the Company of the Securities or the enforcement of the Securities, other than (i) a 0.8% 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. If thin capitalization rules apply, as described in the Time of Sale Memorandum and the Final Memorandum, such interest payments would be subject to a 35% penalty tax that would be payable by the Company. The withholding tax applicable to the interest payments made by the Company can be credited against such 35% penalty tax. Payments of fees, compensations and reimbursement of costs contemplated in this Agreement or in the Indenture, 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%; *provided, however,* that any such payment (A) is exempted from withholding tax if it is deemed a "*comisión mercantil*" pursuant to the Commercial Code of Chile and the interpretation of the Chilean Internal Revenue Service (*Servicio de Impuestos Internos*, or the "**SII**") or (B) subject to a 15% withholding tax if it is deemed payment for a professional or technical assistance service, *provided* that the payment is not made to a party organized, domiciled or resident in one of the countries which falls under the scope of article 41H of the Chilean Income Tax Law. The withholding tax rate applicable to payments of fees, compensation, services and reimbursement of costs to a person not domiciled in, or resident of, Chile may be reduced or may be exempted if there is a double taxation treaty in force between Chile and the country of such person's residency that contemplates a reduced or exempt regime applicable to such payments;

(x) none of the holders of the Securities, the Initial Purchasers or the Trustee 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 Indenture or the Securities, assuming that none of such persons is domiciled or is a resident of Chile or has a permanent establishment in Chile;

(xi) the choice of law provisions set forth in Section 15 hereof, in the Indenture 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 the choice of New York law as the proper law of this Agreement, of the Indenture 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 been empowered by Decree No. 1,009 issued by the Ministry of Finance, published in the Official Gazette on December 23, 1978, as renewed by Decree No. 1,554 dated October 28, 2019 and published in the Official Gazette on December 18, 2019, to submit, and has irrevocably submitted, to the non-exclusive jurisdiction of the New York courts and has validly and irrevocably appointed Cogency Global Inc. as its authorized agent for the purpose described in Section 14 hereof, in the Indenture 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 Indenture 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 Indenture 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 Indenture or the Securities, subject only to the conditions and qualifications described in each of the Time of Sale

Memorandum and the Final Memorandum under the caption "Enforceability of Civil Liabilities";

(xii) the Company has validly and irrevocably waived, pursuant to Section 17 hereof and to the provisions of the Indenture 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 Indenture and the Securities to which it may be entitled or become entitled whether or not claimed, including sovereign immunity, except that (i) for the attachment and judicial sale of mining concessions and installations and other goods permanently dedicated to exploration or extraction of minerals relating to such mining concessions, except with respect to mortgages, the consent of the Company will be required and shall be given in the same judicial proceeding in which the attachment and sale is sought (as set forth in article 226 of the Mining Code of Chile); and (ii) pursuant to the Chilean Constitution, the mining concessions corresponding to mining deposits exploited by the Company upon its creation in 1976 cannot be subject to attachment nor to any act of disposition by the Company. Each such waiver is binding under Chilean law and remains in full force and effect; and

(xiii) this Agreement, the Indenture 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 Trustee and to ensure the legality, validity, enforceability or admissibility in evidence of any of this Agreement, the Indenture and the Securities, and except for their translation into Spanish for their presentation to a Chilean court and subject to the payment of the applicable stamp tax, if any (and applicable readjustments and 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 Lorena Ferreiro Vidal, General Counsel of the Company, to furnish to the Representatives her opinion, dated the Closing Date and addressed to the Representatives, substantially to the effect that:

(i) the Company has been duly created and is validly existing as a state-owned company 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 each of the Time of Sale Memorandum and the Final Memorandum, and is duly qualified to do business under the laws of each jurisdiction which requires such qualification;

(ii) the Indenture 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, liquidation, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally and general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law); and the Securities have been duly and validly authorized and, when executed and authenticated in accordance with the provisions of the Indenture 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 Indenture (subject, as to the enforcement of remedies, to applicable bankruptcy, liquidation, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally and general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law);

(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 each of the Time of Sale 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), earnings, 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 Indenture or the Securities or to consummate the transactions contemplated in each of the Time of Sale Memorandum and the Final Memorandum;

(iv) the Company has an authorized capitalization as set forth in each of the Time of Sale Memorandum and the Final Memorandum under the heading "Capitalization"; and all the outstanding shares of capital stock or other equity interests of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party;

(v) such counsel has no reason to believe that (i) at the Execution Time, the Time of Sale Memorandum contained any untrue statement of a material fact or omitted 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 (ii) 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 its obligations under this Agreement and the Indenture 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 Indenture 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, the Time of Sale Memorandum 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: (A) 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, and pursuant to Decree No. 1,009 issued by the Ministry of Finance, published in the Official Gazette on December 23, 1978, as renewed by Decree No. 1,554 dated October 28, 2019 and published in the Official Gazette on December 18, 2019; (B) 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 and pursuant to Ordinary Resolution No. 2741 issued by the Ministry of Finance on November 26, 2020; (C) authorization granted by the Minister of Finance to the Company to issue the Securities, pursuant to Decree Law No. 1,350 of 1976, as amended and pursuant to Ordinary Resolution No. 2796 issued by the Ministry of Finance on December 4, 2020; and (D) 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;

(viii) pursuant to Article 52 of the Organic Law of the Central Bank of Chile and 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;

(ix) neither the execution and delivery of the Indenture 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 any of its subsidiaries pursuant to: (i) any provision of applicable law; (ii) Decree Law No. 1,350 of 1976, as amended from time to time, and the Company's by-laws, as restated in Decree No. 3 of January 13, 2012, 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;

(x) the statements in each of the Time of Sale Memorandum and the Final Memorandum under the captions "Presentation of Financial and Statistical Information", "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 costs, including 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 Operations—Labor disruptions involving CODELCO's employees or the employees of its independent contractors could affect CODELCO's production levels and costs", "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO is subject to an extensive labor reform law promulgated by the Government of Chile that could affect its business and operating results in the future", "Risk Factors—Risks Relating to CODELCO's Relationship with the Government of Chile", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Nine Months Ended September 30, 2019 and 2020—Other expenses", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Nine Months Ended September 30, 2019 and 2020—Foreign exchange differences", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Nine Months Ended September 30, 2019 and 2020—Income tax expense", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Three Years Ended December 31, 2019—Other expenses", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Three Years Ended December 31, 2019—Income tax expense", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Distributions to the Chilean Treasury", "Regulatory Framework", "Management", "Related Party Transactions", "Foreign Investment and Exchange Controls in Chile" and "Taxation—Chilean Taxation", insofar as such statements constitute summaries of Chilean legal matters, documents or proceedings referred to therein, fairly summarized the matters therein;

(xi) 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 each of the Time of Sale Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto);

(xii) 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), earnings, 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;

(xiii) 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 (i) such as are set forth in or contemplated by each of the Time of Sale Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto) or (ii) where the failure to have good title would not have a current or prospective material adverse effect on the condition (financial or otherwise), earnings, 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 each of the Time of Sale Memorandum and the Final Memorandum, are in full force and effect, except (i) 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), earnings, 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) such as are set forth in or contemplated by each of the Time of Sale 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 (i) 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), earnings, 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) such as are set forth in or contemplated by each of the Time of Sale Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto);

(xiv) the choice of law provisions set forth in Section 15 hereof, in the Indenture 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 the choice of New York law as the proper law of this Agreement, of the Indenture 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 been empowered by Decree No. 1,009 issued by the Ministry of Finance, published in the Official Gazette on December 23, 1978, as renewed by Decree No. 1,554 dated October 28, 2019 and published in the Official Gazette on December 18, 2019, to submit, and has irrevocably submitted, to the non-exclusive jurisdiction of the New York courts and has validly and irrevocably appointed Cogency Global Inc. as its authorized agent for the purpose described in Section 14 hereof, in the Indenture 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 Indenture 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 Indenture 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 Indenture or the Securities, subject only to the conditions and qualifications described in each of the Time of Sale Memorandum and the Final Memorandum under the caption “Enforceability of Civil Liabilities”;

(xv) 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 condition (financial or otherwise), earnings, 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;

(xvi) except as disclosed in each of the Time of Sale 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 Indenture, the issuance or sale by the Company of the Securities or the enforcement of the Securities, other than (i) a 0.8% stamp tax on the incurrence of the indebtedness evidenced by the Securities, which willbe 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. If thin capitalization rules apply, as described in the Time of Sale Memorandum and the Final Memorandum, such interest payments would be subject to a 35% penalty tax that would be payable by the Company. The withholding tax applicable to the interest payments made by the Company can be credited against such 35% penalty tax. Payments of fees, compensations and reimbursement of costs contemplated in this Agreement or in the Indenture, 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%; *provided*, *however*, that any such payment (A) is exempted from withholding tax if it is deemed a "*comisión mercantil*" pursuant to the Commercial Code of Chile and the interpretation of the SII or (B) subject to a 15% withholding tax if it is deemed payment for a professional or technical assistance service, *provided* that the payment is not made to a party organized, domiciled or resident in one of the countries which falls under the scope of article 41H of the Chilean Income Tax Law. The withholding tax rate applicable to payments of fees, compensation, services and reimbursement of costs to a person not domiciled in, or resident of, Chile may be reduced or may be exempted if there is a double taxation treaty in force between Chile and the country of such person's residency that contemplates a reduced or exempt regime applicable to such payments;

(xvii) none of the holders of the Securities, the Initial Purchasers or the Trustee 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 Indenture or the Securities, assuming that none of such persons is domiciled or is a resident of Chile or has a permanent establishment in Chile;

(xviii) the Company has validly and irrevocably waived pursuant to Section 17 hereof and to the provisions of the Indenture 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 Indenture and the Securities that it may be entitled or become entitled whether or not claimed, including sovereign immunity, except that (i) for the attachment and judicial sale of mining concessions and installations and other goods permanently dedicated to exploration or extraction of minerals relating to such mining concessions, except with respect to mortgages, the consent of the Company will be required and shall be given in the same judicial proceeding in which the attachment and sale is sought (as set forth in article 226 of the Mining Code of Chile); and (ii) pursuant to the Chilean Constitution, the mining concessions corresponding to mining deposits exploited by the Company upon its creation in 1976 cannot be subject to attachment nor to any act of disposition by the Company. Each such waiver is binding under Chilean law and remains in full force and effect; and

(xix) this Agreement, the Indenture 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 Trustee and to ensure the legality, validity, enforceability or admissibility in evidence of any of this Agreement, the Indenture and the Securities, and except for their translation into Spanish for their presentation to a Chilean court and subject to the payment of the applicable stamp tax, if any (and applicable readjustments and 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 Representatives shall have received from Davis Polk & Wardwell LLP, U.S. counsel for the Representatives, such opinion or opinions, dated the Closing Date and addressed to the Representatives, with respect to the issuance and sale of the Securities, the Indenture, the Time of Sale Memorandum and the Final Memorandum (as amended or supplemented at the Closing Date) and other related matters as the

Representatives 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 Representatives shall have received from Philippi, Prietocarrizosa Ferrero DU & Uría, Chilean counsel for the Representatives, such opinion or opinions, dated the Closing Date and addressed to the Representatives, with respect to the issuance and sale of the Securities, the Indenture, the Time of Sale Memorandum, the Final Memorandum (as amended or supplemented at the Closing Date) and other related matters as the Representatives 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 Representatives a certificate of the Company, signed by the Head of Finance of the Company, dated the Closing Date, to the effect that the signatory of such certificate has carefully examined each of the Time of Sale Memorandum, 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 each of the Time of Sale Memorandum and 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), earnings, 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 each of the Time of Sale Memorandum and 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 Deloitte Auditores y Consultores Ltda., independent audit firm with respect to the Company, to furnish to the Representatives letters, dated respectively as of the Execution Time and as of the Closing Date, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the full-year 2017, 2018 and 2019 financial statements, the interim unaudited consolidated financial statements as of and for the nine months ended September 30, 2019 and September 30, 2020, and certain financial and other information contained in each of the Preliminary Memorandum and the Final Memorandum; *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 thereof.

References to the Final Memorandum in this Section **Error! Reference source not found.** include any amendment or supplement thereto at the date of the applicable letter.

(i) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in each of the Time of Sale Memorandum and 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 **Error! Reference source not found.** 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 Time of Sale Memorandum and 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 Representatives, 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 Time of Sale Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto).

(j) Subsequent to the Execution Time, there shall not have been any decrease in the rating accorded the Company or any of the Company's foreign-currency denominated debt securities by any "nationally recognized statistical rating organization" (as such term is defined in Section 3(a)(62) of the Exchange 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.

(k) At the Execution Time and on the Closing Date, the Representatives shall have received a written certificate executed by the Chief Financial Officer of the Company, in form and substance reasonably satisfactory to the Representatives, with respect to certain financial information contained in the Offering Memorandum.

(l) Prior to the Closing Date, the Company shall have furnished to the Representatives such further information, certificates and documents as the Representatives 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 Representatives 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 Representatives. 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, Davis Polk & Wardwell LLP, at 450 Lexington Avenue, New York, New York 10017, on the Closing Date.

7. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless each Initial Purchaser, the directors, officers, employees, affiliates 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 any 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 Time of Sale Memorandum, any Additional Written Offering Communication prepared by or on behalf of, used by, or referred to by the Company, any "road show" as defined in Rule 433(h) under the Act (a "road show"), or the Final Memorandum or any information provided by the Company to any holder or prospective purchaser of Securities pursuant to Section 5(j), 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 Time of Sale Memorandum or the Final Memorandum, or in any amendment thereof or supplement thereto, or in any Additional Written Offering Communication, in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Initial Purchasers through the Representatives specifically for inclusion therein.

(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 Representatives specifically for inclusion in the Time of Sale Memorandum, road show or the Final Memorandum (or in any amendment or supplement thereto). The indemnity agreement under this Section 7 will be in addition to any liability which any Initial Purchaser may otherwise have. The Company acknowledges that (i) the names of the Representatives set forth on the cover page, (ii) the statements set forth in the last paragraph of the cover page regarding delivery of the Securities and (iii) under the heading "Plan of Distribution": (A) the names of the Representatives and the amounts in the table, (B) the single sentence following the second full paragraph regarding the purchase price, (C) the fifth sentence of the eighth paragraph regarding market making activities, (D) the ninth paragraph related to stabilization and syndicate covering transactions and (E) the third sentence of the eleventh paragraph regarding hedging activity, constitute the only information furnished in writing by or on behalf of the Initial Purchasers for inclusion in the Time of Sale Memorandum or the Final Memorandum (or in any amendment or supplement thereto).

(c) Promptly after receipt by an indemnified party under this Section 7 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 7, 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 paragraphs (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 substantive 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 paragraphs (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 paragraphs (a) or (b) of this Section 7 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 that 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, (i) 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, (ii) the intent of the parties and (iii) 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 7, each person who controls an Initial Purchaser within the meaning of either the Act or the Exchange Act and each director, officer, employee, affiliate 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). Notwithstanding the provisions of this Section 7, no Initial Purchaser shall be required to contribute any amount in excess of the discounts received by such Initial Purchaser in connection with the Securities distributed by it. The Initial Purchasers' obligations to contribute pursuant to this Section 7 are several, and not joint, in proportion to their respective commitments as set forth opposite their names in SCHEDULE I.

8. 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 8, the Closing Date shall be postponed for such period, not exceeding five Business Days, as the Representatives 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.

9. Termination. This Agreement shall be subject to termination in the absolute discretion of the Representatives, 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) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) 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 (iv) 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 Representatives, impracticable or inadvisable to proceed with the offering, sale or delivery of the Securities as contemplated by this Agreement, the Time of Sale Memorandum and the Final Memorandum (exclusive of any amendment or supplement thereto).

10. Representations, Covenants 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 7 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 5(p) and 7 hereof shall survive the termination or cancellation of this Agreement.

11. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Initial Purchaser that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Initial Purchaser of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S.

Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Initial Purchaser that is a Covered Entity or a BHC Act Affiliate of such Initial Purchaser becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Initial Purchaser are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

12. Notices. All communications hereunder will be in writing and effective only upon receipt, and, if sent to the Representatives, will be mailed, delivered or telefaxed to BofA Securities, Inc., 1540 Broadway, NY8-540-26-02, New York, NY 10036, Facsimile: (646) 855-5958, Attention: High Grade Transaction Management/Legal, dg.hg_ua_notices@bofa.com; J.P. Morgan Securities LLC (fax no.: 212-834-6326), 383 Madison Avenue, New York, New York 10179, Attention: Latin America Debt Capital Markets; Mizuho Securities USA LLC, 1271 Avenue of the Americas, New York, New York 10020 (fax no.: 212-205-7812), Attention: Debt Capital Markets; and Scotia Capital (USA) Inc. (email: us.legal@scotiabank.com), 250 Vesey Street, New York, New York 10281, Attention: Debt Capital Markets, or, if sent to the Company, will be mailed, delivered or telefaxed to the Corporación Nacional del Cobre de Chile, c/o Lorena Ferreiro Vidal, General Counsel (fax no.: 562-2690-3021) Huérfanos 1270, Santiago, Chile, Attention: 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 7 hereof, and, except as expressly set forth in Section 5(j) 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, affiliates 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 New York state or U.S. federal court located in the Borough of Manhattan, 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 Cogency Global Inc. 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, affiliates 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, affiliates and agents of any Initial Purchaser, or by any person who controls any Initial Purchaser, in any court of competent jurisdiction in Chile. The Company hereby irrevocably waives trial by jury in any legal action or proceeding relating to this Agreement and for any counterclaim relating thereto. The Company acknowledges that each Initial Purchaser is entering into this Agreement in reliance upon such waiver.

15. Applicable Law. This Agreement and any claim, controversy or dispute arising under or related to 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 (i) for the attachment and judicial sale of mining concessions and installations and other goods permanently dedicated to exploration or extraction of minerals relating to such mining concessions, except with respect to mortgages, the consent of the Company will be required and shall be given in the same judicial proceeding in which the attachment and sale is sought (as set forth in article 226 of the Mining Code of Chile); and (ii) pursuant to the Chilean Constitution, the mining concessions corresponding to mining deposits exploited by the Company upon its creation in 1976 cannot be subject to attachment nor to any act of disposition by the Company. 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 Indenture), 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 pay such additional amounts as may be necessary so that the full amount of such payment is received by the Initial Purchasers, except that no additional amounts shall be paid with respect to any such taxes, levies, imposts, duties, fees, assessments or charges (i) imposed by reason of an Initial Purchaser having some connection with the jurisdiction imposing the tax other than solely as a result of its participation as an Initial Purchaser hereunder or (ii) imposed by virtue of an Initial Purchaser's failure to comply with any certification, identification or other reporting requirement, if such compliance is required under applicable law as a precondition to relief or exemption from such taxes, levies, imposts, duties, fees, assessments or charges.

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. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

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, New York, U.S.A. or Santiago, Chile.

"**BHC Act Affiliate**" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"**Chile**" shall mean the Republic of Chile.

"**Commission**" shall mean the Securities and Exchange Commission.

"**Covered Entity**" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"**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 7:45 P.M., New York City time, on December 7, 2020.

"**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.

"**U.S. Special Resolution Regime**" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations 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: Alejandro Sanhueza Diaz
Title: Head of Finance

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

BofA Securities, Inc.

By:______________________
Name: Maxim Volkov
Title: Managing Director

For themselves and the other several
Initial Purchasers named in
Schedule I to the foregoing Agreement.

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

J.P. Morgan Securities LLC

By: /s/ A Silva-Klarish

Name: Ana Silva-Klarish
Title: Executive Director

For themselves and the other several
Initial Purchasers named in
Schedule I to the foregoing Agreement.

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

Mizuho Securities USA LLC

By:__________________________
Name: Rodrigo Garcia de Leon
Title: Executive Director

For themselves and the other several
Initial Purchasers named in
Schedule I to the foregoing Agreement.

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

Scotia Capital (USA) Inc.

By:______________________

Name: Elsa Wang

Title: Managing Director & Head

For themselves and the other several
Initial Purchasers named in
Schedule I to the foregoing Agreement.

SCHEDULE I

Initial Purchasers	Principal Amount of Securities to be Purchased
BofA Securities, Inc.	U.S.$125,000,000
J.P. Morgan Securities LLC	U.S.$125,000,000
Mizuho Securities USA LLC	U.S.$125,000,000
Scotia Capital (USA) Inc.	U.S.$125,000,000
Total	U.S.$500,000,000

SCHEDULE II

Time of Sale Memorandum

1. Preliminary Memorandum, dated December 7, 2020.

2. Pricing Term Sheet, dated December 7, 2020.

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 or to, or for the account or benefit of, U.S. persons 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, severally and not jointly, represents, warrants and agrees that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities which are the subject of the offering contemplated by the Offering Memorandum in circumstances in which Section 21(1) of the FSMA does not apply to the Company;

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and

(c) it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any notes to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

A. the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"); and

B. the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes.

For purposes of this provision, the expression “Prospectus Directive” means Directive 2003/71/EC (including Directive 2010/73/EU) and includes any relevant implementing measure in any Member State of the European Economic Area.

EXHIBIT B

Corporación Nacional del Cobre de Chile

U.S.$500,000,000 3.150% Notes due 2051

<u>Pricing Term Sheet</u>

Issuer:	Corporación Nacional del Cobre de Chile
Security Description:	3.150% Notes due 2051 (the "Notes")
Type of Offering:	Rule 144A / Regulation S
Size:	U.S.$500,000,000
Maturity Date:	January 15, 2051
Coupon:	3.150%
Price to Public:	99.554% of principal amount, plus accrued interest, if any, from December 14, 2020
Yield to Maturity:	3.173%
Spread to Benchmark Treasury:	+148 bps
Benchmark Treasury:	1.375% due August, 2050
Benchmark Treasury Price and Yield:	92-19; 1.693%
Gross Proceeds to Issuer:	U.S.$497,770,000
Interest Payment Dates:	July 15 and January 15, of each year, commencing July 15, 2021
Trade Date:	December 7, 2020
Settlement Date:	December 14, 2020 (T+5)
Optional Redemption:	Make-whole Call: Prior to July 15, 2050 (the date that is six months prior to the maturity date), at T+25 bps Par Call: On or after July 15, 2050 (the date that is six months prior to the maturity date)

Tax Redemption:	In the event of certain changes in the withholding tax treatment relating to payments on the Notes, redeemable in whole but not in part, at 100% of their principal amount, plus accrued and unpaid interest to the date of redemption, and any additional amounts due thereon.
Additional Amounts:	In the event of withholding on account of certain taxes imposed by Chile, Issuer will pay additional amounts.
Day Count Convention:	30 / 360
Minimum Denominations:	U.S.$200,000 / U.S.$1,000
Expected Listing:	Luxembourg Euro MTF
Expected Ratings*:	A3 / A (Moody's / S&P)
Joint Book-Running Managers:	BofA Securities, Inc. J.P. Morgan Securities LLC Mizuho Securities USA LLC Scotia Capital (USA) Inc.
144A CUSIP / ISIN:	21987B BD9 / US21987BBD91
Regulation S CUSIP / ISIN:	P3143N BM5 / USP3143NBM58

***A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.**

Changes to the Preliminary Offering Memorandum dated December 7, 2020 (the "Preliminary Offering Memorandum"):

The Audited Annual Consolidated Financial Statements were inadvertently omitted from the Preliminary Offering Memorandum. Those financial statements are available in English on the "Investors" page of Codelco's website at: https://www.codelco.com/prontus_codelco/site/artic/20190530/asocfile/20190530130119/codelcoeeff_eng_31_12_2019.pdf and https://www.codelco.com/prontus_codelco/site/artic/20180525/asocfile/20180525113413/consolidated_financial_statements_dec31__2018_codelco_chile_subsidiarias.pdf

The Audited Annual Consolidated Financial Statements are hereby incorporated by reference into the Preliminary Offering Memorandum. References in the Preliminary Offering Memorandum to the Audited Annual Consolidated Financial Statements contained therein shall instead be to the Audited

Annual Consolidated Financial Statements so incorporated by reference. No information other than the Audited Annual Consolidated Financial Statements on Codelco's website shall be incorporated by reference into the Preliminary Offering Memorandum.

This communication is intended for the sole use of the person to whom it is provided by the sender.

The Notes have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and are being offered only (i) to qualified institutional buyers under Rule 144A of the Securities Act and (ii) outside the United States in compliance with Regulation S under the Securities Act.

Delivery of the Notes is expected on or about December 14, 2020 which will be the fifth business day following the date of pricing of the Notes (this settlement cycle being referred to as "T+5"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade Notes prior to their date of delivery hereunder should consult their own advisor.

The information in this term sheet supplements the Preliminary Offering Memorandum and supersedes the information in the Preliminary Offering Memorandum to the extent inconsistent with the information in the Preliminary Offering Memorandum. This term sheet should be read in conjunction with the Preliminary Offering Memorandum.

ANY DISCLAIMER OR OTHER NOTICE THAT MAY APPEAR BELOW IS NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMER OR NOTICE WAS AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT BY BLOOMBERG OR ANOTHER E-MAIL SYSTEM.

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) (WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”)) OR (2) NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OUTSIDE THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the Offering Memorandum following this page, and you are advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications thereto any time you receive any additional information from us.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS. THE OFFERING MEMORANDUM AND THE OFFER OF THE NOTES ARE ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM WHO ARE “QUALIFIED INVESTORS” AS DEFINED IN REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”). NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA, HAS BEEN PREPARED AND THEREFORE THE OFFERING OR SELLING OF THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION. THIS COMMUNICATION IS ONLY BEING DISTRIBUTED TO AND IS ONLY DIRECTED AT (I) PERSONS WHO ARE OUTSIDE THE UNITED KINGDOM, (II) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED, (III) FALL WITHIN ARTICLES 19(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY NOTES MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER REFERRED TO AS “RELEVANT PERSONS”). THE NOTES ARE ONLY AVAILABLE TO, AND ANY INVITATION, OFFER OR AGREEMENT TO SUBSCRIBE, PURCHASE OR OTHERWISE ACQUIRE SUCH NOTES ARE ONLY AVAILABLE TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Offering Memorandum or make an investment decision with respect to the securities, investors must be either (1) QIBs or (2) non-U.S. persons (within the meaning of Regulation S under the Securities Act) outside the United States. This Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this Offering Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons (within the meaning of Regulation S under the Securities Act) and (2) you consent to the delivery of such Offering Memorandum by electronic transmission.

You are reminded that this Offering Memorandum has been delivered to you on the basis that you are a person into whose possession this Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the issuer in such jurisdiction.

The following Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the initial purchasers, nor any person who controls them nor any of their directors, officers, employees nor any of their agents nor any affiliate of any such person accept any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.

OFFERING MEMORANDUM **Strictly Confidential**

Corporación Nacional del Cobre de Chile
U.S.$500,000,000 3.150 % Notes due 2051

The notes (the "notes") will bear interest at the rate of 3.150% per year and will mature on January 15, 2051. The interest on the notes will be payable semi-annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2021.

We may redeem the notes at our option, in whole or in part, at any time and from time to time prior to the date that is six months prior to the maturity date, at a redemption price equal to the greater of 100% of the outstanding principal amount of the notes to be redeemed and a redemption price based on a "make-whole" premium, plus accrued and unpaid interest to the date of redemption. In addition, we may redeem the notes at our option, in whole or in part, at any time and from time to time, beginning on the date that is six months prior to the maturity date, at a redemption price equal to 100% of the outstanding principal amount of the notes to be redeemed, plus accrued and unpaid interest to the date of redemption. Upon the occurrence of specified events relating to Chilean tax law, we may redeem the notes in whole, but not in part, at 100% of their principal amount, plus accrued and unpaid interest to the date of redemption. See "Description of Notes—Tax Redemption" and "—Optional Redemption".

The notes will constitute direct, general, unconditional, unsecured and unsubordinated obligations of Corporación Nacional del Cobre de Chile ("CODELCO" or the "Company"). The notes rank and will rank without any preference among themselves and equally with all other unsubordinated and unsecured obligations of CODELCO, other than certain obligations granted preferential treatment pursuant to Chilean law. It is understood that this provision will not be construed so as to require CODELCO to make payments under the notes ratably with payments being made under any other obligations. See "Description of Notes—Ranking."

We intend to apply to list the notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market of the Luxembourg Stock Exchange; however, the notes have not yet been listed. Currently, there is no public market for the notes.

See "Risk Factors" beginning on page 16 for a discussion of certain risks that you should consider in connection with an investment in the notes.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this offering memorandum. Any representation to the contrary is a criminal offense.

The notes have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, and are being offered and sold only to (i) qualified institutional buyers under Rule 144A under the Securities Act and (ii) persons outside the United States under Regulation S under the Securities Act. For a description of certain restrictions on the transfer of the notes, see "Transfer Restrictions" and "Plan of Distribution."

The notes are being offered pursuant to an exemption from the requirement to publish a prospectus under Regulation (EU) 2017/1129 (as amended and supplemented from time to time, the "Prospectus Regulation"), of the European Union, and this offering memorandum has not been approved by a competent authority within the meaning of the

cover page continues to this page

Prospectus Regulation. The notes are not intended to be offered, sold, or otherwise made available to and should not be offered, sold, or otherwise made available to any retail investor in the European Economic Area.

Concurrently with this offering, we are launching a cash tender offer for (a) any and all (the "Any and All Offer") of our outstanding (i) U.S.$226,981,000 aggregate principal amount of 3.875% Notes due 2021 (the "2021 Notes"), (ii) U.S.$412,475,000 aggregate principal amount of 3.000% Notes due 2022 (the "2022 Notes"), and (iii) U.S.$465,871,000 aggregate principal amount of 4.500% Notes due 2023 (the "2023 Notes" and, together with the 2021 Notes and the 2022 Notes, the "Any and All Notes") and (b) up to an aggregate principal amount not to exceed the lesser of (x) U.S.$700,000,000 and (y) the difference between U.S.$1,105,327,000, which is the aggregate maximum principal amount of the Any and All Offer, and the aggregate principal amount of the Any and All Notes validly tendered and accepted for purchase in the Any and All Tender Offer (the "Maximum Tender Offer" and, together with the Any and All Offer, the "Tender Offers") of (i) U.S.$1,068,601,000 aggregate principal amount of 4.500% Notes due 2025 (the "2025 Notes") and (ii) U.S.$1,500,000,000 aggregate principal amount of 3.625% Notes due 2027 (the "2027 Notes" and, together with the 2025 Notes and the Any and All Notes, the "Tender Notes"), in each case, validly tendered and accepted by us on or before the expiration date of the applicable Tender Offer. We intend to use the net proceeds from the sale of the notes (i) to pay the consideration for the Tender Offers and accrued and unpaid interest on the Tender Notes, (ii) to pay fees and expenses incurred in connection with the Tender Offers and (iii) the remainder, if any, for general corporate purposes. The Tender Offers are not being made pursuant to this offering memorandum. The closing of the Tender Offers is contingent upon the closing of this offering.

Issue price per note: 99.554% plus accrued interest, if any, from December 14, 2020.

The notes will be delivered in book-entry form only through the facilities of The Depository Trust Company ("DTC") and its direct and indirect participants, including Euroclear Bank S.A./N.V. ("Euroclear"), as operator of the Euroclear system, and Clearstream Banking, S.A., Luxembourg ("Clearstream") on or about December 14, 2020.

Joint Book-Running Managers

BofA Securities **J.P. Morgan** **Mizuho Securities** **Scotiabank**

The date of this offering memorandum is December 7, 2020.

We have not, and the initial purchasers have not, authorized anyone to provide any information other than that contained in this offering memorandum. We and the initial purchasers take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the initial purchasers are not, making an offer of these securities in any jurisdiction where the offer is not permitted. Prospective investors should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.

After having made all reasonable inquiries, we confirm that (i) the information contained in this offering memorandum is true and accurate in all material respects, (ii) the opinions and intentions expressed herein are honestly held and (iii) there are no other facts the omission of which would make this offering memorandum as a whole, or any of such information or the expression of any such opinions or intentions, misleading. CODELCO accepts responsibility accordingly.

Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to "CODELCO," the "Company," "we," "our," "ours," "us" or similar terms refer to Corporación Nacional del Cobre de Chile (CODELCO) together with its subsidiaries.

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The notes may not be offered or sold, directly or indirectly, in the Republic of Chile ("Chile") or to any resident of Chile, except as permitted by applicable Chilean law.

This offering memorandum has been prepared by CODELCO solely for use in connection with the proposed offering of the securities described herein. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, securities. We and the initial purchasers reserve the right to reject for any reason any offer to purchase any of the notes.

This offering memorandum may only be used for the purposes of this offering.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future. CODELCO has furnished the information contained in this offering memorandum.

In making an investment decision, prospective investors must rely on their own examination of CODELCO and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the securities under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors (i) upon request to CODELCO or the initial purchasers and (ii) at the office of the paying agent.

IN CONNECTION WITH THIS OFFERING, BOFA SECURITIES, INC., J.P. MORGAN SECURITIES LLC, MIZUHO SECURITIES USA LLC, SCOTIA CAPITAL (USA) INC., OR ANY PERSON ACTING FOR ANY OF THEM, MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION FOR BOFA SECURITIES, INC., J.P. MORGAN SECURITIES LLC, MIZUHO SECURITIES USA LLC, SCOTIA CAPITAL (USA) INC., OR ANY PERSON ACTING FOR ANY OF THEM, TO DO THIS. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD.

You must: (i) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the notes; and (ii) obtain any consent, approval or permission required to be obtained by you for the purchase, offer or sale by you of the notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales; neither we nor the initial purchasers shall have any responsibility therefor.

The notes are subject to restrictions on resale and transfer as described under "Transfer Restrictions." By purchasing the notes, you will be deemed to have made certain acknowledgments, representations and agreements as described under "Transfer Restrictions." You may be required to bear the financial risks of investing in the notes for an indefinite period of time.

The price and amount of the notes to be issued under the offering memorandum will be determined by the Issuer and the initial purchasers at the time of issue in accordance with prevailing market conditions.

You acknowledge that:

- you have been afforded an opportunity to request from us, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum;

- you have not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with your investigation of the accuracy of such information or your investment decision;

- you have made your own assessment concerning the relevant tax, legal, currency and other considerations relevant to investment in the notes;

- you have sufficient knowledge and experience to be capable of evaluating the merits and risks of a prospective investment in the notes; and

- no person has been authorized to give any information or to make any representation concerning us or the notes, other than as contained in this offering memorandum and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or the initial purchasers.

This offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order, (iii) are outside the United Kingdom (the "UK"), or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this offering memorandum or any of its contents.

The notes are not intended to be offered, sold, or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where the customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA or in the UK, has been prepared and therefore the offering or selling of the notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

See "Risk Factors" beginning on page 16 for a description of certain risks you should consider before investing in the notes.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements. We may from time to time make forward-looking statements in (i) our annual report; (ii) prospectuses, press releases and other written materials; or (iii) oral statements made by our officers, directors or employees to analysts, institutional investors, representatives of the media and others. Examples of these forward-looking statements include:

- projections of revenues, profit (loss), capital expenditures, dividends, capital structure or other financial items or ratios;

- statements of our plans, objectives or goals, including those relating to anticipated trends, competition, regulation and rates;

- statements about our future economic performance or that of Chile or other countries in which we have investments; and

- statements of assumptions underlying these statements.

Words such as "believe," "could," "may," "will," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "potential," "guideline," "should" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in these forward-looking statements. These factors, some of which are discussed under "Risk Factors," include economic and political conditions and government policies in Chile or elsewhere, inflation rates, exchange rates, regulatory developments and changes in Chilean law, customer demand, competition, unanticipated mining and production problems, commodity prices, relations with employees and contractors, variances in ore grade, adverse weather conditions, natural disasters and the duration and severity of the recent outbreak of coronavirus ("COVID-19") and its potential impact on our business. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements.

You are cautioned not to place undue reliance on these forward-looking statements which reflect our views only as of the date they are made, and we do not undertake any obligation to update them or publicly to release the result of any revisions to these forward-looking statements in light of new information or future developments after the date of this offering memorandum.

ENFORCEABILITY OF CIVIL LIABILITIES

CODELCO is a state-owned enterprise organized under the laws of Chile. All of its directors and executive officers and certain experts named in this offering memorandum reside outside the United States (principally in Chile), and all or a substantial portion of the assets of CODELCO and of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States on, or bring actions or enforce foreign judgments against, CODELCO or such persons in U.S. courts. In addition, CODELCO has been advised by its Chilean counsel, Carey y Cía. Ltda., that no treaty exists between the United States and Chile for the reciprocal enforcement of foreign judgments. There is also doubt as to the enforceability in Chilean courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws. Chilean courts, however, have enforced judgments rendered in the United States by virtue of the legal principles of reciprocity and comity, subject to the review in Chile of the U.S. judgment in order to ascertain whether certain basic principles of due process and public policy have been respected, without reviewing the merits of the subject matter of the case. Lastly, CODELCO has been advised by Carey y Cía. Ltda. that there is doubt as to the enforceability in original actions in Chilean courts of liabilities predicated solely upon U.S. federal securities laws.

The notes, the indenture and the purchase agreement will provide that CODELCO will appoint the Chilean consul in New York City as its agent upon whom process may be served in any action arising out of or based upon, respectively, the notes, the indenture, the purchase agreement or the transactions contemplated thereby, which may be instituted in any federal or state court having "subject matter" jurisdiction. See "Description of Notes."

Pursuant to the Chilean Mining Code, mining concessions as well as certain raw materials and other property or assets permanently dedicated to the exploration or extraction of minerals cannot be subject to an order of attachment, except with respect to mortgages, in the case that the debtor consents to the attachment in the same enforcement proceeding or when the debtor is a stock corporation. In addition, pursuant to the Chilean constitution (the "Constitution"), mining concessions corresponding to mining deposits exploited by CODELCO upon its creation in 1976 cannot be subject to attachment nor to any act of disposition by CODELCO. As a result, the rights of holders to attach property of CODELCO in the event of a default under the notes would be limited by such provisions. See "Regulatory Framework—Mining Regulations."

PRESENTATION OF FINANCIAL AND STATISTICAL INFORMATION

In this offering memorandum, references to "U.S.$," "$," "U.S. dollars" and "dollars" are to United States dollars and references to "cents" are to United States cents (U.S.$0.01). References to "pesos" or "Ch$" are to Chilean pesos and references to "UF" are to "*Unidades de Fomento.*" References to "AUD" are to Australian dollars. References to "HKD" are to Hong Kong dollars. The UF is an inflation-indexed Chilean monetary unit that is linked to, and adjusted daily to reflect changes in, the Chilean consumer price index during the preceding 30 days. References to "euro" or "€" are to the legal currency of the European Economic and Monetary Union.

Pursuant to Circular N° 368 (*Oficio Circular N° 368*) of October 2006, as amended, of the *Comisión para el Mercado Financiero* (the Chilean securities authority, or "CMF"), since 2010, all companies with publicly traded securities in Chile have been required to prepare and report consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The audited consolidated financial statements as of and for the years ended December 31, 2017 and 2018 and the audited consolidated financial statements as of and for the years ended December 31, 2018 and 2019 included herein are referred to as the "2017-2018 Consolidated Financial Statements" and the "2018-2019 Consolidated Financial Statements," respectively. The 2017-2018 Consolidated Financial Statements and the 2018-2019 Consolidated Financial Statements (together, the "Audited Annual Consolidated Financial Statements") are presented in accordance with IFRS issued by the IASB.

The unaudited interim consolidated financial statements as of September 30, 2020 and for the nine-month periods ended September 30, 2019 and 2020 included herein (the "Unaudited Interim Consolidated Financial Statements") are presented in accordance with IAS 34 "Interim Financial Reporting." The Unaudited Interim Consolidated Financial Statements and the Audited Annual Consolidated Financial Statements are referred to together as the "Consolidated Financial Statements."

The accounting policies adopted in the preparation of the Unaudited Interim Consolidated Financial Statements are consistent with those applied in the preparation of the 2018-2019 Consolidated Financial Statements.

Unless otherwise indicated, the Consolidated Financial Statements and other financial information concerning CODELCO included herein are presented in U.S. dollars in conformity with Decree Law 1,350 of 1976, as amended by Law 20,392 published in the *Diario Oficial de la República de Chile* (the "Official Gazette") on November 14, 2009, and for periods after January, 1, 2009, in accordance with IFRS. Decree Law 1,350 is the Chilean law pursuant to which CODELCO was created and which provides for its governance.

Because the notes offered hereby have not been and will not be registered with the SEC, this offering memorandum does not and is not required to comply with the applicable requirements of the Securities Act, and the related rules and regulations adopted by the SEC, which would apply if the notes offered hereby were being registered with the SEC.

The U.S. dollar is the currency used in the primary economic environment in which CODELCO operates. Nevertheless, as an international company operating primarily in Chile, as well as in several other Latin American countries, several European countries and China, a portion of CODELCO's business is transacted in Chilean pesos and other non-dollar currencies.

The body of generally accepted accounting principles is commonly referred to as "GAAP." A non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows but: (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the issuer's statement of income, balance sheet or statement of cash flows (or equivalent statements); or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented.

In this offering memorandum, CODELCO discloses several non-GAAP financial measures, including "Adjusted EBIT," "Adjusted EBITDA," "cash cost," "total costs and expenses" and "financial debt." Adjusted EBIT is calculated by adding finance cost, impairment charges and income tax expense to profit (loss) for the period. 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. Impairments include charges and reversals related to charges of investment projects, research projects and investment in associates and joint ventures and exclude impairment charges related to definitely-lived tangible assets which show indicators of impairment under International Accounting Standard N° 36. Cash cost is calculated in accordance with the methodology specified by Brook Hunt & Associates for the determination of C1 cost (cash cost) and includes all direct cash costs of mining, including costs associated with extraction, leaching, smelting and further processing of copper ores into refined metal, as well as labor, electricity, diesel, finance costs, third-party services, other costs, transportation and physical plant costs associated with those processes, net of income from sales of byproducts. Cash cost is presented as a nominal dollar amount, usually expressed as cents per pound, and excludes provisions, amortization, depreciation and central office costs. Financial debt is calculated as loans from financial institutions plus bonds issued. Total debt to capitalization includes total financial debt divided by total financial debt plus total equity.

Adjusted EBIT and Adjusted EBITDA data are included in this offering memorandum because such data are used by investors to assess: (i) the operating trends and financial performance of the Company and (ii) the ability of the Company to (a) service its existing debt, (b) incur new debt and (c) fund its capital expenditures.

CODELCO believes that Adjusted EBIT and Adjusted EBITDA, while providing useful information, should not be considered in isolation or as a substitute for profit for the period as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity. Adjusted EBIT and Adjusted EBITDA are not measures of financial performance in accordance with IFRS. Additionally, CODELCO's calculation of Adjusted EBIT and Adjusted EBITDA may differ from the calculation used by other companies and, therefore, comparability may be affected.

Cash cost is disclosed in this offering memorandum because it is a widely used measure of costs in the mining industry. CODELCO believes that cash cost, while providing useful information, should not be considered in isolation or as a substitute for cost of sales, cost of selling and administrative expenses or as an indicator of costs. Cash cost is not a measure of financial performance in accordance with IFRS.

CODELCO also presents certain ratios and margins that are derived using Adjusted EBITDA, including the ratio of debt to Adjusted EBITDA, the Adjusted EBITDA coverage ratio and earnings to fixed charges (adjusted). CODELCO believes that these ratios are widely used by investors to measure our performance. In the section titled "Summary Consolidated Financial Data," CODELCO provides a reconciliation of Adjusted EBIT and Adjusted EBITDA to profit, along with the ratio of debt to Adjusted EBITDA, Adjusted EBITDA coverage ratios and ratio of earnings to fixed charges (adjusted), for the relevant periods.

Under the accounting policies adopted by CODELCO, gross profit is calculated before the provision for a 10% special export tax. Under Law N° 13,196 (the "Copper Reserve Law"), CODELCO is required to pay a special export tax on the sales revenues that CODELCO derives from the export of copper sourced and related byproducts produced by CODELCO. In addition, CODELCO is subject to a mining tax at progressive rates of between 5% and 14% in accordance with Law N° 20,026. These taxes are included in "other expenses" by function. See "Risk Factors—Risks Relating to CODELCO's Relationship with the Government of Chile—CODELCO is subject to special taxes" for additional information on these special taxes, including the mining tax rate effective for 2017, 2018 and 2019.

Certain figures included in this offering memorandum and in the Consolidated Financial Statements have been rounded for ease of presentation. Percentage figures included in this offering memorandum have in some cases been calculated on the basis of such figures prior to rounding. For this reason, certain percentage amounts in this offering memorandum may vary from those obtained by performing the same calculations using the figures in the Consolidated Financial Statements. Certain other amounts that appear in this offering memorandum may not sum due to rounding.

The Observed Exchange Rate (as defined herein under "Exchange Rates") reported by the Central Bank of Chile (i) as of January 2, 2018 was Ch$614.75 = U.S.$1.00; (ii) as of January 2, 2019 was Ch$694.77 = U.S.$1.00; (iii) as of September 30, 2019 was Ch$725.68 = U.S.$1.00; (iv) as of January 2, 2020 was Ch$748.74 = U.S.$1.00 and (v) as of September 30, 2020 was Ch$784.46 = U.S.$1.00. The Federal Reserve Bank of New York does not report a noon buying rate for Chilean pesos. See "Exchange Rates."

In this offering memorandum, all tonnage information is expressed in metric tons and all references to ounces are to troy ounces, in each case, unless otherwise specified. Except where otherwise noted, tonnage information in this offering memorandum does not include: (i) CODELCO's 49% direct share of the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra and 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Inc., or (ii) CODELCO's 20% share of Anglo American Sur S.A. ("Anglo American Sur"), unless otherwise specified. See "Business and Properties—Copper Production—Associations, Joint Ventures and Partnerships—SCM El Abra" and "—Anglo American Sur" for a description of these interests. Certain terms relating to the copper mining business are defined in "Glossary of Certain Mining Terms."

Market information regarding CODELCO's share of copper production, reserves and relative cost position has been derived by CODELCO from third-party sources, including reports from Brook Hunt & Associates, and from CODELCO's own industry research. Brook Hunt & Associates publishes periodic reports containing global copper production data and cost analysis by mine site. While CODELCO believes that its estimates are reliable, such estimates have not been confirmed by independent sources. The Consolidated Financial Statements do not necessarily reflect the value of CODELCO's mining concessions or its resources and reserves. Fair value of mining properties acquired through business combinations is reflected in the Consolidated Financial Statements when acquired.

As used in this offering memorandum, "Chuquicamata," "Radomiro Tomic," "Gabriela Mistral," "El Teniente," "Andina," "Salvador," "Mina Ministro Hales" and "Ventanas" refer to divisions of CODELCO, not the mines having those names, unless otherwise required by context.

As used in this offering memorandum, the term "billion" means one thousand million (1,000,000,000).

SUMMARY

This summary must be read as an introduction to this offering memorandum and any decision to invest in the notes should be based on a consideration of the offering memorandum as a whole.

The following summary is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this offering memorandum. Except as otherwise disclosed herein or indicated, financial information with respect to CODELCO provided in this offering memorandum has been presented in U.S. dollars and prepared in accordance with IFRS.

CODELCO is the world's largest copper producer and one of the largest companies in Chile in terms of revenues (U.S.$12.5 billion in 2019). As of December 31, 2019, CODELCO's total assets were U.S.$40.3 billion and equity amounted to U.S.$11.6 billion. As of September 30, 2020, CODELCO's total assets were U.S.$42.4 billion and equity amounted to U.S.$11.7 billion.

CODELCO engages primarily in the exploration, development and extraction of ores bearing copper and byproducts, the processing of ore into refined copper and the international sale of refined copper and byproducts. CODELCO is 100% owned by the Government of Chile and controls approximately 6% of the world's proved and probable copper reserves, as such terms are defined by the U.S. Geological Survey.

In 2019, CODELCO had an estimated 8.1% share of total world copper production, with production amounting to approximately 1.71 million metric tons, including: (i) CODELCO's share of the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra and owned 49% by CODELCO and 51% by Cyprus El Abra Corporation (a subsidiary of Freeport-McMoRan Inc.); and (ii) CODELCO's share of Anglo American Sur (of which CODELCO owns a 20% indirect share), and an estimated 8% share of the world's molybdenum production, with production amounting to approximately 22,353 metric tons excluding CODELCO's share of Anglo American Sur.

CODELCO's main commercial product is Grade A cathode copper. In 2019 and in the first nine months of 2020, CODELCO derived 91% of its total sales from copper and 9% of its total sales from byproducts of its copper production.

CODELCO's sales of copper in 2019 were geographically diversified, with approximately 49% of sales made to Asia, including approximately 35% to China, as well as approximately 37% to North and South America and 13% to Europe. CODELCO's top ten customers purchased approximately 41.5% of its total copper sales volume in 2019.

CODELCO's copper operations are divided into the following eight divisions:

- The El Teniente Division operates the El Teniente mine, which is the world's largest underground copper mine and has been in operation for more than 100 years. The El Teniente Division includes the Caletones smelter. In 2019, this division produced 459,744 metric tons of copper, or 26.9% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 100.7 cents per pound, compared to 106.5 cents per pound in 2018, and a total cash cost of U.S.$1.0 billion in 2019, compared to U.S.$1.1 billion in 2018. During the first nine months of 2020, this division produced 312,961 metric tons of copper with a cash cost of 102.4 cents per pound and a total cash cost of U.S.$699 million.

- The Radomiro Tomic Division operates the Radomiro Tomic mine, which began its first full year of production in 1998 and ranked among the world's top three largest producers of copper using SX-EW technology in 2018. In 2019, this division produced 266,415 metric tons of copper cathodes, or 15.6% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 154.3 cents per pound, compared to 134.1 cents per pound in 2018, and a total cash cost of U.S.$901 million in 2019 compared to U.S.$973 million in 2018. During the first nine months of 2020, this division produced 182,068 metric tons of copper with a cash cost of 144.7 cents per pound and a total cash cost of U.S.$577 million.

- The Chuquicamata Division operates the Chuquicamata mine, one of the largest copper-producing mines in the world, which began its operations in 1915 and currently includes smelting and refining capacities. In 2019, this division produced 385,309 metric tons of copper cathodes, or 22.6% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 120.5 cents per pound, compared to 131.5 cents per pound in 2018, and a total cash cost of U.S.$996 million in 2019, compared to U.S.$908 million in 2018. During the first nine months of 2020, this division produced 299,752 metric tons of copper with a cash cost of 104.7 cents per pound and a total cash cost of U.S.$675 million.

- The Mina Ministro Hales Division was created in 2010 for the operation of the Mina Ministro Hales ore body, which first began producing copper at the end of 2013. In 2019, this division produced 151,838 metric tons of copper, or 8.9% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 123.6 cents per pound, compared to 124.0 cents per pound in 2018, and a total cash cost of U.S.$400 million in 2019, compared to U.S.$517 million in 2018. During the first nine months of 2020, this division produced 112,801 metric tons of copper with a cash cost of 116.5 cents per pound and a total cash cost of U.S.$280 million.

- The Andina Division operates the Andina and Sur-Sur mines with production split among open-pit and underground mines. It does not have independent smelting capacity. Andina has been in operation since 1970. In 2019, this division produced 170,274 metric tons of copper, or 10.0% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 184.6 cents per pound, compared to 163.7 cents per pound in 2018, and a total cash cost of U.S.$669 million in 2019, compared to U.S.$682 million in 2018. During the first nine months of 2020, this division produced 142,334 metric tons of copper with a cash cost of 145.9 cents per pound and a total cash cost of U.S.$442 million.

- The Gabriela Mistral Division was created in 2013 and operates the Gabriela Mistral mine, which uses SX-EW technology. The Gabriela Mistral mine produced its first copper cathodes in 2008 after a 26-month construction period. In 2019, this division produced 104,087 metric tons of copper, or 6.1% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 231.8 cents per pound, compared to 191.9 cents per pound in 2018, and a total cash cost of U.S.$532 million in 2019, compared to U.S.$454 million in 2018. During the first nine months of 2020, this division produced 74,226 metric tons of copper with a cash cost of 188.0 cents per pound and a total cash cost of U.S.$308 million.

- The Salvador Division operates the Salvador mine and concentrator and the smelter/refinery complex at Potrerillos, which has the capacity to treat 671,000 metric tons of concentrate. In 2019, this division produced 50,561 metric tons of copper cathodes, or 3.0% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 232.7 cents per pound, compared to 223.5 cents per pound in 2018, and a total cash cost of U.S.$257 million in 2019, compared to U.S.$296 million in 2018. During the first nine months of 2020, this division produced 40,935 metric tons of copper with a cash cost of 199.8 cents per pound and a total cash cost of U.S.$179 million. Unless the Inca Pit project (as described below) enters the execution stage, CODELCO's Board of Directors has decided to phase out mining operations at the Salvador mine by the end of 2021, or sooner, if warranted by market and operational conditions, specifically marketability of its copper, cash costs and annual reviews of performance. The Potrerillos smelter and refinery would continue to operate upon any cessation of the mining operations at Salvador.

- The Ventanas Division was created in connection with the acquisition of the Ventanas smelter/refinery complex from Chile's state-owned mining company Empresa Nacional de Minería ("ENAMI") in 2005. In 2019, this division refined 376,400 metric tons of copper, compared to 409,049 metric tons of copper in 2018. During the first nine months of 2020, the Ventanas division refined 302,500 metric tons of copper. Pursuant to the terms of the acquisition, CODELCO is required to provide on market terms the necessary smelting and refining capacity for the treatment of copper concentrate delivered by the small- and medium-sized mining industry that ENAMI serves.

The Chuquicamata Division, the Radomiro Tomic Division, the Mina Ministro Hales Division and the Salvador Division form part of CODELCO's Northern Operations (*Operaciones Norte*). The Andina Division, the El Teniente Division and the Ventanas Division form part of CODELCO's Central Southern Operations (*Operaciones Centro Sur*). For a description of CODELCO's associations with other companies, see "Business and Properties—Copper Production—Associations, Joint Ventures and Partnerships."

Competitive Strengths

CODELCO believes that it has certain distinguishing competitive strengths:

- *Copper Reserves*. CODELCO controls approximately 6% of the world's proved and probable copper reserves. In 2019, CODELCO's proved and probable reserves represented at least 29 years of future production at current levels.

- *Market Presence*. CODELCO is the largest copper producer in the world, with an estimated 8.1% share of the total world copper production and 1.7 million metric tons (including CODELCO's share of the El Abra deposit and Anglo American Sur) of production in 2019. CODELCO is also one of the largest producers of molybdenum in the world, with an estimated 8% share of total world molybdenum production, producing 22,353 metric tons in 2019 (excluding CODELCO's share of Anglo American Sur). CODELCO believes that its significant market presence gives the Company certain advantages in the marketing of its products.

- *Lower Cost Producer*. For many years, CODELCO has been within the first or second quartiles in the industry with respect to costs. This position is primarily attributable to the quality of its ore bodies, its economies of scale and the experience of its workforce and management. Currently, CODELCO is in the third quartile of the industry's cost curve. The Company intends to make every effort, through investment and management, to be within the first or second quartiles of the industry's cost curve in the long-term. In 2019, CODELCO's total costs and expenses decreased by 11.6 cents per pound (4.7%) to 233.5 cents per pound, compared to 245.1 cents per pound in 2018 and 227.1 cents per pound in 2017, mainly due to depreciation of the Chilean peso against the U.S. Dollar, cost savings in maintenance expenses and lower labor expenses, partially offset by lower production levels in connection with weather disruptions in the northern area of Chile, a 14-day strike at the Chuquicamata mine and upgrades at the Chuquicamata and Salvador smelters that suspended operations temporarily. For the first nine months of 2020, CODELCO's total costs and expenses decreased by 11.3 cents per pound (4.7%) to 228.3 cents per pound, compared to 239.7 cents per pound for the same period in 2019, mainly due to lower input prices, such as electricity and diesel, depreciation of the Chilean peso against the U.S. Dollar and higher production volume. In 2019, CODELCO's total costs and expenses decreased to U.S.$8.2 billion, compared to U.S.$9.1 billion in 2018, due to depreciation of the Chilean peso against the U.S. Dollar and a decline of sales volume and cost cutting initiatives. In 2018, CODELCO's total costs and expenses increased by 4.4% to U.S.$9.1 billion, compared to U.S.$8.7 billion in 2017 mainly due to the appreciation of the Chilean peso against the U.S. dollar, as well as higher input prices, non-cash charges related to the write-off of an innovation project for underground mining and impairment losses on fixed assets associated with the Ventanas Division. For the first nine months of 2020, CODELCO's total costs and expenses amounted to U.S.$5.9 billion, which was relatively flat as compared to the same period of 2019. Higher depreciation and amortization expenses and finance costs partially offset the favorable effect on total costs and expenses from the depreciation of the Chilean peso against the U.S. Dollar and the lower input prices. In 2019, CODELCO's cash cost of production was 141.6 cents per pound, compared to 139.1 cents per pound in 2018 and 135.9 cents per pound in 2017. For the first nine months of 2020, CODELCO's cash cost of production was 126.9 cents per pound, compared to 143.1 cents per pound for the same period in 2019. In 2019, CODELCO'S total cash cost was U.S.$4.9 billion, compared to U.S.$5.1 billion in 2018 and U.S.$5.1 billion in 2017. For the first nine months of 2020, CODELCO's total cash cost was U.S.$3.2 billion, as compared to U.S.$3.5 billion for the same period in 2019 (such total cash cost includes certain cash cost incurred at the corporate level). See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview."

- *Research and Technological Innovation*. CODELCO remains competitive by developing and incorporating new technologies into its production processes, which aim to improve overall operations, including mining processes, efficiency, productivity, environmental protection and worker safety.

- *Stable, Long-term and Geographically Diverse Customer Base.* CODELCO has developed long-term relationships with the majority of its customers, including some of the leading manufacturers in the world.

- *Financial Strength*. In 2019, CODELCO's Adjusted EBITDA amounted to U.S.$4.0 billion, total debt to capitalization as of December 31, 2019 was 59.7%, and the ratio of total debt to Adjusted EBITDA was 4.3. As of

September 30, 2020, Adjusted EBITDA amounted to U.S.$3.4 billion, total debt to capitalization was 62.6%.

- *Management Efficiency and Flexibility*. CODELCO believes that it has a highly experienced workforce and executive team with a proven track record of managing long-life copper reserves that is able to respond to market changes by adjusting the allocation of its resources and operations among several different methods of production and ore deposits.

- *One of the Leading Companies in Chile*. CODELCO is one of the largest companies in Chile in terms of revenues as of December 31, 2019 (U.S.$12.5 billion) and is a key contributor to the budget of the Government of Chile. In 2019, CODELCO contributed U.S.$1.0 billion to the Chilean Treasury and accounted for approximately 13.4% of Chile's total exports. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Distributions to the Chilean Treasury" and "Regulatory Framework."

Business Strategy

CODELCO's mission is to maximize the value of its mineral resources for the benefit of its shareholder, the Chilean state, by fully developing its vast mining resources on a timely basis, leveraging the Company's experienced workforce, utilizing its advanced technological assets in key areas and by executing the following key strategic initiatives:

- *Capital Expenditure Program.* We seek to maintain and improve our competitive position in the industry through our three-year capital expenditure program. Following the completion of a number of significant projects in recent years, such as the development of CODELCO's new Mina Ministro Hales, the development of sulfide ores at the Radomiro Tomic mine, the expansion at the Andina mine and the development of the Pilar Norte area at the El Teniente mine, CODELCO intends to continue its development program. Accordingly, the Company expects to make capital expenditures of approximately U.S.$12.5 billion between 2020 and 2022 on major projects, transforming its main mining operations with a view towards the long-term development of its resources. We expect these expenditures to be funded with a combination of internal and external resources. For a complete list of planned capital expenditures, see "Business and Properties—Copper Production—Operations." CODELCO's expansion and development of major projects between 2020 and 2022 are expected to include:

    - The gradual transformation of the Chuquicamata mine from an open pit mine to an underground operation, which we expect will enable Chuquicamata to maintain its annual copper production at its current level starting in 2019 (an approximate investment of U.S.$1.4 billion between 2020 and 2022). Environmental approvals were obtained in September 2010. On March 25, 2020 and on June 20, 2020, CODELCO announced the temporary suspension of construction of this project as a measure to prevent the spread of COVID-19 among employees and contractors. In August 2020, work on the project gradually resumed, and as of September 30, 2020, the project was approximately 99.5% complete.

    - The reallocation of the Andina plant, which involves maintaining the treatment capacity of the concentrator plant in the long-term (an approximate investment of U.S.$172 million between 2020 and 2022). In March 2020, CODELCO announced the temporary suspension of this project as a measure to prevent the spread of COVID-19 among employees and contractors. The project is currently under construction, and as of September 30, 2020, the project was approximately 89.1% complete. Operations are expected to begin in 2021.

    - The development of a new production level in the existing El Teniente underground mine (an approximate investment of U.S.$2.0 billion between 2020 and 2022) to maintain El Teniente's annual copper production at its current level. Environmental approvals were obtained in March 2011. However, based on geomechanical challenges that need to be addressed, an alternative development plan was approved in January 2018, which will still permit us to maintain our original production goal. The new mining level is expected to be completed in 2023. As of September 30, 2020, the project was approximately 62.6% complete.

- The development of the Inca Pit project is designed to extend the life of the current underground mine operation in the Salvador Division and enable it to maintain its annual production at its current level starting in 2021 and the analysis for a future expansion, which requires an approximate investment of U.S.$1.2 billion between 2020 and 2022. As of September 30, 2020, the feasibility study, mining development activities and early works had already been completed. Final internal approval to begin the development of this project has been postponed pending approval by the Environmental Court of the settlement agreement between the State Defense Council (*Consejo de Defensa del Estado*) and CODELCO. For further information regarding this settlement see "Business and Properties—Legal Proceedings."

- The expansion of the existing Andina open pit is an initiative that is expected to expand the treatment capacity of the concentrator plant up to 150 thousand tons per day (an approximate investment of U.S.$80 million between 2020 and 2022) starting in 2027. As of September 30, 2020, the feasibility study had been authorized and the project was approximately 78% complete.

- *Improvement in Operations.* A number of improvement initiatives are underway to adopt best industry practices, most notably in the areas of labor productivity, asset utilization rates and process efficiency. Together with its capital expenditure program, these initiatives are expected to enhance CODELCO's competitive position. The Company operates in a cyclical business and CODELCO's strategy is to ensure that it is able to take full advantage of high copper prices. The Company is developing a number of plans to achieve production targets in the coming years. These plans mainly focus on reducing the risk of disruptions to production and providing increased flexibility to its operations.

- *Transformation Plan.* On November 29, 2019, CODELCO announced a transformation plan with the goal of making CODELCO a more productive, profitable and sustainable company (the "Transformation Plan"). Among other objectives, the Transformation Plan seeks to optimize the standards for project selection and to reduce execution delays, improve operating performance and renew focus on maximizing the value of its mineral resources and reserves. The Transformation Plan also includes a series of targets to achieve cost savings in capital and operational expenditures.

- *Exploration Efforts.* CODELCO controls the largest copper reserves worldwide, the Company's single most important long-term competitive advantage. The discovery of new mining resources and improving its ability to locate existing ore bodies and prospects are critical to maintain this preeminent position in the industry. Accordingly, the Company's exploration program will continue to be a key part of its business strategy.

- *Investment in Human Capital.* The successful execution of CODELCO's business strategy relies on attracting and retaining a world-class management team and professionals of the highest caliber, as well as promoting a culture of diversity and inclusion. The mining industry faces increased competition for workforce talent. As a result, the Company intends to continue improving career development opportunities for its staff and the overall attractiveness of CODELCO as a preferred employer.

- *Mining Association with Third Parties.* CODELCO seeks to continue to develop and operate assets in association with third parties where these associations will add value to CODELCO's business. A few examples of the Company's willingness and ability to do so are: (i) the association with Freeport-McMoRan Inc. in the El Abra copper mine (CODELCO owns 49%) and (ii) the association with Anglo American plc ("Anglo American"), Mitsui & Co., Ltd. ("Mitsui") and Mitsubishi Corporation ("Mitsubishi Corporation") in Anglo American Sur (CODELCO owns an indirect 20% interest). CODELCO believes its large mining reserve is a strong platform from which to establish such associations.

Recent Developments

Impact of COVID-19

The COVID-19 pandemic and the resulting economic impact have primarily contributed to a decrease in copper prices in 2020. In the first nine months of 2020, LME copper prices averaged 265.3 cents per pound compared to 274.0 cents per pound in the first nine months of 2019, which was attributable to the impact of the COVID-19 pandemic on the Chinese and global economies during the first nine months of 2020. CODELCO's financial results and prospects are largely dependent on the prices of copper. If economic conditions further deteriorate in China or other emerging markets, demand from customers in those markets could decline and the market price of copper could fall. A decline in copper prices would have an adverse impact on CODELCO's revenues and financial results.

CODELCO has taken steps and implemented several measures to safeguard its employees, businesses and the communities surrounding its operations from the threats posed by the COVID-19 pandemic. Although these steps and measures have not materially affected CODELCO's production or its financial results in 2020, the ultimate impact of COVID-19 on CODELCO's financial and operating results is unknown and will depend on the duration and spread of the pandemic, and will not be fully reflected in CODELCO's results of operations until future periods.

Prepayment of Debt

On December 2, 2020, CODELCO prepaid its outstanding U.S.$300 million loan with Export Development Canada due July 17, 2022, and its outstanding U.S.$300 million loan with Scotiabank & Trust (Cayman) Ltd. due April 13, 2022 (collectively, the "Prepayments").

Appointment of New Executives

On August 28, 2020, CODELCO announced the resignation of Jaime Rivera Machado from his position as General Manager of Andina Division, effective as of September 30, 2020.

On September 25, 2020, CODELCO announced the resignation of Cesar Correa Parker from his position as General Auditor, effective as of October 31, 2020.

On September 29, 2020, CODELCO announced the appointment of Ricardo Weishaupt Hidalgo as General Manager of Ventanas Division, effective on November 1, 2020.

On October 2, 2020, CODELCO announced the resignation of Alvaro Aliaga Jobet, Vice President – Northern Operations and Jose Robles Becerra, Vice President – Productivity and Costs. On the same day, CODELCO announced the appointment of Mauricio Barraza Gallardo as acting Vice President – Northern Operations and Alejandro Rivera Stambuck as acting Vice President – Productivity and Costs, both positions effective as of October 16, 2020. Mauricio Barraza Gallardo and Alejandro Rivera Stambuck will also maintain their current positions as Vice President – Central Southern Operations and Chief Financial Officer, respectively.

On October 30, 2020, CODELCO announced the appointment of Carlos Alvarado Hernández as Vice President of Sales and Rodrigo Miranda Schleyer as acting General Auditor, both positions effective on November 1, 2020. The same day, CODELCO announced the appointment of Rodrigo Barrera Paez, former General Manager of Mina Ministro Hales Division, as General Manager of Andina Division, and Francisco Balsebre Olaran as acting General Manager of Mina Ministro Hales Division, both positions effective on December 1, 2020.

On November 19, 2020 CODELCO announced the appointment of Andre Sougarret as Vice President – Northern Operations, effective on January 2, 2021.

Concurrent Tender Offer

Concurrently with this offering, we are launching the Tender Offers for the Tender Notes validly tendered and accepted by us on or before the applicable expiration date upon the terms and subject to the conditions set forth in an Offer to Purchase dated December 7, 2020 (as it may be amended or supplemented from time to time). We intend to use the net proceeds from the sale of the notes (i) to pay the consideration for the Tender Offers and accrued and unpaid interest on the Tender Notes, (ii) to pay fees and expenses incurred in connection with the Tender Offers and (iii) the remainder, if any, for general corporate purposes. The Tender Offers are not being made pursuant to this offering memorandum. The closing of the Tender Offers is contingent upon the closing of this offering.

Corporate Information

CODELCO's principal executive offices are located at Huérfanos 1270, Santiago, Chile, and its telephone number is (562) 2690-3000. CODELCO was established by Decree Law 1,350, published in the Official Gazette on February 28, 1976, as amended by Decree Law 20,392, published in the Official Gazette on November 14, 2009.

The Offering

Issuer	Corporación Nacional del Cobre de Chile.
Securities Offered	U.S.$500,000,000 aggregate principal amount of 3.150% notes due 2051 (the "notes").
Issue Price	The issue price of the notes is 99.554%.
Interest	3.150% per year. The interest on the notes will be payable semi-annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2021. Interest on the notes will be calculated on the basis of a 360-day year of twelve 30-day months. See "Description of Notes."
Maturity Date	January 15, 2051.
Withholding Tax	Interest will be paid after withholding for or on account of certain taxes imposed by Chile. Under current Chilean law and regulations, payments of interest to holders of the notes that are not residents of Chile for purposes of Chilean taxation will generally be subject to Chilean withholding tax at a rate of 4%. Subject to specified exceptions and limitations, CODELCO will pay Additional Amounts (as defined in "Description of Notes—Payment of Additional Amounts") in respect of such withholding tax on interest payments. See "Description of Notes—Payment of Additional Amounts" and "Taxation—Chilean Taxation."
Tax Redemption	The notes are redeemable at the option of CODELCO in whole, but not in part, at any time at the principal amount thereof, plus accrued and unpaid interest and any Additional Amounts due thereon if, as a result of changes in the laws or regulations affecting Chilean taxation, CODELCO becomes obligated to pay Additional Amounts on interest payments on the notes in respect of withholding or deduction of Chilean tax at a rate in excess of 4%. See "Description of Notes—Tax Redemption," "Taxation—Chilean Taxation" and "Risk Factors—Risks Relating to the Offering."

Optional Redemption	We may redeem the notes at our option, in whole or in part, at any time and from time to time prior to the date that is six months prior to the maturity date of the notes, at a redemption price equal to the greater of 100% of the outstanding principal amount of the notes to be redeemed and a redemption price based on a "make-whole" premium, plus accrued and unpaid interest to the date of redemption. In addition, we may redeem the notes at our option, in whole or in part, at any time and from time to time, beginning on the date that is six months prior to the maturity date of the notes, at a redemption price equal to 100% of the outstanding principal amount of the notes to be redeemed, plus accrued and unpaid interest to the date of redemption. See "Description of Notes—Optional Redemption" and "Risk Factors—Risks Relating to the Offering."
Form and Denomination	The notes will be issued in book-entry form only in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. The notes will be represented by one or more global notes (the "Global Notes") registered in the name of a nominee of DTC, as depositary, for the accounts of its direct and indirect participants, including Euroclear, as operator of the Euroclear system, and Clearstream. See "Description of Notes."
Payments; Transfers	Payment of interest and principal amount with respect to interests in Global Notes will be credited by DTC, Euroclear or Clearstream, as the case may be, to the account of the holders of such interests with DTC, Euroclear or Clearstream, as the case may be. Transfers of interests in notes held through DTC, Euroclear or Clearstream will be conducted in accordance with the rules and operating procedures of the relevant system. There will be a paying agent.
Ranking	The notes will constitute direct, general, unconditional and unsubordinated obligations of CODELCO. The notes rank and will rank without any preference among themselves and equally with all other unsubordinated obligations of CODELCO, other than certain obligations granted preferential treatment pursuant to Chilean law. It is understood that this provision will not be construed so as to require CODELCO to make payments under the notes ratably with payments being made under any other obligations.

The indenture governing the notes will not contain any restrictions on the amount of additional indebtedness which may be incurred by CODELCO or its subsidiaries; however, as set forth under "Description of Notes—Covenants—Limitation on Liens," the notes will contain certain restrictions on the ability of CODELCO and its subsidiaries to incur secured indebtedness. See "Description of Notes."

Certain Covenants..	The indenture governing the notes will contain certain covenants, including, but not limited to, covenants with respect to (i) limitations on liens, (ii) limitations on sale-and-lease-back transactions and (iii) limitations regarding consolidation, merger, conveyance, sale or lease transactions. See "Description of Notes—Covenants—Limitation on Liens," "—Limitation on Sale-and-Lease-Back Transactions" and "—Consolidation, Merger, Conveyance, Sale or Lease."
Transfer Restrictions..	The notes have not been and will not be registered under the Securities Act and are subject to restrictions on resales. See "Transfer Restrictions."
Further Issues..	In accordance with the terms of the indenture, CODELCO may issue additional notes of the same series as the notes offered hereby at a future date. See "Description of Notes—Further Issues of Notes."
Listing...	We intend to apply to list the notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market in accordance with its rules and regulations. The notes are not yet listed.
Governing Law; Submission to Jurisdiction..............................	The notes and the indenture will be governed by the laws of the State of New York. CODELCO will submit to the jurisdiction of the United States federal and state courts located in the Borough of Manhattan in the City of New York in respect of any action arising out of or based on the notes or the indenture. See "Description of Notes—Governing Law; Submission to Jurisdiction; Sovereign Immunity."
Expected Ratings	The notes offered hereby will be assigned a rating by Moody's Investors Service, Inc. ("Moody's") and by Standard & Poor's rating group ("S&P"). CODELCO currently has a foreign currency long-term debt rating by Moody's of A3 (negative) and a long-term foreign issuer credit rating by S&P of A (negative). A securities rating is not a recommendation to buy, sell or hold securities, is subject to revision or withdrawal at any time by the assigning rating organization and should be evaluated independently of any other rating.

Use of Proceeds	We intend to use the net proceeds from the sale of the notes (i) to pay the consideration for the Tender Offers and accrued and unpaid interest on the Tender Notes, (ii) to pay fees and expenses incurred in connection with the Tender Offers and (iii) the remainder, if any, for general corporate purposes. The Tender Offers are not being made pursuant to this offering memorandum. The closing of the Tender Offers is contingent upon the closing of this offering.
Trustee, Paying Agent, Transfer Agent and Registrar	The Bank of New York Mellon.
Luxembourg Listing Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Risk Factors	Before investing, you should carefully consider the risks set forth under “Risk Factors” beginning on page 16 of this offering memorandum.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables present CODELCO's summary consolidated financial data and other data as of and for each of the periods indicated. This data (other than the average London Metal Exchange ("LME") copper prices) is derived from, and should be read together with, CODELCO's Consolidated Financial Statements, including the notes thereto, included elsewhere in this offering memorandum. This data should also be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Consolidated Financial Statements and other financial information included in this offering memorandum are presented in accordance with IFRS. The unaudited consolidated interim information as of September 30, 2020 and for the nine-month periods ended September 30, 2019 and 2020 includes all adjustments, consisting of only normal recurring adjustments. The unaudited results of operations for the nine-month periods ended September 30, 2019 and 2020 are not necessarily indicative of the results to be expected for the full year or any other period.

	For the year ended December 31,			For the nine-month periods ended September 30,	
	2017	2018	2019	2019	2020
			(in thousands of U.S.$)		
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
Revenue	$ 14,641,555	$ 14,308,758	$ 12,524,931	$ 8,808,184	$ 9,228,639
Cost of sales[(1)]	(10,380,403)	(11,194,341)	(10,051,441)	(7,256,283)	(7,310,693)
Gross profit	4,261,152	3,114,417	2,473,490	1,551,901	1,917,946
Other income, by function	154,332	124,826	360,690	206,981	75,253
Impairment loss determined in accordance with IFRS 9	N/A	158	378	1,176	(934)
Distribution costs	(10,403)	(18,262)	(17,069)	(12,647)	(6,995)
Administrative expenses	(428,140)	(465,328)	(409,234)	(303,025)	(262,416)
Other expenses[(2)]	(1,557,473)	(2,115,314)	(1,747,838)	(1,328,133)	(969,845)
Other gains	32,605	21,395	22,672	17,038	18,264
Finance income	29,836	51,329	36,871	22,504	35,412
Finance costs	(644,610)	(463,448)	(479,307)	(360,104)	(520,374)
Share of profit of associates and joint ventures accounted for using equity method	185,428	119,114	13,203	11,863	9,713
Foreign exchange differences	(206,058)	178,143	153,917	114,946	136,947
Profit (loss) for the period before tax	1,816,669	547,030	407,773	(77,500)	432,971
Income tax expense[(3)]	(1,193,067)	(357,283)	(393,245)	(20,499)	(361,048)
Profit (loss) for the period	623,602	189,747	14,528	(97.999)	71,923
Profit (loss) attributable to owners of the parent	569,175	155,719	6,637	(105,530)	64,656
Profit (loss) attributable to non-controlling interests	54,427	34,028	7,891	7,531	7,267
Profit (loss) for the period	$ 623,602	$ 189,747	$ 14,528	$ (97,999)	$ 71,923

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	As of December 31			As of September 30, 2020
	2017	2018	2019	
		(in thousands of U.S.$)		
Total current assets	$ 6,211,053	$ 5,828,206	$ 6,050,021	$ 8,138,783
Total property, plant and equipment[(11)]	25,275,512	26,754,998	29,700,164	29,787,583
Investments accounted for using equity method[(4)]	3,665,601	3,568,293	3,483,523	3,470,552
Non-current receivables	91,442	84,731	98,544	91,160
All other assets[(5)]	1,112,533	854,577	1,012,359	918,391
Total assets	$ 36,356,141	$ 37,090,805	$ 40,344,611	$ 42,406,469
Total current liabilities	3,315,456	3,539,412	3,922,957	3,217,793
Total non-current liabilities	22,115,347	22,207,524	24,786,987	27,511,854
Total liabilities	$ 25,430,803	$ 25,746,936	$ 28,709,944	$ 30,729,647
Non-controlling interests	1,007,495	969,204	919,757	919,458
Equity attributable to owners of the parent	9,917,843	10,374,665	10,714,910	10,757,364
Total equity	$ 10,925,338	$ 11,343,869	$ 11,634,667	$ 11,676,822
Total liabilities and equity	$ 36,356,141	$ 37,090,805	$ 40,344,611	$ 42,406,469

OTHER ITEMS	As of and for the year ended December 31,			As of and for the nine months ended September 30,	
	2017	2018	2019	2019	2020
	(in thousands of U.S.$, except ratios and copper prices)				
Depreciation and amortization of assets	$ 2,101,101	$ 2,181,140	$ 2,220,069	$ 1,585,427	$ 1,787,130
Interest expense, net	$ (614,774)	$ (412,119)	$ (442,436)	$ (337,600)	$ (484,962)
Ratio of earnings to fixed charges (adjusted)[(6)]	3.8	3.0	1.9	0.8	1.8
Average LME copper price (U.S. ¢ per pound)[(7)]	279.7	295.9	272.1	274.0	265.3
Adjusted EBITDA[(8)]	$ 5,668,314	$ 4,695,792	$ 4,042,748	$ 2,554,746	$ 3,436,711
Ratio of debt to Adjusted EBITDA[(9)]	2.6	3.2	4.3	N/A	N/A
Adjusted EBITDA coverage ratio[(10)]	9.2	11.4	9.1	7.6	7.1

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(1) "Cost of sales" for any period includes direct and indirect costs, depreciation and amortization associated with the production of copper and byproducts, as well as purchase costs of third-party copper, sold by CODELCO in that period.

(2) "Other expenses" is comprised principally of costs related to the 10% special export tax paid by the Company, retirement plan and severance indemnities and fixed indirect costs below production level. See note 21.c of the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(3) CODELCO is subject to a mining tax on operating income at progressive rates of between 5% and 14%. The tax is imposed on operating income generated during the operating year. The statutory rate of the mining tax for CODELCO was 5.0% for each year between 2017 and 2019. In addition, CODELCO is subject to the corporate income tax rate of 25% since 2017 (pursuant to the tax reform in 2014) and a 40% tax on net earnings applicable to state-owned enterprises as specified by Decree Law 2,398, Art. 2. See "Taxation—Chilean Taxation" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Distributions to the Chilean Treasury" for additional information. See note 5 of the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Distributions to the Chilean Treasury" and "Regulatory Framework." See also "Risk Factors—Risks Relating to CODELCO's Relationship with the Government of Chile—CODELCO is subject to special taxes" for information regarding the mining tax rate effective in 2016.

(4) See note 9 of the Consolidated Financial Statements and the Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(5) All other assets includes other non-current financial assets, other non-current non-financial assets, accounts receivable from related parties, non-current, non-current inventories, intangible assets other than goodwill, investment property, non-current tax assets and deferred tax assets.

(6) For the purpose of calculating CODELCO's ratio of earnings to fixed charges (adjusted), (i) "earnings" consist of Adjusted EBIT and (ii) "fixed charges" consist of finance cost. The ratio of earnings to fixed charges (adjusted) is calculated by dividing Adjusted EBIT by finance cost. Adjusted EBIT is calculated by adding finance cost, impairment charges net of reversals (as defined in note (1) of the following table) and income tax expense to profit (loss) for the period. Adjusted EBIT, while not a financial performance measure under IFRS, is presented as an indicator of funds available to service debt. Adjusted EBIT and Adjusted EBITDA data are included in this offering memorandum because such data are used by investors to assess: (i) the operating trends and financial performance of the Company and (ii) the ability of the Company to (a) service its existing debt, (b) incur new debt and (c) fund its capital expenditures. The Company believes that Adjusted EBIT, while providing useful information, should not be considered in isolation as a substitute for profit for the period, as an indicator of operating performance, or as an alternative to cash flow as a measure of liquidity. Additionally, the Company's calculation of Adjusted EBIT may be different than the calculation used by other companies and therefore, comparability may be affected. See notes 8, 21 and 22 of the Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information about impairment charges and reversals and other non-cash charges.

(7) Average price on the LME for Grade A cathode copper during period.

(8) Adjusted EBITDA is calculated by adding finance cost, income tax expense, depreciation and amortization of assets plus export taxes and impairment charges net of reversals (as defined in note (1) of the following table) to profit (loss) for the period. Adjusted EBITDA is presented because it is a widely accepted indicator of funds available to service debt, although it is not an IFRS-based measure of liquidity or performance. Adjusted EBIT and Adjusted EBITDA data are included in this offering memorandum because such data are used by investors to assess: (i) the operating trends and financial performance of the Company and (ii) the ability of the Company to (a) service its existing debt, (b) incur new debt and (c) fund its capital expenditures. The Company believes that Adjusted EBITDA, while providing useful information, should not be considered in isolation or as a substitute for profit as an indicator of operating performance, or as an alternative to cash flow as a measure of liquidity. Additionally, the Company's calculation of Adjusted EBITDA may be different than the calculation used by other companies and therefore, comparability may be affected. See notes 8, 21 and 22 of the Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information about impairment charges and reversals and other non-cash charges.

(9) The ratio of debt to Adjusted EBITDA is calculated by dividing debt by Adjusted EBITDA. Debt is defined as loans from financial institutions plus bonds issued.

(10) Adjusted EBITDA coverage ratio is the ratio of Adjusted EBITDA to finance cost net of finance income. See note 9 above for further information about Adjusted EBITDA and notes 21 and 22 of the Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information about impairment charges and reversals and other non-cash charges.

(11) In the unaudited interim consolidated financial statements, as of and for the nine- and three-month periods ended September 30, 2020 and 2019, certain reclassifications were made to the statement of financial position as of December 31, 2019 which, with respect to property, plant and

equipment, included a break-out of right-of-use assets into a separate line. The amounts for property, plant, and equipment in the table above, therefore, represent the sum of property, plant and equipment and right-of-use assets.

The following table shows CODELCO's earnings, Adjusted EBIT, ratio of earnings to fixed charges (adjusted), Adjusted EBITDA and reconciliation of Adjusted EBIT and Adjusted EBITDA for the periods indicated.

	For the year ended December 31,			For the nine-month periods ended September 30,	
	2017	2018	2019	2019	2020
			(in thousands of U.S.$)		
Profit (loss) for the period	$ 623,602	$ 189,747	$ 14,528	$ (97,999)	$ 71,923
Income tax expense	1,193,067	357,283	393,245	20,499	361,048
Finance costs	644,610	463,448	479,307	360,104	520,374
Impairments[(1)]	7,378	395,965	-	-	-
Adjusted EBIT[(2)]	**2,468,657**	**1,406,443**	**887,080**	**282,604**	**953,345**
Ratio of earnings to fixed charges (adjusted)[(3)]	**3.8**	**3.0**	**1.9**	**0.8**	**1.8**
Depreciation and amortization of assets[(4)]	2,101,101	2,181,140	2,220,069	1,585,427	1,787,130
Copper Reserve Law[(5)]	1,098,556	1,108,209	935,599	686,715	696,296
Adjusted EBITDA	**$ 5,668,314**	**$ 4,695,792**	**$ 4,042,748**	**$ 2,554,746**	**$ 3,436,771**

(1) Impairments include charges and reversals related to charges of investment projects, research projects and investment in associates and joint ventures and exclude impairment charges related to definitely-lived tangible assets which show indicators of impairment under International Accounting Standard N° 36. See notes 8, 21 and 22 of the Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information about impairment charges and reversals and other non-cash charges.

(2) Adjusted EBIT is calculated by adding finance cost, impairment charges net of reversals (as defined in note (1) above) and income tax expense to profit (loss) for the period. Adjusted EBIT, while not a financial performance measure under IFRS, is presented as an indicator of funds available to service debt. Adjusted EBIT and Adjusted EBITDA data are included in this offering memorandum because such data are used by investors to assess: (i) the operating trends and financial performance of the Company and (ii) the ability of the Company to (a) service its existing debt, (b) incur new debt and (c) fund its capital expenditures. The Company believes that Adjusted EBIT, while providing useful information, should not be considered in isolation as a substitute for profit for the period, as an indicator of operating performance, or as an alternative to cash flow as a measure of liquidity. Additionally, the Company's calculation of Adjusted EBIT may be different than the calculation used by other companies and therefore, comparability may be affected. See notes 8, 21 and 22 of the Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information about impairment charges and reversals and other non-cash charges.

(3) For the purpose of calculating CODELCO's ratio of earnings to fixed charges (adjusted), (i) "earnings" consist of Adjusted EBIT and (ii) "fixed charges" consist of finance cost. The ratio of earnings to fixed charges (adjusted) is calculated by dividing Adjusted EBIT by finance cost.

(4) See note 20 of the Consolidated Financial Statements and the Unaudited Interim Consolidated Financial Statements.

(5) The Copper Reserve Law currently requires the payment of a 10% special export tax on receivables of the sales proceeds that CODELCO receives and transfers to Chile from the export of copper and related by products produced by CODELCO. For further information, see "Risk Factors— Risks Relating to CODELCO's Relationship with the Government of Chile— CODELCO is subject to special taxes."

The following table shows CODELCO's debt and ratio of debt to Adjusted EBITDA and Adjusted EBITDA coverage ratio for the periods indicated.

	As of and for the year ended December 31,			As of and for the nine-month periods ended September 30,	
	2017	2018	2019	2019	2020
	(in thousands of U.S.$, except ratios)				
Debt	$ 14,709,790	$ 15,257,685	$ 17,264,356	$ 17,453,362	$ 19,568,662
Ratio of debt to Adjusted EBITDA	2.6	3.2	4.3	N/A	N/A
Finance income	29,836	51,329	36,871	22,504	35,412
Adjusted EBITDA coverage ratio[(1)]	9.2	11.4	9.1	7.6	7.1

(1) Adjusted EBITDA coverage ratio is the ratio of Adjusted EBITDA to finance cost net of finance income.

RISK FACTORS

Prospective purchasers of the notes offered hereby should carefully consider all of the other information contained herein, including the risk factors set forth below. As a general matter, investing in the securities of an issuer, substantially all of whose operations are in a developing country such as Chile, involves a higher degree of risk than investing in securities of issuers with substantially all of their operations in the United States and other jurisdictions.

Risks Relating to CODELCO's Operations

Developments relating to the COVID-19 pandemic may have a material adverse impact on CODELCO's operations.

In December 2019, the outbreak of COVID-19 began in mainland China and has since spread through most countries, negatively affecting global and regional conditions. In March 2020, the World Health Organization (WHO) declared the COVID-19 outbreak a pandemic. In response to the outbreak, governmental authorities throughout the world imposed lockdowns and other restrictions to contain the virus, and various businesses suspended or reduced operations. The final impact on the global economy and financial markets is still uncertain, but is expected to be significant.

The COVID-19 outbreak spread into Chile and has caused temporary disruptions to some of CODELCO's capital projects as part of measures to contain the spread of the virus. If the pandemic continues, restrictions may be imposed on CODELCO by governmental authorities and CODELCO may encounter operational difficulties related to insufficient personnel, higher costs and expenses associated with delayed inspections, assessments and authorizations. CODELCO may need to adopt additional contingency measures, such as stricter cleaning protocols and further reductions of employees at its operations, or even suspend operations. In addition, business activities all over the world, including manufacturing activities that drive demand for copper and other metals, declined and are expected to be significantly impacted. The existence and continuance of the pandemic in the countries where the purchasers of CODELCO's products are located could result in reduced demand. Due to the pervasive nature of the pandemic and that its duration is not known, there is uncertainty around its ultimate impact on our business; therefore, the negative impact on our financial and operating results cannot be reasonably estimated at this time, and CODELCO cannot rule out a material impact in the future. The prolonged pandemic or the imposition of more restrictive measures in Chile could result in the imposition of further quarantines or closures and/or import and export restrictions which could further adversely affect the business, financial condition, results of operations or prospects of CODELCO. To the extent COVID-19 adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

CODELCO has in the past recognized significant impairment charges for certain assets and, if market and industry conditions deteriorate, further impairment charges may be recognized.

A substantial amount of CODELCO's total assets are property, plant and equipment. As of December 31, 2019, 72.5% of our total assets were property, plant and equipment. In accordance with IFRS as issued by the IASB, we review the carrying amount of our assets to determine whether there is any indication that those assets have suffered an impairment loss. CODELCO uses the value-in-use methodology to ensure that the recoverable amount of our property, plant and equipment is not impaired. In assessing the value-in-use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments at the time value of money and the risks specific to the asset.

In 2016, CODELCO recognized a U.S.$79 million impairment loss on its Anglo American Sur assets, primarily due to the rejection of the mining plan for El Soldado, which is owned and operated by Anglo American Sur, by the National Geological and Mining Service (*Servicio Nacional de Geología y Minería*, or "SERNAGEOMIN"). In 2017, the impairments charges relating to the Anglo American Sur assets were reversed in the amount of U.S.$67 million, due to the approval of the mining plan for El Soldado by the Government of Chile. In 2018, CODELCO recognized a U.S.$199 million impairment loss in its Ventanas Division mainly due to a decrease in treatment and refining charges, as well as the negative outlook of long-term sulfuric acid prices. In 2019, CODELCO did not recognize an impairment loss. Because the impairment calculation is directly associated with the outlook of copper prices, a downturn in the copper price outlook could require further impairment losses on our plant, property and equipment. Such impairment charges could be material to our financial statements.

CODELCO's business is highly dependent upon the price of copper.

CODELCO's financial performance is significantly affected by the market prices of copper. These prices have been historically subject to wide fluctuations and are affected by numerous factors beyond the control of CODELCO, including international economic and political conditions, levels of supply and demand, the availability and costs of substitutes, inventory levels maintained by producers and others and actions of participants in the commodities markets. To a lesser extent, copper prices are also subject to the effects of inventory carrying costs and currency exchange rates. In addition, the market prices of copper have occasionally been subject to rapid short-term changes. See "Overview of the Copper Market."

In 2019, copper prices averaged 272.1 cents per pound, down from 295.9 cents per pound in 2018, which could have been attributable primarily to ongoing trade disputes between the United States and China. In the first nine months of 2020, copper prices averaged 265.3 cents per pound compared to 274.0 cents per pound in the first nine months of 2019, which was attributable to the impact of the COVID-19 pandemic on the Chinese and global economies during the first nine months of 2020. China has been the main driver of copper consumption in recent years, and in 2017, 2018 and 2019, 39.6%, 49.8% and 34.5%, respectively, of CODELCO's sales were made to China. If economic conditions further deteriorate in China or other emerging markets, demand from customers in those markets could decline and the market price of copper could fall. A decline in copper prices would have an adverse impact on CODELCO's revenues and financial results. In 2019, each one-cent change in CODELCO's average annual copper price per pound sold caused a variation in operating profit of approximately U.S.$35 million. If CODELCO's average annual copper price per pound declines significantly for an extended period of time, CODELCO may, subject to other factors such as operating costs, be required to recognize asset impairments similar to those recorded during 2015.

In 2015, CODELCO recognized an asset impairment charge of U.S.$2.4 billion of Anglo American Sur assets, primarily due to the impact of a decline in, and deterioration in the outlook for, copper prices for 2015. In 2015, CODELCO also recognized impairment charges of U.S.$311 million and U.S.$54 million in the Salvador and Ventanas Divisions, respectively, and other non-cash charges of U.S.$277 million related to investment projects that were not economically viable considering the copper price outlook at the time. See notes 21 and 22 of the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information about impairment charges.

In the event of a sustained decline in prices, CODELCO has in the past and could again determine to curtail operations or suspend certain of its mining and processing operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

CODELCO faces competition in the copper market from other copper producers.

CODELCO faces competition from other copper mining companies and producers of copper around the world. Although CODELCO continues to focus on reducing costs, there can be no assurance that competition from lower cost producers will not have a material adverse effect on the business, financial condition, results of operations or prospects of CODELCO.

The mining industry has experienced significant consolidation in recent years, including consolidation among some of CODELCO's main competitors, as a result of which an increased percentage of copper production is from companies that also produce other products and are, consequently, more diversified. There can be no assurance that the result of current or further consolidation in the industry will not have a material adverse effect on the business, financial condition, results of operations or prospects of CODELCO.

Most of CODELCO's copper output is dependent upon production from three of its main mining complexes.

Three of CODELCO's mining complexes produced over 65.2% of its copper output in 2019 (including CODELCO's share in the El Abra deposit and Anglo American Sur). The El Teniente Division, including the Caletones smelter, produced an aggregate of 459,744 metric tons of copper in 2019. The Radomiro Tomic mine produced an aggregate of 266,415 metric tons of copper and the Chuquicamata mine produced an aggregate of 385,309 metric tons of copper, each during the same period. If operations in any of these three mining complexes were significantly reduced, interrupted or curtailed, CODELCO's financial condition and its ability to make the required payments on the notes could be materially and adversely affected. CODELCO cannot assure you that production interruptions will not occur or that any such incident would not materially adversely affect its production. See "Business and Properties—Operations—Chuquicamata Division," "—Radomiro Tomic Division" and "—El Teniente Division."

The business of mining is subject to risks, some of which are not completely insurable.

The business of mining, smelting and refining copper is generally subject to a number of risks and hazards, including industrial accidents, labor disputes, unexpected geological conditions, mine collapses, changes in the regulatory environment, environmental hazards, weather and other natural phenomena, such as earthquakes, fires and floods. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, human exposure to pollution, personal injury or death, environmental and natural resource damage, delays in mining, monetary losses and possible legal liability. CODELCO maintains insurance consistent with copper mining industry standards and in amounts that it believes to be adequate, but which may not provide complete coverage in certain circumstances. Insurance against certain risks (including certain liabilities for environmental pollution and other hazards as a result of exploration and production) is not generally available to CODELCO or to other companies within the industry.

Under each of CODELCO's copper sales agreements, CODELCO or its customer may suspend or cancel delivery of copper during a period of force majeure. Events of force majeure under the agreements include acts of nature, strikes, fires, floods, wars, transportation delays, governmental actions or other events that are beyond the control of the parties. Any suspension or cancellation of deliveries under copper sales agreements that are not replaced by delivery under new contracts or sales on the spot market could have a material adverse effect on the business, financial condition, results of operations or prospects of CODELCO.

CODELCO's water supply could be affected by geological changes or environmental regulations.

CODELCO's business is dependent on the availability of water for the production of copper and subject to environmental regulations regarding water usage. In the past, Chile has experienced droughts severe enough to adversely affect the energy sector of the economy in the central and southern regions of Chile. CODELCO's access to water may also be impacted by changes in geology or other natural factors that CODELCO cannot control. If Chile were to experience a drought or CODELCO was otherwise unable to obtain adequate water supplies, CODELCO's ability to conduct its operations could be impaired.

In addition, Chile is currently drafting a new water quality standard for the Aconcagua and Cachapoal rivers and is evaluating the adoption of a new water quality standard for the Loa river. If new water quality standards are adopted for those water supply sources on which CODELCO depends, these new standards could result in significant additional environmental compliance costs. Furthermore, the Government of Chile has proposed certain changes to applicable water regulations which, if adopted, could result in increased costs and expenditures and, in extreme cases, delays in our mining operations.

CODELCO's compliance with environmental, health and safety laws may require increased costs, including capital commitments, and non-compliance may subject it to significant penalties.

Chile has adopted environmental, health and safety regulations requiring industrial companies operating in Chile, including CODELCO, to undertake programs to reduce, control or eliminate various types of pollutants and to protect natural resources, including water and air, among other requirements. If the *Ministerio del Medio Ambiente* (the Ministry of the Environment) declares an area to be polluted or potentially polluted, a prevention or decontamination plan is required. Either type of plan may contain measures that may increase the costs of developing new facilities or expanding existing ones in the designated area. Some of the areas where CODELCO operates have been declared polluted. The measures currently included in the prevention or decontamination plans that govern these areas are subject to change and may become more stringent if compliance with the quality standards is not achieved. CODELCO must comply with certain air quality environmental regulations regarding particulate matter (PM_{10}) and sulfur dioxide (SO_2) in the areas surrounding the Potrerillos, Caletones, Ventanas and Chuquicamata smelting plants. The Potrerillos, Caletones and Ventanas smelting plants have decontamination plans for such pollutants. In the area surrounding the Chuquicamata smelter, there are decontamination plans for PM_{10} under development and under review, and a pollution prevention plan for SO_2 is under development. CODELCO is currently unable to fully assess what may be required of it or the cost of compliance with the revised PM_{10} pollution reduction plans, the SO_2 prevention plan or any future changes to the other plans covering the areas where CODELCO operates. As of the date of this offering memorandum, the impact of operating in latent and saturated zones has not been material to CODELCO; however, it could have a material effect in the future.

An air emissions standard for smelters was enacted by the Ministry of the Environment in 2013. This standard involves arsenic (As), SO_2, PM_{10} and mercury (Hg) emissions. Since 2013, CODELCO's cost of complying with this standard was U.S.$2.4 billion. As of the date of this offering memorandum, the Ventanas, El Teniente, Chuquicamata and Salvador smelters meet the requirements of this standard. See "Regulatory Framework—Environmental Regulations."

Additionally, in 2015, Supreme Decree 10 declared the boroughs of Concón, Quintero and Puchuncaví, where the Ventanas smelting plant is located, as a saturated zone with regards to $PM_{2.5}$ and as a latent zone with regards to PM_{10}, and new decontamination and prevention plans were enacted in March 2019. CODELCO estimates that the cost of such plans will be U.S.$27 million, which will be incurred over a period of approximately four years.

Environmental, health and safety laws and regulations are complex, change frequently and have tended to become increasingly stringent over time. For example, changes to current environmental laws and regulations, and additional environmental laws and regulations, have recently been adopted, including mine closure legislation that would require financial guarantees, and have recently been proposed, including green taxes, climate change, environmental crimes and glacier protection laws that could (i) prevent expansion of our operations into certain areas, (ii) require us to obtain additional permits and (iii) result in increased cost and potential delays. Moreover, certain changes to environmental, health and safety laws and regulations are pending and other new laws or regulations may be adopted in Chile in the future. In addition, community and environmental activist groups have protested the development of certain mines of our competitors in Chile and may increase demands for socially responsible and environmentally sustainable practices, and their efforts may lead to operational delays and the creation or revision of government regulations and policies with respect to the mining industry in Chile, litigation and increased costs.

Finally, as a result of the Paris Agreement reached during the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change in 2015, a number of governments have pledged "Nationally Determined Contributions" to control and reduce greenhouse gas emissions. Assuming that the Chilean economy grows at the same rate it has grown over the previous ten years, excluding the years of the global financial crisis, and such growth rate is sufficient, Chile has committed to reducing its CO_2 emissions per GDP unit by 30% below 2007 levels by 2030 and, subject to an international monetary grant, reducing its CO_2 emission per GDP unit by 2030 until it reaches a 35% to 45% reduction with respect to the 2007 levels. In addition, the Paris Agreement resulted in increased international pressure for the establishment of a global carbon price, and on companies to adopt carbon pricing strategies. The pricing of greenhouse gas emissions may impact our operational costs, mainly through higher price for electricity and fossil fuels as mining is an energy intensive industry. Recently, during the 25th Conference of the Parties to the United Nations Framework Convention on Climate Change in Madrid, the Chilean government announced an update to its Nationally Determined Contribution, which includes the reduction of its CO2 emissions per GDP unit by 45% below 2016 levels by 2030.

Any of these new laws or regulations could result in significant additional environmental compliance costs or delays in expansion projects. As of September 30, 2020, CODELCO had total provisions of U.S.$2.0 billion for future decommissioning and site restoration costs, primarily related to tailing dams, closures of mine operations and other mining assets. CODELCO's operations outside Chile are also subject to extensive international, national and local environmental, health and safety laws and regulations.

CODELCO is developing and implementing environmental management systems at each of its divisions to monitor and achieve compliance with applicable environmental laws and regulations. While CODELCO has budgeted for future capital and operating expenditures to maintain compliance with these laws and regulations, there is no guarantee that current levels of expenditures and capital commitments will be sufficient to achieve future compliance. There also can be no assurance that CODELCO has been or will be at all times in complete compliance with environmental laws and regulations, or that proceedings or civil actions will not be brought, or that fines and other sanctions will not be imposed for such non-compliance in the future. In addition, there can be no assurance that more stringent enforcement of, or changes in, existing laws and regulations, the adoption of additional laws and regulations or the discovery of new facts resulting in increased liabilities would not have a material adverse effect on CODELCO's business, financial condition, results of operations or prospects.

For further information on environmental matters, and current and proposed environmental laws and regulations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Environmental" and "Regulatory Framework—Environmental Regulations."

CODELCO is subject to legal proceedings and legal compliance risks that may adversely impact its financial condition, results of operations and liquidity.

CODELCO spends substantial resources ensuring that it complies with local regulations, contractual obligations and other legal standards. Notwithstanding this, CODELCO is subject to a variety of legal proceedings and compliance risks in respect of various matters, including tax- and labor-related matters that arise in the course of its business and in its industry as well as disputes with governmental agencies. For example, CODELCO is subject to various labor proceedings in which workers and families of deceased workers allege that working conditions caused the workers to contract silicosis. Although CODELCO has undertaken precautionary measures, there have been fatalities involving CODELCO personnel in the past and there may be additional fatalities in the future. Serious accidents, including fatalities, may subject CODELCO to substantial penalties, civil litigation or criminal prosecution. Claims for damages to persons, including claims for bodily injury or loss of life, could result in substantial costs and liabilities, which could materially and adversely affect CODELCO's financial condition, results of operations or cash flows. If CODELCO's safety record were to substantially deteriorate over time or CODELCO were to suffer substantial penalties or criminal prosecution for violation of health and safety regulations, CODELCO's contracts may be cancelled or it may not be awarded future business. In addition, CODELCO has filed administrative appeals against three statements on the Company issued by the Comptroller General of the Republic of Chile (the "Comptroller") in 2017. The Company estimates that these statements have had, as of the date of this offering memorandum, a negative effect of approximately U.S.$100 million due to a reduction in production related to the delay in awarding specific contracts and the delay of investments. A final decision regarding this matter is pending. A negative outcome in an unusual or significant legal proceeding or compliance investigation could also adversely affect our financial condition and results of operations. For information regarding CODELCO's current significant legal proceedings, see "Business and Properties—Comptroller General of the Republic" and "Business and Properties—Legal Proceedings."

Earthquake damage to CODELCO's properties and operations could negatively affect CODELCO's results.

Chile is located in a seismic area that exposes CODELCO's operations to the risk of earthquakes. Chile has been adversely affected by powerful earthquakes in the past, including, most recently, (i) in 2015 when an earthquake struck the coast of Chile, (ii) in 2014 when an earthquake struck the north of Chile and (iii) in 2010 when a severe earthquake struck the southern central region of Chile. The 2015 earthquake measured 8.3 on the Richter scale and affected the coast of Chile just north of Santiago, with no significant consequences for the rest of the country. The 2014 earthquake measured 8.2 on the Richter scale and affected mainly the Arica and Tarapacá Regions, with no significant consequences for the rest of the country. The 2010 earthquake and its aftershocks, as well as tsunamis from adjacent coastal waters, caused severe damage to Chile's infrastructure, including roads, bridges, ports and Santiago's international airport, affecting areas across the country.

Although the 2015, 2014 and 2010 earthquakes did not have any substantial effect on CODELCO or its results of operations, and although CODELCO's mining operations are subject to, and designed to withstand, damage from significant seismic events, an earthquake occurring closer to CODELCO's operations in northern Chile could cause damage to its mining operations that would not be covered by insurance, except to the extent that its production ceased for more than 30 days. Any such damages caused by an earthquake that were not covered by insurance could have an adverse effect on CODELCO's results of financial condition, results of operations or cash flow.

Future compliance with a changing and complex regulation scheme may require changes in CODELCO's business.

CODELCO's exploration, mining, milling, smelting and refining activities are also subject to non-environmental Chilean laws and regulations (including certain industry technical standards), which change from time to time. Matters subject to regulation include, but are not limited to, concession fees, transportation, production, reclamation, export, taxation and labor standards.

While CODELCO does not believe that compliance with such laws and regulations will have a material adverse effect on its business, financial condition, results of operations or prospects, there can be no assurance that more stringent enforcement of, or change in, existing laws and regulations, the adoption of additional laws and regulations, including increased government supervision and control over the management of CODELCO's business and its awarding of contracts, or the discovery of new facts resulting in increased liabilities or costs would not have a material adverse effect on CODELCO's business, financial condition, results of operations or prospects.

CODELCO's business plans are based on estimates of the volume and grade of CODELCO's ore deposits, which could be incorrect.

CODELCO's ore deposits (its resources and reserves) described in this offering memorandum constitute estimates based on standard evaluation methods generally used in the international mining industry and on assumptions as to production costs and market prices. The actual ore deposits may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may be below the estimated levels. Lower market prices, as well as increased production costs, reduced recovery rates and other factors, may render CODELCO's ore deposits uneconomic to exploit and may result in revision of its reserve and resource estimates from time to time. Reserve and resource data are not indicative of future results of operations. See "Business and Properties—Ore Reserves."

CODELCO's business requires substantial capital expenditures.

CODELCO's business is capital-intensive. Specifically, the exploration and exploitation of copper reserves, mining, smelting and refining costs, the maintenance of machinery and equipment and compliance with applicable laws and regulations require substantial capital expenditures. CODELCO must continue to invest capital to maintain or to increase the amount of copper reserves that it exploits and the amount of copper that it produces. CODELCO expects to make capital expenditures of approximately U.S.$12.5 billion between 2020 and 2022 on major projects, which it intends to finance through operations, including capitalization and retention of profit, in addition to new borrowings from banks and capital markets. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditure Program." There can be no assurance that CODELCO will be able to maintain its production levels or generate sufficient cash flow, capitalize a sufficient amount of its profit or have access to sufficient investments, loans or other financing alternatives to finance its capital expenditure program at a level necessary to continue its exploration, exploitation and refining activities at or above its present levels.

CODELCO's future performance depends on the results of current and future innovation and exploration.

CODELCO has a two-pronged exploration program that is focused on increasing reserves of its existing divisions and exploring for new deposits outside of its current operations. As the ore quality of CODELCO's reserves continues to decline over time, innovation and exploration are increasingly important to CODELCO's success. CODELCO expects to maintain its production levels through its expansion and development projects for the next three years. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditure Program" for more detail. While initial results have been favorable, there can be no guarantee that CODELCO's exploration program will continue to be successful. In addition, there may be some degree of execution risk associated with the expansion of operations into deeper mines or mines at higher altitudes. CODELCO's expansion program could also experience delays or be negatively impacted by higher costs. If CODELCO's expansion program is not successful, it would materially and adversely affect its copper production levels. For a description of CODELCO's current development programs, see "Business and Properties—Resource Development."

CODELCO has experienced high energy costs and may experience higher energy costs in the future.

Energy represents a material portion of the production costs for CODELCO. The main energy sources for CODELCO's operations are electricity, liquid fuels (such as diesel, fuel oil and gasoline) and natural gas. Since 2004, there has been a restricted supply of natural gas from Argentina. CODELCO's production costs have increased due to these shortages as it must rely on electricity generated from more expensive sources, such as diesel, oil or coal, and these increased costs have adversely affected CODELCO's results. CODELCO has taken certain actions to secure the sources from which it can procure energy, including entering into long-term electrical contracts at competitive prices, participating in the construction of liquefied natural gas ("LNG") re-gasification terminals and entering into a five-year supply contract for liquid fuels which are expected to meet its energy requirements. See "Business and Properties—Production Costs of Copper." In 2014, Chile passed a carbon tax targeting the power sector, which became effective in 2017. CODELCO began paying the taxes due under this law in 2018. If CODELCO's energy suppliers do not perform as expected or if there is an increase in energy costs in the future, CODELCO's profits and cash flow could be adversely affected.

Any interruption or destruction or loss of data in CODELCO's information technology systems due to technical or operational malfunctions or cyber-attacks could have a material adverse effect on its reputation, business, financial condition and results of operations.

CODELCO is subject to a variety of information technology and system risks as a part of its normal course of operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of CODELCO's information technology systems by third parties or CODELCO's own personnel. Although CODELCO has security measures and controls in place that are designed to mitigate these risks, a breach of its security measures or a loss of information could occur and result in a loss of material and confidential information, breach of privacy laws and a disruption to its business activities. In addition, information systems could be damaged or interrupted by natural disasters, force majeure events, telecommunications failures, power loss, acts of war or terrorism, computer viruses, malicious code, physical or electronic security breaches, intentional or inadvertent user misuse or error, or similar events or disruptions. Any of these or other events could cause interruptions, delays, loss of critical or sensitive data or similar effects, which could have a material adverse impact on the protection of intellectual property, confidential and proprietary information, and on CODELCO's business, financial condition and results of operations.

Labor disruptions involving CODELCO's employees or the employees of its independent contractors could affect CODELCO's production levels and costs.

As of December 31, 2019, CODELCO employed 16,731 employees, approximately 90% of whom were covered by collective bargaining agreements with labor unions. Most of these collective bargaining agreements have terms of two to three years. CODELCO has experienced material work slowdowns, work stoppages and strikes in the past. Most recently, CODELCO experienced a 39-day strike involving 83 union workers from the Andina Division, a one-day strike that blocked access to the Chuquicamata mine to four of the six labor unions and a 14-day strike involving 3,200 union workers in the Chuquicamata Division (or approximately 67% of the total work force). The 14-day strike diminished production by approximately 17,600 metric tons.

CODELCO negotiated two collective bargaining agreements in the nine-month period ended September 30, 2020. CODELCO negotiated eight collective bargaining agreements in 2019. In 2018, CODELCO negotiated 18 collective bargaining agreements. Twelve collective bargaining agreements, covering a total of 7,081 employees at the Andina Division, Salvador Division, Mina Ministro Hales Division, El Teniente Division and Gabriela Mistral Division, were negotiated ahead of schedule without any conflicts or work stoppages. Five collective bargaining agreements, covering a total of 2,601 employees at the Radomiro Tomic Division, Mina Ministro Hales Division, Chuquicamata Division and our headquarters, were negotiated on schedule without any conflicts or work stoppages. The remaining collective bargaining agreement was reached at the conclusion of the 39-day strike with the workers from the Andina Division.

CODELCO has experienced work disruptions in the past, and there can be no assurance that a work slowdown or work stoppage will not occur prior to or upon the expiration of the current collective bargaining agreements. Management is unable to estimate the effect of any such work slowdown, stoppage or strike on CODELCO's production levels. Work slowdowns, stoppages or other labor-related developments affecting CODELCO could have a material adverse effect on the business, financial condition, results of operations or prospects of CODELCO. In particular, work slowdowns, stoppages and other labor-related events could increase CODELCO's independent contracting costs. In addition, pursuant to the *Código del Trabajo* (the "Labor Code of Chile"), CODELCO could be held liable for the payment of labor and social security obligations owed to the employees of independent contractors (or their subcontractors) if the independent contractors (or their subcontractors) do not fulfill those payment obligations. For further information on employee and independent contractor matters, including recent work disruptions, see "Business and Properties—Employees."

CODELCO is subject to an extensive labor reform law promulgated by the Government of Chile that could affect its business and operating results in the future.

In 2016, the Government of Chile promulgated an extensive labor reform law (the "Labor Reform Law"), which became effective in 2017. The Labor Reform Law prevents Chilean companies from hiring temporary replacements for striking employees and also prevents the replacement of striking employees with other existing employees of the company. This may have an adverse effect on our overall employment and operating costs, and may increase the likelihood of business disruptions in Chile. However, it has not been a practice of CODELCO to replace employees on strike, and there has not been an increase in labor disruptions in Chile since the law became effective.

In addition, under the Labor Reform Law, CODELCO and its labor unions negotiate from time to time the minimum services and emergency equipment that the labor unions must provide in case of a strike during a collective bargaining process. Currently, the following minimum services must be strictly enforced: (i) services that are strictly necessary to protect the physical assets and premises of the Company and to prevent accidents; (ii) services strictly necessary to guarantee the rendering of all services of public utility, and the attention of the population and basic needs, including those related to life, safety and health; and (iii) services strictly necessary to guarantee the prevention of sanitary or environmental damage. If there is any disagreement between CODELCO and its labor unions regarding such minimum services and emergency equipment, the parties may resolve such disagreement through administrative proceedings before the *Dirección Regional del Trabajo* (Regional Labor Board), which are subject to challenge by the parties before the *Director Nacional del Trabajo* (National Labor Board).

As of December 31, 2019, CODELCO employed 16,731 employees, approximately 90% of whom were covered by collective bargaining agreements with labor unions. CODELCO currently has positive labor relations with these unions. CODELCO is currently unable to estimate the impact that the Labor Reform Law or similar reforms will have on its labor relations with respect to labor unions, or on its business, financial condition, operating results and prospects.

CODELCO engages in hedging activity from time to time, particularly with respect to its copper production, which may not be successful and may result in losses to CODELCO.

CODELCO from time to time hedges certain future copper delivery commitments and production in order to manage the risks associated with copper price volatility. CODELCO currently does not have any production hedging commitments. See notes 27 and 28 to the Consolidated Financial Statements.

CODELCO's production hedging activities could cause it to lose the benefit of an increase in copper prices if copper prices increase over the level of CODELCO's hedge position, as occurred in 2012. The cash flows from and the mark-to-market values of CODELCO's production hedges can be affected by factors such as the market price of copper, copper price volatility and interest rates, which are not under CODELCO's control.

CODELCO's production hedging agreements contain events of default and termination events that could lead to early close-outs of CODELCO's hedges. These include failure to pay, breach of the agreement, misrepresentation, default under CODELCO's loans or other hedging agreements and bankruptcy. In the event of an early termination of CODELCO's hedging agreements, the cash flows from the affected hedge instruments would cease and CODELCO and the relevant hedge counterparty would settle all of CODELCO's obligations at that time. In that event, there could be a lump sum payment to be made either to or by CODELCO. The magnitude and direction of such a payment would depend upon, among other things, the characteristics of the particular hedge instruments that were terminated and the market price of copper and copper price volatility and interest rates at the time of termination.

In addition to its production hedging activities, CODELCO has hedged a portion of its exchange rate and interest rate exposure by entering into forward exchange contracts to hedge against fluctuations in the UF to U.S. dollar exchange rate for its outstanding UF-denominated bonds. CODELCO also periodically enters into futures contracts with respect to certain sales of its own copper. No assurance can be given that CODELCO will be adequately protected by its hedging activities.

See "Business and Properties—Marketing—Pricing and Hedging," notes 27 and 28 to the Consolidated Financial Statements for further information on CODELCO's hedging activity.

Global economic, political and regulatory developments may adversely affect CODELCO.

Revenue from international sales constitutes a material portion of our total revenue, and we anticipate it will continue to for the foreseeable future. The current U.S. administration has called for substantial changes to United States foreign trade policy, including the possibility of imposing greater restrictions on international trade and significant increases in tariffs on goods imported into the United States. For example, the United States has recently enacted a series of tariffs on the import of Chinese products. The continued threats of tariffs, trade restrictions and trade barriers could have a generally disruptive impact on the global economy and, therefore, negatively impact our revenues. Given the relatively fluid regulatory environment in China and the United States and uncertainty on how the United States or foreign governments will act with respect to tariffs, international trade agreements and policies, there could be additional tax or other regulatory changes in the future. Any such changes could adversely impact CODELCO's business, financial condition and results of operations. If our revenues generated from international sales decline significantly as a result, it could have a material adverse effect on CODELCO's business and results of operations.

The departure of the UK from the European Union could have an adverse effect on CODELCO's business, financial condition and potential growth in Europe.

The UK withdrew from the European Union ("EU") on January 31, 2020, subject to a transition period that is set to end on December 31, 2020. The potential impact of this withdrawal, commonly referred to as "Brexit," is uncertain while the British government continues to negotiate the terms of the UK's future relationship with the EU during the transition period. Brexit has also given rise to calls for the governments of other EU member states to consider withdrawal from the EU. These developments, or the perception that they could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, including by significantly reducing global market liquidity or restricting the ability of key market participants to operate in certain financial markets. Brexit is likely to continue to adversely affect European and worldwide economic conditions and could contribute to greater instability in the global financial markets before and after the terms of the UK's future relationship with the EU are settled.

These effects could have an adverse effect on our business, financial condition and potential growth into Europe. However, the eventual effects of the UK's departure from the EU on CODELCO's business and financial condition are uncertain at this time.

Risks Relating to CODELCO's Relationship with the Government of Chile

Important corporate governance matters, the annual budget and financing programs are determined by or subject to the approval of the President of Chile and the Ministries of Finance and Mining.

CODELCO is a mining, industrial and commercial state-owned enterprise of indefinite duration with its own legal personality and capital. CODELCO's relationship with the Government of Chile is through the Ministry of Mining, and is governed by Decree Law 1,350, as amended by Law 20,392, its bylaws and other applicable legislation. The President of Chile is vested with the authority analogous to that of the shareholders of a corporation (*sociedad anónima*) under Chilean law, which may be delegated in whole or in part to the Ministers of Finance and Mining, jointly. Pursuant to such authority, the President of Chile (i) participates in the designation of the Board of Directors by designating three directors without external input and by electing six directors on the basis of third-party short lists; (ii) appoints the Chairman of the Board of Directors; and (iii) may approve and amend the bylaws of the Company, by means of an executive decree issued jointly by the Ministries of Finance and Mining. In 2017, Miguel Juan Sebastián Piñera Echenique was re-elected as President of Chile, after having previously served as President from 2010-2014. Mr. Piñera's administration began on March 11, 2018. Senior management and administration of the Company are vested in its Board of Directors and further delegated to its Chief Executive Officer. Pursuant to Decree Law 1,350, CODELCO's Board of Directors must submit its proposed annual budget to the Ministries of Finance and Mining for approval and possible revision. In addition, Decree Law 1,350 requires CODELCO to include as part of its proposed annual budget a debt amortization budget that includes interest and principal payments on CODELCO's debts, including the notes. CODELCO must also submit a three-year *Plan de Negocios y Desarrollo* (a Business Development Plan, or "BDP") report, approved by the Company's Board of Directors, to the Ministries of Finance and Mining by March of each year. There is no guarantee that actions taken with respect to the appointment of CODELCO's directors, amendments to its bylaws, and revision and approval of its budget, including CODELCO's capitalization of profit, will be adopted by the administration of the new President and/or will be the same as they would be in a privately owned company. See “Management” and “Regulatory Framework.”

CODELCO’s funding through retention of profits is restricted and is subject to the approval of the Ministries of Finance and Mining.

As a state-owned enterprise and according to its governing law, CODELCO’s profit is required to be transferred to the Chilean Treasury. Before June 30 of each year, the Ministries of Finance and Mining are required to determine, by means of a joint decree, the amount, if any, that the Company shall allocate to the creation of capitalization and reserve funds as retention of profits. Between 2014 and 2019, the Government of Chile authorized the capitalization by capital injection and retention of profit within CODELCO in an aggregate amount of U.S.$3.3 billion. Although CODELCO currently expects the Ministries of Finance and Mining to make available a substantial amount of its pre-tax profit over the next three years, a joint decree of the Ministries of Finance and Mining is required each year and the amounts approved in any given year, if any, could vary significantly.

If CODELCO’s funding through capitalization and retention of profits, depreciation, amortization and deferred taxes are insufficient to fund capital expenditures and if it is unable to otherwise finance planned expenditures, CODELCO’s business would be adversely affected. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.” In addition, if the Government of Chile does not authorize additional capitalization or the retention of profits, our credit rating may be adversely affected, which could have a material adverse effect on our business and financial condition.

CODELCO is subject to special taxes.

The Copper Reserve Law currently requires the payment of a 10% special export tax on receivables of the sales proceeds that CODELCO receives and transfers to Chile from the export of copper and related by-products produced by CODELCO. As a result, the *Banco Central de Chile* (the “Central Bank of Chile”) retains 10% of the amounts from such sales that CODELCO transfers to its Chilean account. All such amounts are then transferred via the Central Bank of Chile. The Copper Reserve Law has an adverse effect on our ability to retain earnings for purposes of capital expenditures. In July 2019, the Congress of Chile issued a new resolution to repeal the Copper Reserve Law. Under this resolution, CODELCO will remain subject to the 10% special export tax until 2028. Beginning in 2029, the tax will be reduced annually by 25% until 2032 when CODELCO will no longer be subject to such tax. As of April 1, 2020, CODELCO is paying the taxes owed pursuant to the Copper Reserve Law on a monthly basis, following a response measure from the Government of Chile to the economic effects of the COVID-19 pandemic. As of the date of this offering memorandum, CODELCO has paid the taxes due for 2019, together with the taxes due for January and February 2020 and, as of April 1, 2020, has begun paying the 10% special export tax on a monthly basis, beginning with the taxes due for March 2020.

Pursuant to the terms of Chile’s income tax law (the “Income Tax Law”), interest, premiums, remuneration for services, financial expenses and any other contractual surcharges under credit facilities entered into or disbursed on or after January 1, 2015, and which are paid or credited to an account or made available to “related entities” of CODELCO in respect of loans or liabilities existing during the year in which the indebtedness is considered to be excessive, are subject to a 35% penalty tax that CODELCO is required to pay. The withholding tax applicable to the interest payments made by CODELCO can be used as a credit against such 35% penalty tax. Indebtedness will be considered to be excessive when at the end of the corresponding fiscal year a “total annual indebtedness” to entities incorporated, domiciled or established in a foreign country or in Chile, either related or not, exceeds three times the equity of CODELCO, calculated pursuant to the provisions of article 41 F of the Income Tax Law. Under the “Excessive Indebtedness” rules, a lender or creditor will be deemed to be related to CODELCO if: (i) the beneficiary (*i.e.*, lender or creditor) is incorporated, domiciled, resident or established in one of the territories or jurisdictions listed in section 41 H of the Income Tax Law; (ii) each of the beneficiary (*i.e.*, lender or creditor) and CODELCO belong to the same corporate group or, directly or indirectly, owns or participates in 10% or more of the capital or the profits of the other, or if the beneficiary and CODELCO have a common partner or shareholder which, directly or indirectly, owns or participates in 10% or more of the capital or the profits of one or the other, and such beneficiary is incorporated, domiciled, resident or established outside Chile; (iii) the indebtedness is guaranteed directly or indirectly by a third-party related to CODELCO, in the terms of clauses (i) or (ii) above, or (iv) hereafter, provided that such third-party is domiciled or resident abroad and is a final beneficiary (*beneficiario final*) of the financing; (iv) the relevant financial instruments documenting such indebtedness are placed and acquired by independent entities and such indebtedness is subsequently acquired or transferred to a related entity according to subsections (i) to (iii) above; or (v) one party (*i.e.*, beneficiary or CODELCO) conducts one or more operations with a third-party who, in turn, directly or indirectly conducts one or more similar or identical operations with a related party of such party.

Since the 2012 fiscal year, CODELCO has been subject to a mining tax on operating income generated during the operating year at progressive rates between 5% and 14%. During 2019, CODELCO distributed a total of U.S.$1.0 billion (including income tax, and export tax payments and distributions) to the Chilean Treasury. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Distributions to the Chilean Treasury" and "Regulatory Framework." The statutory rate of the mining tax was 5% for each of 2017, 2018 and 2019.

In 2014 and 2020, extensive tax reforms were enacted in Chile. However, CODELCO, as a 100% state-owned corporation, is not subject to either of the reforms. Instead CODELCO is subject to a corporate tax rate on its net taxable income determined under full accounting records. Its corporate tax rate has gradually increased from 21% in 2014 to up to 25% since 2017. In addition, CODELCO is subject to a 40% tax on net earnings applicable to state-owned enterprises as specified by Decree Law 2,398, Art. 2.

Constitutional amendments could be proposed that would allow private ownership of CODELCO.

CODELCO is 100% owned by the Government of Chile and a constitutional amendment approved by the Chilean Congress would be required to allow private participation in CODELCO's ownership. Although there has been no formal governmental action to permit private investment in CODELCO, no assurance can be given that such a constitutional amendment will not be proposed to the Chilean Congress in the future. See "Regulatory Framework—Overview of the Regulatory Regime."

Risks Relating to Chile

CODELCO's growth and profitability depend on political stability and economic activity in Chile and other emerging markets.

Almost all of CODELCO's revenues are derived from its operations in Chile. Accordingly, CODELCO's results of operations and general financial condition depend in part on Chilean markets for labor and certain materials and equipment, and on factors relating to Chilean political stability generally.

Chile recently experienced political unrest and social strife, including a wave of protests and riots, beginning on October 18, 2019, sparked by an increase in the subway fare of the Santiago Metro and widened to reflect anger over living costs and inequality. The continuing unrest in Chile and associated civil protests caused temporary disruptions in port operations and as a result temporary delays of shipments from CODELCO to its customers. In addition, indicators of economic activity in Chile were adversely affected in the fourth quarter of 2019. Additionally, on October 25, 2020, Chile held a nationwide plebiscite which resulted in the approval of a plan to call a Constitutional Convention, to be composed of elected members, in which a new constitution will be drafted. In June 2022, a second nationwide plebiscite will take place, in which the new constitution will be submitted for approval of voters. There can be no assurance that future developments in or affecting the Chilean political situation, including economic or political instability in other emerging markets, will not result in material and adverse effects on CODELCO's business, financial condition or results of operations. CODELCO also could be adversely affected by legal or regulatory changes over which it has no control.

CODELCO's business performance is subject to the effects of inflation and changes in the value of the peso.

Although Chilean inflation has remained low in recent years, Chile has experienced high levels of inflation in the past. High levels of inflation in Chile could adversely affect the Chilean economy and have an adverse effect on CODELCO's results of operations if the high inflation is not accompanied by a matching devaluation of the local currency. There can be no assurance that Chilean inflation will not revert to prior levels in the future. In addition, the measures taken by the Central Bank of Chile to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and economic growth.

The following table shows the annual rate of inflation (as measured by changes in the Chilean consumer price index and as reported by the *Instituto Nacional de Estadisticas*, or the "Chilean National Institute of Statistics"):

Year	**Inflation (CPI)** **(in percentages)**
2017	2.3
2018	2.6
2019	3.0
2020 (through September 30,2020)	2.1

Source: Chilean National Institute of Statistics

A significant portion of CODELCO's operating costs are denominated in pesos and could therefore be significantly affected by the rate of inflation in Chile. If inflation in Chile were to increase without a corresponding depreciation of the peso, or if the value of the peso were to appreciate relative to the U.S. dollar without the peso experiencing corresponding deflation in Chile, the financial position and results of operations of CODELCO as well as the value of the notes could be materially and adversely affected. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

The variation of the U.S. dollar against the peso constitutes CODELCO's main foreign exchange rate exposure. The mismatch between assets and liabilities denominated in pesos amounts to a net liability for the Company of U.S.$1.9 billion (6.5% of the total amount of liabilities on a consolidated basis) as of December 31, 2019 and U.S.$1.3 billion (4.3% of the total amount of liabilities on a consolidated basis) as of September 30, 2020. In order to cover this risk, CODELCO has, and currently is, engaged in hedging transactions to partially mitigate the effects of the volatility of foreign exchange rates. See "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO engages in hedging activity from time to time, particularly with respect to its copper production, which may not be successful and may result in losses to CODELCO."

Risks Relating to the Offering

In case of a default under the notes, the ability of holders to attach property of CODELCO may be limited by Chilean law.

CODELCO's activities in Chile are dependent on concessions granted by the Chilean Ordinary Courts with respect to CODELCO's mining rights. These concessions are granted for indefinite terms in the case of exploitation concessions and for two-year periods in the case of exploration concessions (renewable with certain limitations). As a general matter, the Ordinary Courts, through legal proceedings brought by third parties (or by the Chilean Treasury in case of noncompliance with the obligation to pay annual fees), have the legal right to terminate or annul the concessions. Pursuant to the Chilean Mining Code, all mining concessions, as well as certain raw materials and other property or assets permanently dedicated to the exploration or extraction of minerals, cannot be subject to an order of attachment, except with respect to mortgages, where the debtor consents to the attachment in the relevant legal proceeding or when the debtor is a stock corporation. In addition, pursuant to the Constitution, mining concessions corresponding to mining deposits exploited by CODELCO upon its creation in 1976 can be subject neither to attachment nor to any act of disposition by CODELCO. As a result, the rights of holders to attach property of CODELCO in the event of a default under the notes would be limited by such provisions. See "Regulatory Framework—Mining Regulations."

CODELCO is permitted to incur additional indebtedness ranking equally to the notes or certain secured indebtedness.

The indenture governing the notes will not contain any restrictions on the amount of additional indebtedness which may be incurred by CODELCO or its subsidiaries; however, the notes contain restrictions on the ability of CODELCO and its subsidiaries to incur certain secured indebtedness as set forth in "Description of Notes—Limitations on Liens" below. As a result, CODELCO is permitted to issue additional unsecured debt that ranks on an equal basis with the notes. If CODELCO incurs any additional unsecured debt that ranks on an equal basis with the notes, the holders of that debt will be entitled to share with the holders of the notes in any proceeds distributed in connection with an insolvency, liquidation, reorganization, dissolution or other winding-up of CODELCO subject to satisfaction of certain debt limitations. This may have the effect of reducing the amount of proceeds paid to the holder of the notes under such an event. The indenture does not require CODELCO to make payments under the notes ratably with payments being made under any other obligations.

If certain changes to tax law were to occur, CODELCO would have the option to redeem the notes.

Under current Chilean law and regulations, payments of interest to holders of the notes that are not residents of Chile for purposes of Chilean taxation generally will be subject to Chilean withholding tax at a rate of 4%. Subject to certain exceptions, CODELCO will pay Additional Amounts (as defined in "Description of Notes—Payments of Additional Amounts") so that the amount received by the holder after Chilean withholding tax will equal the amount that would have been received if no such taxes had been applicable. The notes are redeemable at the option of CODELCO in whole, but not in part, at any time, at the principal amount thereof plus accrued and unpaid interest and any Additional Amounts due thereon if, as a result of changes in the laws or regulations after the date of this offering memorandum affecting Chilean taxation, CODELCO becomes obligated to pay Additional Amounts with respect to interest on such notes in respect of withholding or deduction of Chilean tax at a rate in excess of 4%. CODELCO is unable to determine whether such an increase in the withholding tax rate will ultimately be presented to or enacted by the Chilean Congress; however, if such an increase were enacted, the notes would be redeemable at the option of CODELCO. See "Description of Notes— Redemption—Tax Redemption" and "Taxation—Chilean Taxation."

Our obligations under the notes will be subordinated to certain statutory liabilities.

Under Chilean bankruptcy law, the obligations under the notes are subordinated to certain statutory preferences. In the event of a liquidation, such statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses, will have preference over any other claims, including claims by any investor in respect of the notes.

The market value of the notes may depend on economic conditions in other countries over which CODELCO has no control.

The market value of securities of Chilean companies, including CODELCO, is affected to varying degrees by economic and market conditions in other emerging market countries. Although economic conditions in such countries may differ significantly from economic conditions in Chile, investors' reactions to developments in any of these other countries may have an adverse effect on the market value of securities of Chilean issuers. International financial markets have in recent years experienced volatility due to a combination of international political and economic events. There can be no assurance that the deterioration of emerging market economies or other events in or outside of the region will not adversely affect the market value of the notes.

The transferability of the notes may be limited by the absence of an active trading market and restrictions on transfer under applicable securities law.

The notes have not been registered under the Securities Act or any state securities laws. CODELCO does not intend to list the notes on any national securities exchange or to seek admission of the notes for trading on any securities exchange in the United States; however, we intend to apply to list the notes on the Luxembourg Stock Exchange. Furthermore, CODELCO does not intend to exchange the notes for notes that are registered under the Securities Act. The initial purchasers are not obligated to make a market in the notes. No assurance can be given about the liquidity of any markets that may develop for the notes, the ability of holders to sell the notes or the prices at which the notes could be sold. Future trading prices of the notes will depend on many factors, including prevailing interest rates, CODELCO's operating results and the market for similar securities. There can be no assurance that any active trading market will develop for the notes or that holders of the notes will be able to transfer or resell the notes without registration under applicable securities laws.

We cannot assure you that our credit rating, or the credit ratings for the notes, will not be lowered, suspended or withdrawn by the rating agencies.

Our credit rating is subject to change in the future, and the credit ratings of the notes may change after issuance. Such ratings do not address all material risks relating to an investment in CODELCO, or its notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. CODELCO cannot assure you that such credit rating will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Our credit rating is an important part of maintaining our liquidity. Any lowering, suspension or withdrawal of such ratings may potentially increase our borrowing costs, and may have an adverse effect on our financial results and business operations and the market price and marketability of the notes.

Payments claimed in Chile on the notes, pursuant to a judgment or otherwise, may be in pesos.

In the event that proceedings are brought against CODELCO in Chile, either to enforce a judgment or as a result of an original action brought in Chile, CODELCO would not be required to discharge those obligations in a currency other than Chilean currency. Such obligation may be satisfied in Chilean currency at the exchange rate in effect on the date on which payments are made. As a result, holders of the notes may suffer a U.S. dollar shortfall if judgment in Chile is obtained.

USE OF PROCEEDS

The estimated total net proceeds from the offering of the notes are U.S.$492,036,737, after deducting commissions to the initial purchasers, payment of the Chilean stamp tax of U.S.$4,000,000 and payment of legal fees and all other expenses related to the offering. CODELCO intends to use the net proceeds from the sale of the notes (i) to pay the consideration for the Tender Offers and accrued and unpaid interest on the Tender Notes, (ii) to pay fees and expenses incurred in connection with the Tender Offers and (iii) the remainder, if any, for general corporate purposes. The Tender Offers are not being made pursuant to this offering memorandum. The closing of the Tender Offers is contingent upon the closing of this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Capitalization."

CAPITALIZATION

The following table sets forth the capitalization of CODELCO as of September 30, 2020 (i) on an actual historical basis, (ii) as adjusted to give effect to (a) the Prepayments and (b) the offering of the notes and application of the estimated net proceeds from the offering of the notes as described under "Use of Proceeds." This table is qualified in its entirety by reference to, and should be read together with, CODELCO's Unaudited Interim Consolidated Financial Statements, including the notes thereto, included elsewhere in this offering memorandum.

	As of September 30, 2020	
	Actual	**As Adjusted**
	(in thousands of U.S.$)	
Current financial liabilities		
Current portion of loans from financial institutions	$ 390,953	$ 390,953
Current portion of bonds issued	550,405	550,405
Total current financial liabilities	$ 941,358	$ 941,358
Non-current financial liabilities		
Bank debt	$ 2,124,583	$ 1,524,583
3.875% Notes due 2021	226,641	226,641
3.000% Notes due 2022	411,352	411,352
4.500% Notes due 2023	467,748	467,748
2.250% Euro Notes due 2024(1)	697,098	697,098
4.000% UF Notes due 2025(2)	259,457	259,457
4.500% Notes due 2025	1,056,787	1,056,787
2.500% UF Notes due 2026(3)	379,035	379,035
3.625% Notes due 2027	1,448,857	1,448,857
2.869% Notes due 2029	128,889	128,889
3.000% Notes due 2029	1,087,948	1,087,948
3.150% Notes due 2030	989,397	989,397
3.750% Notes due 2031	796,958	796,958
2.840% Notes due 2034(4)	63,911	63,911
5.625% Notes due 2035	492,351	492,351
6.150% Notes due 2036	496,634	496,634
3.580% Notes due 2039(5)	49,674	49,674
4.250% Notes due 2042	733,779	733,779
5.630% Notes due 2043	933,822	933,822
4.875% Notes due 2044	961,709	961,709
4.50% Notes due 2047	1,206,523	1,206,523
4.85% Notes due 2048	594,559	594,559
4.375% Notes due 2049	1,183,684	1,183,684
3.700% Notes due 2050	1,835,908	1,835,908
Notes offered hereby(6)	-	500,000
Total non-current financial liabilities	$ 18,627,304	$ 18,527,304
Non-controlling interest	$ 919,458	$ 919,458
Equity		
Issued capital	$ 5,619,423	$ 5,619,423
Other reserves	5,272,097	5,272,097
Retained Earnings:		
Accumulated deficit	(134,156)	(134,156)
Profits distributions to the Chilean Treasury	-	-
Equity attributable to equity owners of the parent	$ 10,757,364	$ 10,757,364
Total capitalization(7)	$ 31,245,484	$ 31,145,484

(1) The U.S.$ equivalent of €600 million aggregate principal amount of the 2.25% Euro Notes due 2024 has been translated at an exchange rate of U.S.$1.00 = €0.8538 at September 30, 2020.

(2) The U.S.$ equivalent of 6.9 million UF aggregate principal amount of the 4.0% UF notes due 2025 has been translated at an exchange rate of U.S.$1.00 = 0.027454 UF at September 30, 2020.

(3) The U.S.$ equivalent of 10 million UF aggregate principal amount of the 2.5% UF notes due 2026 has been translated at an exchange rate of U.S.$1.00 = 0.027454 UF at September 30, 2020.

(4) The U.S.$ equivalent of HKD 500 million aggregate principal amount of the 2.84% notes due 2034 has been translated at an exchange rate of U.S.$1.00 = HKD 7.7500 at September 30, 2020.

(5) The U.S.$ equivalent of AUD 70 million aggregate principal amount of the 3.580% notes due 2039 has been translated at an exchange rate of U.S.$1.00 = AUD 1.3957 at September 30, 2020.

(6) Net of deferred financing costs, commissions to the initial purchasers and payment of legal fees and all other expenses related to the offering.

(7) CODELCO has no convertible debt securities, warrants exercisable for debt securities or other similar securities outstanding.

EXCHANGE RATES

As a general matter, prior to 1989, Chilean law permitted the purchase and sale of foreign exchange only in those cases explicitly authorized by the Central Bank of Chile. Law 18,840, the Central Bank of Chile Act, liberalized the rules that govern the purchase and sale of foreign currency. The act empowers the Central Bank to determine that certain purchases and sales of foreign currency specified by law must be carried out in the *Mercado Cambiario Formal* (the "Formal Exchange Market"). The Formal Exchange Market is formed by the banks and other entities so authorized by the Central Bank. The exchange rate of the transactions conducted in the Formal Exchange Market is freely agreed upon by the parties thereto. For more information, see "Foreign Investment and Exchange Controls in Chile." The observed exchange rate for any given day equals the average exchange rate of the transactions conducted in the Formal Exchange Market on the immediately preceding banking day, as certified by the Central Bank (the "Observed Exchange Rate"). Even though the Central Bank is authorized to carry out its transactions at the rates it sets, it generally uses the spot rate for its transactions. Authorized transactions by other banks are generally carried out at the spot rate.

Purchases and sales of foreign exchange, which may be effected outside the Formal Exchange Market, can be carried out in the *Mercado Cambiario Informal* (the "Informal Exchange Market"). There are no limits imposed on the extent to which the exchange rate in the Informal Exchange Market may fluctuate above or below the Observed Exchange Rate.

The following table sets forth, for the periods indicated, the high, low, average and period-end Observed Exchange Rate for U.S. dollars for each year beginning in 2015 as reported by the Central Bank of Chile. The Federal Reserve Bank of New York does not report a noon buying rate for Chilean pesos.

Observed Exchange Rates
(Ch$ per U.S.$)

Period	High(1)	Low(1)	Average(2)	Period-End(3)
2015	715.66	597.10	654.25	707.34
2016	730.31	645.22	676.83	667.29
2017	679.05	615.22	649.33	615.22
2018	698.56	588.28	640.29	695.69
2019:	828.25	649.22	702.63	744.62
2020:				
June	820.68	764.97	793.62	816.36
July	821.23	754.45	784.73	754.45
August	803.40	757.06	784.66	779.92
September	788.02	760.01	773.40	784.46
October	801.91	770.45	788.27	770.45
November	772.83	752.01	762.88	766.69
December (through December 7, 2020)	767.29	747.61	756.49	747.61

(1) Rates shown are the actual low and high (as applicable) on a daily basis for periods indicated.

(2) The average annual rates represent the average of average monthly rates for the periods indicated. The average monthly rates represent the average of the rates on each day for the periods indicated.

(3) Period ends on January 1 of the following year.

Source: Central Bank of Chile.

The Observed Exchange Rate reported by the Central Bank of Chile for December 7, 2020 was Ch$747.61 = U.S.$1.00.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables present CODELCO's summary consolidated financial data and other data as of and for each of the periods indicated. This data (other than the average LME copper prices) is derived from, and should be read together with, CODELCO's Consolidated Financial Statements, including the notes thereto, included elsewhere in this offering memorandum. This data should also be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Consolidated Financial Statements and other financial information included in this offering memorandum are presented in accordance with IFRS. The unaudited consolidated interim information as of September 30, 2020 and for the nine-month periods ended September 30, 2019 and 2020 includes all adjustments, consisting of only normal recurring adjustments. The unaudited results of operations for the nine-month periods ended September 30, 2019 and 2020 are not necessarily indicative of the results to be expected for the full year or any other period.

	For the year ended December 31,			For the nine-month periods ended September 30,	
	2017	2018	2019	2019	2020
			(in thousands of U.S.$)		
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
Revenue	$ 14,641,555	$ 14,308,758	$ 12,524,931	$ 8,808,184	$ 9,228,639
Cost of sales[1]	(10,380,403)	(11,194,341)	(10,051,441)	(7,256,283)	(7,310,693)
Gross profit	4,261,152	3,114,417	2,473,490	1,551,901	1,917,946
Other income, by function	154,332	124,826	360,690	206,981	75,253
Impairment loss determined in accordance with IFRS 9	N/A	158	378	1,176	(934)
Distribution costs	(10,403)	(18,262)	(17,069)	(12,647)	(6,995)
Administrative expenses	(428,140)	(465,328)	(409,234)	(303,025)	(262,416)
Other expenses[2]	(1,557,473)	(2,115,314)	(1,747,838)	(1,328,133)	(969,845)
Other gains	32,605	21,395	22,672	17,038	18,264
Finance income	29,836	51,329	36,871	22,504	35,412
Finance costs	(644,610)	(463,448)	(479,307)	(360,104)	(520,374)
Share of profit of associates and joint ventures accounted for using equity method	185,428	119,114	13,203	11,863	9,713
Foreign exchange differences	(206,058)	178,143	153,917	114,946	136,947
Profit (loss) for the period before tax	1,816,669	547,030	407,773	(77,500)	432,971
Income tax expense[3]	(1,193,067)	(357,283)	(393,245)	(20,499)	(361,048)
Profit (loss) for the period	623,602	189,747	14,528	(97.999)	71,923
Profit (loss) attributable to owners of the parent	569,175	155,719	6,637	(105,530)	64,656
Profit (loss) attributable to non-controlling interests	54,427	34,028	7,891	7,531	7,267
Profit (loss) for the period	$ 623,602	$ 189,747	$ 14,528	$ (97,999)	$ 71,923

	As of December 31			As of September 30, 2020
	2017	2018	2019	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION		(in thousands of U.S.$)		
Total current assets	$ 6,211,053	$ 5,828,206	$ 6,050,021	$ 8,138,783
Total property, plant and equipment[11]	25,275,512	26,754,998	29,700,164	29,787,583
Investments accounted for using equity method[4]	3,665,601	3,568,293	3,483,523	3,470,552
Non-current receivables	91,442	84,731	98,544	91,160
All other assets[5]	1,112,533	854,577	1,012,359	918,391
Total assets	$ 36,356,141	$ 37,090,805	$ 40,344,611	$ 42,406,469
Total current liabilities	3,315,456	3,539,412	3,922,957	3,217,793
Total non-current liabilities	22,115,347	22,207,524	24,786,987	27,511,854
Total liabilities	$ 25,430,803	$ 25,746,936	$ 28,709,944	$ 30,729,647

Non-controlling interests	1,007,495	969,204	919,757	919,458
Equity attributable to owners of the parent	9,917,843	10,374,665	10,714,910	10,757,364
Total equity	$ 10,925,338	$ 11,343,869	$ 11,634,667	$ 11,676,822
Total liabilities and equity	$ 36,356,141	$ 37,090,805	$ 40,344,611	$ 42,406,469

	As of and for the year ended December 31,			As of and for the nine-month periods ended September 30,	
	2017	2018	2019	2019	2020
	(in thousands of U.S.$, except ratios and copper prices)				
OTHER ITEMS					
Depreciation and amortization of assets	$ 2,101,101	$ 2,181,140	$ 2,220,069	$ 1,585,427	$ 1,787,130
Interest expense, net	$ (614,774)	$ (412,119)	$ (442,436)	$ (337,600)	$ (484,962)
Ratio of earnings to fixed charges (adjusted)[(6)]	3.8	3.0	1.9	0.8	1.8
Average LME copper price (U.S. ¢ per pound)[(7)]	279.7	295.9	272.1	274.0	265.3
Adjusted EBITDA[(8)]	$ 5,668,314	$ 4,695,792	$ 4,042,748	$ 2,554,746	$ 3,436,711
Ratio of debt to Adjusted EBITDA[(9)]	2.6	3.2	4.3	N/A	N/A
Adjusted EBITDA coverage ratio[(10)]	9.2	11.4	9.1	7.6	7.1

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(1) "Cost of sales" for any period includes direct and indirect costs, depreciation and amortization associated with the production of copper and byproducts, as well as purchase costs of third-party copper, sold by CODELCO in that period.

(2) "Other expenses" is comprised principally of costs related to the 10% special export tax paid by the Company, retirement plan and severance indemnities and fixed indirect costs below production level. See note 22.b of the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(3) CODELCO is subject to a mining tax on operating income at progressive rates of between 5% and 14%. The tax is imposed on operating income generated during the operating year. The statutory rate of the mining tax for CODELCO was 5.0% for each year between 2017 and 2019. In addition, CODELCO is subject to the corporate income tax rate of 24% in 2016 and 25% since 2017 (pursuant to the tax reform in 2014) and a 40% tax on net earnings applicable to state-owned enterprises as specified by Decree Law 2,398, Art. 2. See "Taxation—Chilean Taxation" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Distributions to the Chilean Treasury" for additional information. See note 5 of the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Distributions to the Chilean Treasury" and "Regulatory Framework." See also "Risk Factors—Risks Relating to CODELCO's Relationship with the Government of Chile—CODELCO is subject to special taxes" for information regarding the mining tax rate effective in 2016.

(4) See note 9 of the Consolidated Financial Statements and the Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(5) All other assets includes other non-current financial assets, other non-current non-financial assets, accounts receivable from related parties, non-current, non-current inventories, intangible assets other than goodwill, investment property, non-current tax assets and deferred tax assets.

(6) For the purpose of calculating CODELCO's ratio of earnings to fixed charges (adjusted), (i) "earnings" consist of Adjusted EBIT and (ii) "fixed charges" consist of finance cost. The ratio of earnings to fixed charges (adjusted) is calculated by dividing Adjusted EBIT by finance cost. Adjusted EBIT is calculated by adding finance cost, impairment charges net of reversals (as defined in note (1) of the following table) and income tax expense to profit (loss) for the period. Adjusted EBIT, while not a financial performance measure under IFRS, is presented as an indicator of funds available to service debt. Adjusted EBIT and Adjusted EBITDA data are included in this offering memorandum because such data are used by investors to assess: (i) the operating trends and financial performance of the Company and (ii) the ability of the Company to (a) service its existing debt, (b) incur new debt and (c) fund its capital expenditures. The Company believes that Adjusted EBIT, while providing useful information, should not be considered in isolation as a substitute for profit for the period, as an indicator of operating performance, or as an alternative to cash flow as a measure of liquidity. Additionally, the Company's calculation of Adjusted EBIT may be different than the calculation used by other companies and therefore, comparability may be affected. See notes 8, 21 and 22 of the Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information about impairment charges and reversals and other non-cash charges.

(7) Average price on the LME for Grade A cathode copper during period.

(8) Adjusted EBITDA is calculated by adding finance cost, income tax expense, depreciation and amortization of assets plus export taxes and impairment charges net of reversals (as defined in note (1) of the following table) to profit (loss) for the period. Adjusted EBITDA is presented because it is a widely accepted indicator of funds available to service debt, although it is not an IFRS-based measure of liquidity or performance. Adjusted EBIT and Adjusted EBITDA data are included in this offering memorandum because such data are used by investors to assess: (i) the operating trends and financial performance of the Company and (ii) the ability of the Company to (a) service its

existing debt, (b) incur new debt and (c) fund its capital expenditures. The Company believes that Adjusted EBITDA, while providing useful information, should not be considered in isolation or as a substitute for profit as an indicator of operating performance, or as an alternative to cash flow as a measure of liquidity. Additionally, the Company's calculation of Adjusted EBITDA may be different than the calculation used by other companies and therefore, comparability may be affected. See notes 8, 21 and 22 of the Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information about impairment charges and reversals and other non-cash charges.

(9) The ratio of debt to Adjusted EBITDA is calculated by dividing debt by Adjusted EBITDA. Debt is defined as loans from financial institutions plus bonds issued.

(10) Adjusted EBITDA coverage ratio is the ratio of Adjusted EBITDA to finance cost net of finance income. See note 9 above for further information about Adjusted EBITDA and notes 21 and 22 of the Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information about impairment charges and reversals and other non-cash charges.

(11) In the unaudited interim consolidated financial statements, as of and for the nine- and three-month periods ended September 30, 2020 and 2019, certain reclassifications were made to the statement of financial position as of December 31, 2019 which, with respect to property, plant and equipment, included a break-out of right-of-use assets into a separate line. The amounts for property, plant, and equipment in the table above, therefore, represent the sum of property, plant and equipment and right-of-use assets.

The following table shows CODELCO's earnings, Adjusted EBIT, ratio of earnings to fixed charges (adjusted), Adjusted EBITDA and reconciliation of Adjusted EBIT and Adjusted EBITDA for the periods indicated.

	For the year ended December 31,			For the nine-month periods ended September 30,	
	2017	2018	2019	2019	2020
			(in thousands of U.S.$)		
Profit (loss) for the period	$ 623,602	$ 189,747	$ 14,528	$ (97,999)	$ 71,923
Income tax expense	1,193,067	357,283	393,245	20,499	361,048
Finance costs	644,610	463,448	479,307	360,104	520,374
Impairments[(1)]	7,378	395,965	-	-	-
Adjusted EBIT[(2)]	**2,468,657**	**1,406,443**	**887,080**	**282,604**	**953,345**
Ratio of earnings to fixed charges (adjusted)[(3)]	**3.8**	**3.0**	**1.9**	**0.8**	**1.8**
Depreciation and amortization of assets[(4)]	2,101,101	2,181,140	2,220,069	1,585,427	1,787,130
Copper Reserve Law[(5)]	1,098,556	1,108,209	935,599	686,715	696,296
Adjusted EBITDA	**$ 5,668,314**	**$ 4,695,792**	**$ 4,042,748**	**$ 2,554,746**	**$ 3,436,771**

(1) Impairments include charges and reversals related to charges of investment projects, research projects and investment in associates and joint ventures and exclude impairment charges related to definitely-lived tangible assets which show indicators of impairment under International Accounting Standard N° 36. See notes 8, 21 and 22 of the Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information about impairment charges and reversals and other non-cash charges.

(2) Adjusted EBIT is calculated by adding finance cost, impairment charges net of reversals (as defined in note (1) above) and income tax expense to profit (loss) for the period. Adjusted EBIT, while not a financial performance measure under IFRS, is presented as an indicator of funds available to service debt. Adjusted EBIT and Adjusted EBITDA data are included in this offering memorandum because such data are used by investors to assess: (i) the operating trends and financial performance of the Company and (ii) the ability of the Company to (a) service its existing debt, (b) incur new debt and (c) fund its capital expenditures. The Company believes that Adjusted EBIT, while providing useful information, should not be considered in isolation as a substitute for profit for the period, as an indicator of operating performance, or as an alternative to cash flow as a measure of liquidity. Additionally, the Company's calculation of Adjusted EBIT may be different than the calculation used by other companies and therefore, comparability may be affected. See notes 8, 21 and 22 of the Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information about impairment charges and reversals and other non-cash charges.

(3) For the purpose of calculating CODELCO's ratio of earnings to fixed charges (adjusted), (i) "earnings" consist of Adjusted EBIT and (ii) "fixed charges" consist of finance cost. The ratio of earnings to fixed charges (adjusted) is calculated by dividing Adjusted EBIT by finance cost.

(4) See note 20 of the Consolidated Financial Statements and the Unaudited Interim Consolidated Financial Statements.

(5) The Copper Reserve Law currently requires the payment of a 10% special export tax on receivables of the sales proceeds that CODELCO receives and transfers to Chile from the export of copper and related by products produced by CODELCO. For further information, see "Risk Factors— Risks Relating to CODELCO's Relationship with the Government of Chile— CODELCO is subject to special taxes."

The following table shows CODELCO's debt and ratio of debt to Adjusted EBITDA and Adjusted EBITDA coverage ratio for the periods indicated.

	As of and for the year ended December 31,			As of and for the nine-month periods ended September 30,	
	2017	2018	2019	2019	2020
	(in thousands of U.S.$, except ratios)				
Debt	$ 14,709,790	$ 15,257,685	$ 17,264,356	$ 17,453,362	$ 19,568,662
Ratio of debt to Adjusted EBITDA	2.6	3.2	4.3	N/A	N/A
Finance income	29,836	51,329	36,871	22,504	35,412
Adjusted EBITDA coverage ratio[1]	9.2	11.4	9.1	7.6	7.1

(1) Adjusted EBITDA coverage ratio is the ratio of Adjusted EBITDA to finance cost net of finance income.

SELECTED OPERATING DATA

The following table sets forth a summary of the production and sales data of CODELCO for each of the years ended December 31, 2017, 2018 and 2019 and for the nine-month periods ended September 30, 2019 and 2020. For more information regarding such data, see "Business Properties."

	Year ended December 31,			For the nine-month periods ended September 30,	
	2017	**2018**	**2019**	**2019**	**2020**
COPPER MINING OPERATIONS					
Ore Mined (in thousands of dry metric tons):					
Mina Ministro Hales	23,653	19,827	19,160	14,375	14,482
Chuquicamata Division	50,104	56,909	65,582	48,181	46,340
Radomiro Tomic Division	78,582	77,692	70,753	52,197	52,270
Gabriela Mistral Division	40,503	39,430	38,180	28,807	26,440
El Teniente Division	50,812	52,454	52,006	38,305	38,351
Andina Division	31,863	29,264	30,676	22,670	25,737
Salvador Division	14,513	12,892	10,362	7,785	8,080
Total	290,029	288,467	286,718	212,319	211,699
Average Copper Ore Grade:					
Mina Ministro Hales	1.08%	1.09%	0.99%	0.97%	1.00%
Chuquicamata Division	0.77	0.62	0.73	0.68	0.75
Radomiro Tomic Division	0.51	0.53	0.48	0.49	0.44
Gabriela Mistral Division	0.43	0.37	0.42	0.39	0.41
El Teniente Division	0.98	0.96	0.95	0.93	0.94
Andina Division	0.78	0.75	0.67	0.67	0.71
Salvador Division	0.56	0.59	0.63	0.62	0.65
Weighted Average	0.71%	0.67%	0.67%	0.66%	0.68%
PLANT COPPER PRODUCTION					
(by division in metric tons):					
Mina Ministro Hales	215,086	195,485	151,838	110,588	112,801
Chuquicamata Division	330,910	320,744	385,309	262,091	299,752
Radomiro Tomic Division	318,878	332,667	266,415	197,889	182,068
Gabriela Mistral Division	122,737	107,247	104,087	72,182	74,226
El Teniente Division	464,328	465,040	459,744	323,896	312,961
Andina Division	220,030	195,531	170,274	125,939	142,334
Salvador Division	61,942	60,840	50,561	27,130	40.935
Total	1,733,911	1,677,554	1,588,229	1,119,715	1,165,078
PLANT COPPER PRODUCTION					
(contained copper in metric tons):					
ER Cathodes	65,579	44,308	10,228	2,834	40,902
SX-EW Cathodes	442,136	410,649	395,998	285,001	275,184
Calcined	159,113	152,653	116,999	81,610	94,854
Anodes – Blister	381,526	386,393	338,769	206,075	261,600
Concentrates	685,557	683,551	726,235	544,195	492,540
Total	1,733,911	1,677,554	1,588,229	1,119,715	1,165,077
MOLYBDENUM PRODUCTION					
(contained molybdenum in metric tons)	28,674	24,031	22,353	16,036	21,456
COPPER SALES					
(in metric tons; includes sales of third-party copper):					
Cathodes	1,233,012	1,231,172	1,076,097	742,651	898,697
Fire Refined	-	-	-	-	-
Anodes – Blister	118,986	135,509	58,491	21,839	58,000
Concentrates	610,852	529,292	721,339	548,527	420,912
Total	1,962,850	1,895,974	1,855,926	1,313,016	1,377,609
COPPER EXPORTS					

(in metric tons; includes sales of third-party copper):					
Cathodes	1,164,459	1,173,010	1,009,355	707,916	832,279
Blister	118,986	133,499	57,487	21,839	57,266
Concentrates	515,214	379,398	503,424	408,529	282,895
Total	1,798,659	1,685,906	1,570,266	1,138,284	1,172,440
INVENTORIES OF COPPER AT PERIOD-END (in metric tons)	54,448	80,233	38,375	45,267	29,102

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with CODELCO's Consolidated Financial Statements, including the notes thereto, included elsewhere in this offering memorandum, as well as the data set forth in "Selected Consolidated Financial Data." Except as otherwise disclosed herein or indicated, the Consolidated Financial Statements and other financial information included in this offering memorandum are presented in accordance with IFRS.

Overview

CODELCO is the world's largest copper producer and one of the largest companies in Chile in terms of revenues. CODELCO engages primarily in the exploration, development and extraction of ore-bearing copper and byproducts, the processing of ore into refined copper and the international sale of refined copper and byproducts. In 2019, CODELCO derived 91% of its total sales from copper and 9% of its total sales from byproducts of its copper production, primarily molybdenum, anodic slimes and sulfuric acid.

Since its inception in 1976, CODELCO has contributed approximately U.S.$108.1 billion (in 2019 currency) to the Chilean Treasury. Approximately 62.7% of this amount was generated in the last 16 years, representing 8.4% of the revenues of the Government of Chile. In 2019, CODELCO accounted for 13.4% of all Chilean exports.

CODELCO's financial performance is significantly affected by the market prices of copper. As with prices for other commodities, copper prices have historically been subject to wide fluctuations. LME copper prices averaged 272.1 cents per pound in 2019 compared to 295.9 cents per pound in 2018 and 279.7 cents per pound in 2017. Copper prices averaged 265.3 cents per pound in the first nine months of 2020, compared to 274.0 cents per pound in the first nine months of 2019. Since the first half of 2018 copper prices have been affected by trade disputes between the United States and China. For more information, see "Overview of the Copper Market."

CODELCO continues to focus on controlling and limiting production cost increases. For many years, CODELCO has been within the first or second quartiles in the industry with respect to costs. Currently, CODELCO is in the third quartile of the industry's cost curve. This position is primarily attributable to the quality of its ore bodies, its economies of scale and the experience of its workforce and management. The Company intends to make every effort, through investment and management, to be within the first or second quartiles of the industry's cost curve in the long-term. In 2019, CODELCO's total costs and expenses decreased by 11.6 cents per pound (4.7%) to 233.5 cents per pound, compared to 245.1 cents per pound in 2018 and 227.1 cents per pound in 2017, mainly due to depreciation of the Chilean peso against the U.S. Dollar, cost savings in maintenance expenses and lower labor expenses, partially offset by lower production levels in connection with weather disruptions in the northern area of Chile, a 14-day strike at the Chuquicamata mine and upgrades at the Chuquicamata and Salvador smelters that suspended operations temporarily. For the first nine months of 2020, CODELCO's total costs and expenses decreased by 11.3 cents per pound (4.7%) to 228.3 cents per pound, compared to 239.7 cents per pound for the same period in 2019, mainly due to lower input prices, such as electricity and diesel, depreciation of the Chilean peso against the U.S. Dollar and higher production volume.

In 2019, CODELCO's total costs and expenses decreased to U.S.$8.2 billion, compared to U.S.$9.1 billion in 2018, due to depreciation of the Chilean peso against the U.S. Dollar and a decline of sales volume and cost cutting initiatives. In 2018, CODELCO's total costs and expenses increased by 4.4% to U.S.$9.1 billion, compared to U.S.$8.7 billion in 2017 mainly due to the appreciation of the Chilean peso against the U.S. dollar, as well as higher input prices, non-cash charges related to the write-off of an innovation project for underground mining and impairment losses on fixed assets associated with the Ventanas Division. For the first nine months of 2020, CODELCO's total costs and expenses amounted to U.S.$5.9 billion, which was relatively flat as compared to the same period of 2019. Higher depreciation and amortization expenses and finance costs partially offset the favorable effect on total costs and expenses from the depreciation of the Chilean peso against the U.S. Dollar and the lower input prices. In 2019, CODELCO's cash cost of production was 141.6 cents per pound, compared to 139.1 cents per pound in 2018 and 135.9 cents per pound in 2017. For the first nine months of 2020, CODELCO's cash cost of production was 126.9 cents per pound, compared to 143.1 cents per pound for the same period in 2019. In 2019, CODELCO’S total cash cost was U.S.$4.9 billion, compared to U.S.$5.1 billion in 2018 and U.S.$5.1 billion in 2017. For the first nine months of 2020, CODELCO’s total cash cost was U.S.$3.2 billion, as compared to U.S.$3.5 billion for the same period in 2019, primarily attributable to lower input prices, such as electricity and diesel, depreciation of the Chilean peso against the U.S. Dollar and higher production volume. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview.”

CODELCO conducts hedging operations from time to time to reduce the risks associated with copper price volatility. CODELCO also periodically enters into futures contracts with respect to certain sales of its own copper. Since 2005, CODELCO has occasionally hedged certain future copper delivery commitments and production in order to manage the risks associated with copper price volatility. As of September 30, 2020, CODELCO did not have any production hedging commitments and, accordingly, there was no related impact on pre-tax income for the nine-month period ended September 30, 2020. See notes 29 and 30 to the Unaudited Interim Consolidated Financial Statements.

CODELCO has hedged a portion of its exchange rate and interest rate exposure by entering into forward exchange contracts to hedge against fluctuations in the UF to U.S. dollar exchange rate for its outstanding UF-denominated bonds. See “Business and Properties—Marketing—Pricing and Hedging” and “Risk Factors—Risks Relating to CODELCO’s Operations—CODELCO engages in hedging activity from time to time, particularly with respect to its copper production, which may not be successful and may result in losses to CODELCO.” See also notes 27 and 28 to the Consolidated Financial Statements and notes 29 and 30 to the Unaudited Interim Consolidated Financial Statements for further information on CODELCO’s hedging activity.

Sale prices for CODELCO’s products are established principally by reference to prices quoted on the LME and the New York Commodity Exchange (“COMEX”) in the case of copper, or prices published in “Metals Weekly” in the case of molybdenum. The substantial majority of copper produced by CODELCO is sold under annual contracts to customers who have long-term relationships with CODELCO. Pricing under such contracts is based on prevailing average copper prices for a quotation period, generally for the month following the scheduled month of shipment. Revenue under such contracts is recorded at provisional prices determined at the time of shipment. Usually, an adjustment is then made after delivery of the copper, based on the pricing terms contained in the applicable contract.

CODELCO’s financial performance is also significantly affected by the relationship of copper prices to production costs. In 2019, CODELCO’s annual production, including its investment in El Abra and Anglo American Sur, slightly decreased to 1.71 million metric tons from 1.81 million metric tons in 2018 and 1.84 million metric tons in 2017. The lower production levels in 2019 were in connection with weather disruptions in the northern area of Chile, a 14-day strike at the Chuquicamata mine and upgrades at the Chuquicamata and Salvador smelters that suspended operations temporarily. The lower production in 2018 was mainly due to lower production at the Andina, Mina Ministro Hales, Gabriela Mistral and Chuquicamata Divisions, partially offset by increased production at the Radomiro Tomic Division and CODELCO’s stake in Anglo American Sur and El Abra.

In 2019, each one-cent change in CODELCO’s average annual copper price per pound caused a variation in operating profit of approximately U.S.$35 million. CODELCO expects production to remain relatively stable in the near future. By overcoming certain non-permanent disruptions, such as inclement weather and other natural events and strikes, and producing more copper through the new Mina Ministro Hales ore body, CODELCO believes that it will be able to compensate for diminished production resulting from lower average ore grades, which themselves are expected to stabilize over time. Nonetheless, CODELCO continues to develop its project pipeline with the goal of increasing its production marginally in the long-term.

CODELCO continues to develop and refine its mine management practices and programs to limit and reduce its costs. These include the following: (i) improved deposit identification and mining techniques; (ii) the implementation of early retirement plans and workforce reduction programs; (iii) an investment in human capital and continuing to attract and retain a world-class management team and professionals of the highest caliber; (iv) improved utilization of equipment and inputs used in the processes of copper production to increase productivity and efficiency; and (v) the development of key projects, specifically the new mine level at El Teniente, the Andina plant reallocation and the Chuquicamata underground mine projects. Production cash costs are influenced by mining and production practices, as well as the type of ore from which copper is produced, production levels and market prices of byproducts, and foreign exchange rates.

In 2019, CODELCO invested U.S.$3.7 billion, mainly in expansion and development projects, including the Chuquicamata underground mine, the Andina plant reallocation, the new mine level at El Teniente and the upgrade of Chuquicamata, Salvador and El Teniente smelters. See "Business and Properties."

In addition to selling its current production of copper, CODELCO may sell copper in its inventory from past production cycles to meet the demand of its customers. CODELCO also purchases copper from third parties in the spot market for resale. The Company makes these purchases and sales of third-party copper to meet the requirements under sales contracts and to participate in the spot market for copper based on its evaluation of market conditions. CODELCO has no long-term commitments regarding third-party copper purchases or sales other than pursuant to the joint venture with China Minmetals Non-Ferrous Metals Co. Ltd. ("Minmetals"), a Chinese state-owned metals company. This joint venture ended in April 2016 and the related selling commitment ends in 2021. For more information on Minmetals, see "Business and Properties—Associations, Joint Ventures and Partnerships." CODELCO also engages in copper transactions with its affiliates at market terms. In addition, CODELCO purchases copper from its affiliates for further processing and resale.

The following tables set forth, for the periods indicated, the components of CODELCO's consolidated financial statements of operations expressed as a percentage of revenue under IFRS. These tables are qualified in their entirety by reference to, and should be read together with, CODELCO's Consolidated Financial Statements, including the notes thereto, included elsewhere in this offering memorandum:

	Year ended December 31,			For the nine-month periods ended September 30,	
	2017	2018	2019	2019	2020
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	(70.9)	(78.2)	(80.3)	(82.4)	(79.2)
Gross profit	29.1	21.8	19.7	17.6	20.8
Other income, by function	1.1	0.9	2.9	2.3	0.8
Administrative expenses	(2.9)	(3.3)	(3.3)	(3.4)	(2.8)
Other expenses	(10.6)	(14.8)	(14.0)	(15.1)	(10.5)
Finance costs	(4.4)	(3.2)	(3.8)	(4.1)	(5.6)
Profit (loss) for the period before tax	12.4	3.8	3.3	(0.9)	4.7
Income tax expense	(8.1)	(2.5)	(3.1)	(0.2)	(3.9)
Profit (loss) for the period	4.3%	1.3%	0.1%	(1.1)%	0.8%

The following tables set forth, for the periods indicated, certain price, volume and cost data:

	Year ended December 31,			For the nine-month periods ended September 30,	
	2017	2018	2019	2019	2020
CODELCO Average Metal Price (per pound)[1]					
Copper	$ 2.86	$ 2.76	$ 2.56	$ 2.58	$ 2.62
Molybdenum	$ 7.88	$ 11.64	$ 11.37	$ 12.03	$ 8.13
CODELCO Sales Volume (in metric tons)					
Own copper (2)	1,846,452	1,838,150	1,804,005	1,277,440	1,317,994
Third-party copper	304,026	296,109	172,218	124,804	132,176
Total copper	2,150,478	2,134,259	1,976,223	1,402,244	1,450,170
Molybdenum (in oxide and concentrate)	28,918	25,385	23,775	17,226	21,376
CODELCO's Cash Cost of Production (per pound)	135.9¢	139.1¢	141.6¢	143.1¢	126.9¢

(1) The average metal price is the weighted average of prices actually paid to CODELCO for its product mix.
(2) Includes wire rod sales and cathodes from CODELCO's subsidiaries.

Impact of COVID-19

The COVID-19 pandemic and the resulting economic impact have primarily contributed to a decrease in copper prices in 2020. In the first nine months of 2020, LME copper prices averaged 265.3 cents per pound compared to 274.0 cents per pound in the first nine months of 2019, which was attributable to the impact of the COVID-19 pandemic on the Chinese and global economies during the first nine months of 2020. CODELCO's financial results and prospects are largely dependent on the prices of copper. If economic conditions further deteriorate in China or other emerging markets, demand from customers in those markets could decline and the market price of copper could fall. A decline in copper prices would have an adverse impact on CODELCO's revenues and financial results.

CODELCO has taken steps and implemented several measures to safeguard its employees, businesses and the communities surrounding its operations from the threats posed by the COVID-19 pandemic. Although these steps and measures have not materially affected CODELCO's production or its financial results in 2020, the ultimate impact of COVID-19 on CODELCO's financial and operating results is unknown and will depend on the duration and spread of the pandemic, and will not be fully reflected in CODELCO's results of operations until future periods.

Results of Operations for the Nine-month Periods Ended September 30, 2019 and 2020

The following table sets forth CODELCO's summarized results of operations for the nine-month periods ended September 30, 2019 and 2020:

	For the nine-month periods ended September 30,		% Change
	2019	2020	2019/2020
	(in millions of U.S.$)		
Revenue	$ 8,808	$ 9,229	4.8%
Cost of sales	(7,256)	(7,311)	0.7
Gross profit	1,552	1,918	23.6
Other income, by function	207	75	(63.6)
Administrative expenses	(303)	(262)	(13.4)
Other expenses	(1,328)	(970)	(27.0)
Finance costs	(360)	(520)	44.5
Share of profit of associates and joint ventures accounted for using equity method	12	10	(18.1)
Foreign exchange differences	115	137	19.1
Profit (loss) for the period before tax	(78)	433	658.7
Income tax expense	(20)	(361)	1,661.3
Profit (loss) for the period	(98)	72	173.4
Profit (loss) attributable to owners of parent	(106)	65	161.3
Profit (loss) attributable to non-controlling interests	8	7	(3.5)

Revenue. The following table sets forth CODELCO's revenue for the nine-month periods ended September 30, 2019 and 2020:

	For the nine-month periods ended September 30,		% Change
	2019	2020	2019/2020
	(in millions of U.S.$)		
Revenue	$ 8,808	$ 9,229	4.8%
Sales of CODELCO's own copper	7,268	7,608	4.7%
Sales of third-party copper	724	784	8.3%
Sales of byproducts and other	816	837	2.5%

Revenues increased by 4.8% to U.S.$9.2 billion in the first nine months of 2020, compared to U.S.$8.8 billion for the same period in 2019. This increase was primarily attributable to an increase in the volume of copper sold by 3.4% as a result of higher production levels. Our own copper sales increased by 4.7% mainly due to

3.2% higher volume sold and higher realized copper price. Despite lower average LME copper prices in the first nine months of 2020 as compared to the same period of 2019, realized copper price for CODELCO was higher due to lower transformation, refining and logistics charges.

Third-party copper sales totaled U.S.$784 million in the first nine months of 2020, compared to U.S.$724 million for the same period of 2019, attributable to an increase of sales volume. In general, changes in the volume of third-party copper sales are dependent upon CODELCO's need to meet requirements under sales contracts and, to a lesser extent, purchasing copper under spot market terms if CODELCO's own production is insufficient to cover the quantities that it has agreed to supply its customers.

Sales of byproducts and other increased 2.5% to U.S.$837 million in the first nine months of 2020, compared to U.S.$816 million for the same period in 2019. This increase was primarily due to the 24.1% growth in molybdenum sales volume.

Cost of sales. CODELCO's cost of sales in any period includes both the mining and production costs of its own copper and byproducts and the purchase costs of copper, as well as gold, silver and other byproducts, at market prices from third parties and processed and sold by CODELCO in that period. The following table sets forth CODELCO's total cost of sales for the nine-month periods ended September 30, 2019 and 2020:

	For the nine-month periods ended September 30,		% Change
	2019	**2020**	**2019/2020**
	(in millions of U.S.$)		
Cost of sales	$ 7,256	$ 7,311	0.7%
Cost of CODELCO's own copper	6,073	6,002	(1.2)
Cost of third-party sales	717	784	9.3
Cost of byproducts and other	466	524	12.6

CODELCO's total cost of sales increased by 0.7% to U.S.$7.3 billion (79.2% of sales) in the first nine months of 2020, compared to U.S.$7.3 billion (82.4% of sales) for the same period in 2019, primarily due to higher sales volume. Some of the minerals that CODELCO sells are purchased at market prices, and CODELCO also purchases mineral ore from third parties at market prices which it processes and sells as copper.

CODELCO's cost of sales of its own copper decreased to U.S.$6.0 billion during the first nine months of 2020, compared to U.S.$6.1 billion for the same period in 2019. This decrease is primarily attributable to lower operational costs as a result of cost reduction efforts and the depreciation of the Chilean peso against the U.S. dollar, which decreased wage and third-party services expenses.

The cost of copper purchased from third parties increased by 9.3% in the first nine months of 2020 to U.S.$784 million, compared to U.S.$717 million for the same period of 2019. The increase was mainly caused by higher sales volume of third-party copper.

The cost of byproducts and other increased by 12.6% to U.S.$524 million in the first nine months of 2020, compared to U.S.$466 million for the same period of 2019, primarily due to higher sales volume of molybdenum, sulfuric acid, gold and silver.

Depreciation and amortization expenses increased by 12.7% to U.S.$1.8 billion during the first nine months of 2020, compared to U.S.$1.6 billion for the same period in 2019. This increase was primarily due to higher production since the amounts recognized in property, plant and equipment are depreciated under a units-of-production method, as well as large capitalizations over 2019.

Gross profit. Gross profit amounted to U.S.$1.9 billion for the first nine months of 2020, compared to U.S.$1.6 billion for the same period in 2019. This 23.6% increase was primarily attributable to the increase in revenues mainly due to higher sales volume of copper and molybdenum, which was only partially offset by an increase of 0.7% in cost of sales.

Other income, by function. The largest components of other income, by function, are sales of services to third parties, insurance reimbursements received and gains on sales of assets. Other income, by function decreased 63.6% to U.S.$75 million in the first nine months of 2020, compared to U.S.$207 million for the same period in 2019, primarily attributable to the sale of CODELCO's 37% equity stake in GNL Mejillones S.A. in 2019, which did not repeat in 2020.

Administrative expenses. Administrative expenses decreased to U.S.$262 million (2.8% of total revenues) during the first nine months of 2020, compared to U.S.$303 million (3.4% of total revenues) for the same period in 2019. This decrease was primarily attributable to the positive effect of the depreciation of the Chilean peso against the U.S. dollar.

Other expenses. Other expenses amounted to U.S.$970 million (10.5% of total revenues) during the first nine months of 2020, compared to U.S.$1,328 million (15.1% of total revenues) for the same period in 2019. This decrease was primarily attributable to a decrease of bonuses paid related to collective bargaining processes and of indirect fixed costs.

The following table sets forth the principal components of CODELCO's other expenses for the periods indicated:

	For the nine-month periods ended September 30,	
	2019	**2020**
	(in millions of U.S.$)	
Copper Reserve Law	$ 687	$ 696
Bonus for the end of collective bargaining and other employee benefits	182	131
Other expenses	460	143
Total other expenses by function	$ 1,328	$ 970

CODELCO recorded other expenses of U.S.$687 million and U.S.$696 million in the first nine months of 2019 and 2020, respectively, pursuant to the Copper Reserve Law, which levies a 10% tax on CODELCO's exports of its own copper and related byproducts. Under the accounting policies adopted by CODELCO, this export tax is accounted for in "other expenses." The increase of this tax recorded in the first nine months of 2020 compared to the same period in 2019 is primarily attributable to higher revenues from CODELCO's own copper sales.

Bonuses for the end of collective bargaining and other employee benefits decreased to U.S.$131 million from U.S.$182 million, due to a smaller number of employees benefitting from collective bargaining negotiations in 2020.

Other expenses (as a sub-category of other expenses as a whole) decreased from U.S.$460 million to U.S.$143 million, mainly due to a decrease in indirect fixed costs from U.S.$312 million during the first nine months of 2019 to U.S.$47 million in the first nine months of 2020.

Finance costs. Finance costs increased to U.S.$520 million in the first nine months of 2020, compared to U.S.$360 million for the same period in 2019. This increase was primarily attributable to higher average debt amount in 2020 than in 2019. The average interest rate was 4.0% as of September 30, 2020. As of September 30, 2020, 90% of our debt had a fixed rate and 10% had a floating rate.

Share of profit/(loss) of associates and joint ventures accounted for using equity method. CODELCO's net equity participation in related companies decreased to a net profit of U.S.$10 million in the nine months of 2020, compared to a net profit of U.S.$12 million for the same period in 2019. This decrease was primarily attributable to the decrease of sales volumes which negatively impacted the El Abra deposit and Anglo American Sur's profitability.

Foreign exchange differences. According to Decree Law 1,350, CODELCO maintains its accounting records in U.S. dollars, recording transactions in currencies other than U.S. dollars at the exchange rate current at the date of each transaction and, subsequently, for monetary assets and liabilities denominated in currencies other than the U.S. dollar, at the closing exchange rate determined by the Central Bank of Chile. CODELCO experienced a gain from foreign exchange differences of U.S.$137 million in the first nine months of 2020, compared to a gain from foreign exchange differences of U.S.$115 million in the same period of 2019. The gain recorded in the first nine months of 2020 is primarily attributable to the depreciation of the Chilean peso against the U.S. dollar during the nine-month period ended September 30, 2020 as compared to December 31, 2019, arising mainly from long term provision denominated in Chilean pesos.

Profit before tax. Profit before tax was U.S.$433 million during the first nine months of 2020, compared to a loss of U.S.$78 million for the same period in 2019, primarily attributable to higher gross profit and positive foreign exchange differences, partially offset by higher finance costs.

Income tax expense. During the first nine months of 2020, CODELCO had a statutory tax rate of 65.0% in accordance with applicable regulations, comprised of (i) a corporate income tax rate of 25.0% and (ii) a 40% tax on net earnings applicable to state-owned enterprises as specified by Decree Law 2,398, Art. 2. During 2019, CODELCO was subject to the same statutory tax rate of 65%. CODELCO is also subject to an additional mining tax that is based on its operating income, and, effective as of 2012 fiscal year, is imposed at progressive rates of between 5% and 14%. CODELCO's statutory rate of the mining tax for 2019, 2018 and 2017 was 5%. CODELCO's taxes on income amounted to an expense of U.S.$361 million during the first nine months of 2020 and an expense of U.S.$20 million during the same period of 2019. The increase in expense from taxes on income was primarily due to the profits before tax generated during the first nine months of 2020.

Profit for the period. As a result of the factors described above, CODELCO's profit after tax was U.S.$72 million during the first nine months of 2020, compared to a loss of U.S.$98 million for the same period of 2019.

Results of Operations for the Three Years Ended December 31, 2019

The following table sets forth CODELCO's summarized results of operations for the years ended December 31, 2017, 2018 and 2019:

	Year ended December 31,			% Change	
	2017	2018	2019	2017/2018	2018/2019
	(in millions of U.S.$)				
Revenue	14,642	14,309	12,525	(2.3)%	(12.5)%
Cost of sales	(10,380)	(11,194)	(10,051)	7.8	(10.2)
Gross profit	4,261	3,114	2,473	(26.9)	(20.6)
Other income, by function	154	125	361	(19.1)	189.0
Administrative expenses	(428)	(465)	(409)	8.7	(12.1)
Other expenses	(1,557)	(2,115)	(1,748)	35.8	(17.4)
Finance costs	(645)	(463)	(479)	(28.1)	3.4
Share of profit (loss) of associates and joint ventures accounted for under the equity method	185	119	13	(35.8)	(88.9)
Foreign exchange differences	(206)	178	154	(186.5)	(13.6)
Profit (loss) for the period before tax	1,817	547	408	(69.9)	(25.5)
Income tax expense	(1,193)	(357)	(393)	(70.1)	10.1
Profit (loss) for the period	624	190	15	(69.6)	(92.3)
Profit (loss) attributable to owners of parent	569	156	7	(72.6)	(95.7)
Profit (loss) attributable to non-controlling interests	54	34	8	(37.5)	(76.8)

Revenue. The following table sets forth CODELCO's revenues for the years ended December 31, 2017, 2018 and 2019:

	Year ended December 31,			% Change	
	2017	2018	2019	2017/2018	2018/2019
	(in millions of U.S.$)				
Revenue	$ 14,642	$ 14,309	$ 12,525	(2.3)%	(12.5)%

Sales of CODELCO's own copper	11,635	11,219	10,402	(3.6)	(7.3)
Sales of third-party copper	2,006	1,901	1,006	(5.2)	(47.1)
Sales of byproducts and other	1,001	1,189	1,116	18.8	(6.1)

In 2019, revenue decreased by 12.5% to U.S.$12.5 billion, compared to U.S.$14.3 billion in 2018. This decrease was primarily attributable to a decrease in CODELCO's average copper price from U.S.$2.76 per pound in 2018 to U.S.$2.56 per pound in 2019 and a decrease in the volume of copper sold by 7.3% as a result of lower production levels. Our own copper sales decreased by 7.4% mainly due to the decrease in CODELCO's average copper price. Revenue decreased in 2018 by 2.3% to U.S.$14.3 billion, compared to U.S.$14.6 billion in 2017, mainly due to a 3.5% decrease in CODELCO's copper price to 276 cents per pound in 2018 from 286 cents per pound in 2017. CODELCO's own copper sales decreased 3.6% to U.S.$11.2 billion in 2018, compared to U.S.$11.6 billion in 2017, primarily attributable to the 3.4% decrease in CODELCO's copper price and a 0.4% reduction in the tonnage volume sold.

Third-party copper sales totaled U.S.$1.0 billion in 2019, compared to U.S.$1.9 billion in 2018, attributable to lower average copper prices and a decline of sales volume. In 2018, third-party copper sales totaled U.S.$1.9 billion, compared to U.S.$2.0 billion in 2017. The decrease in 2018 as compared to 2017 was primarily attributable to a 3.4% decrease in CODELCO's copper price and a 2.6% decrease in tonnage sold. In general, changes in the volume of third-party copper sales are dependent upon CODELCO's need to meet requirements under sales contracts and, to a lesser extent, purchasing copper under spot market terms if CODELCO's own production is insufficient to cover the quantities that it has agreed to supply its customers.

Sales of byproducts and other decreased by 6.1% to U.S.$1.1 billion in 2019, compared to U.S.$1.2 billion in 2018. This decrease was primarily due to the 6.3% decline in molybdenum sales volume. In 2018, sales of byproducts and other totaled U.S.$1.2 billion, compared to U.S.$1.0 billion in 2017. The increase of 18.8% in 2018 as compared to 2017 was primarily attributable to a 47.7% increase in CODELCO's average molybdenum price, partially offset by a 12.2% decrease in molybdenum tonnage sold.

Cost of sales. CODELCO's cost of sales in any period includes both the mining and production costs of its own copper and byproducts and the purchase costs of copper, as well as gold, silver and other byproducts, at market prices from third parties and processed and sold by CODELCO in that period. The following table sets forth CODELCO's total cost of sales for the years ended December 31, 2017, 2018 and 2019:

	Year ended December 31,			% Change	
	2017	2018	2019	2017/2018	2018/2019
		(in millions of U.S.$)			
Cost of sales	$ 10,380	$11,194	$ 10,051	7.8%	(10.2)%
Cost of CODELCO's own copper	7,793	8,646	8,418	10.9	(2.6)
Cost of third-party sales	2,000	1,881	996	(5.9)	(47.0)
Cost of byproducts and other	588	667	637	13.5	(4.5)

CODELCO's total cost of sales decreased by 10.2% to U.S.$10.1 billion (80.3% of sales) in 2019, compared to U.S.$11.2 billion (78.2% of sales) in 2018, primarily due to lower sales volume, in addition to operational cost reduction efforts and the depreciation of the Chilean peso against the U.S. dollar, which positively impacted wages and third-party services expenses. In 2018, CODELCO's total cost of sales increased 7.8% to U.S.$11.2 billion (78.2% of sales) compared to U.S.$10.4 billion (70.9% of sales) in 2017, mainly due to higher operational costs arising from the appreciation of the Chilean peso against the U.S. dollar. Some of the minerals that CODELCO sells are purchased at market prices, and CODELCO also purchases mineral ore from third parties at market prices which it processes and sells as copper.

CODELCO's cost of sales of its own copper decreased to U.S.$8.4 billion in 2019, compared to U.S.$8.6 billion in 2018. This decrease is primarily attributable to lower sales volume in addition to lower operational costs as the result of cost reduction efforts and the depreciation of the Chilean peso against the U.S. dollar, which decreased wage and third-party services expenses. In 2018, CODELCO's cost of sales of its own copper increased by 10.9% to U.S.$8.6 billion compared to U.S.$7.8 billion in 2017. The increase in 2018 compared to 2017 was primarily attributable to the higher production cost due to the appreciation of the Chilean peso against the U.S. dollar and higher fuel and energy costs.

The cost of copper purchased from third parties decreased by 47.0% in 2019 to U.S.$996 million, compared to U.S.$1.9 billion in 2018. The decrease was caused by lower sales volume of third-party copper and by a decrease in the average price of copper. In 2018, the cost of copper purchased from third parties decreased by 5.9% to U.S.$1.9 billion compared to U.S.$2.0 billion in 2017 primarily attributable to lower volumes of copper purchased and lower average copper price.

The cost of byproducts and other decreased by 4.5% to U.S.$637 million in 2019, compared to U.S.$667 million in 2018, primarily due to lower sales volume of molybdenum, sulfuric acid, gold and silver. In 2018, the cost of byproducts and other increased by 13.4% to U.S.$667 million in 2018 compared to U.S.$588 million in 2017. The increase in 2018 compared to 2017 was principally attributable to higher operational costs arising from the appreciation of the Chilean peso against the U.S. dollar and higher fuel and energy costs.

Depreciation and amortization expenses increased by 1.8% to U.S.$2.2 billion in 2019, a slight increase compared to 2018. In 2018, depreciation and amortization expenses increased by 3.8% to U.S.$2.12 billion compared to U.S.$2.1 billion in 2017. The increases are mainly due to higher capital expenditures.

Gross profit. Gross profit amounted to U.S.$2.5 billion in 2019, compared to U.S.$3.1 billion in 2018. The 20.6% decrease was primarily attributable to the decrease in revenues, mainly due to lower average price received for CODELCO's product mix and lower sales volume of copper and molybdenum, partially offset by the decrease in the cost of sales mainly due to lower sales volumes and cost reduction efforts. In 2018, gross profit amounted to U.S.$3.1 billion, compared to U.S.$4.3 billion in 2017. The decrease in 2018 as compared to 2017 was primarily attributable to the higher operational costs, a 3.4% decrease in CODELCO's copper price and a 0.8% decrease in copper tonnage sold, partially offset by an increase in 18.8% of by-products revenues mainly due to an increase in the average price of CODELCO's product mix.

Other income, by function. The largest components of other income, by function, are sales of services to third parties, insurance reimbursements received and gains on sales of assets. Other income, by function increased 189.0% to U.S.$361 million in 2019, compared to U.S.$125 million in 2018, primarily attributable to miscellaneous sales and sales of assets. In 2018, other income decreased by 19.1% to U.S.$125 million compared to U.S.$154 million in 2017. The decrease in 2018 was primarily attributable to the absence of insurance indemnity in 2018 as well as a decrease in in miscellaneous sales, partially offset by the profit on the sale of CODELCO's 40% stake in Deutsche Giessdraht GmbH to Aurubis. See note 22a to the Consolidated Financial Statements.

Administrative expenses. Administrative expenses decreased to U.S.$409 million (3.3% of total revenues) in 2019, compared to U.S.$465 million (3.3% of total revenues) in 2018. This decrease was primarily attributable to the positive effect of the depreciation of the Chilean peso against the U.S. dollar. In 2018, administrative expenses increased to U.S.$465 million (3.3% of total revenues) compared to U.S.$428 million (2.9% of total revenues) in 2017 The increases in 2018 compared to 2017 was mainly due to the appreciation of the Chilean peso against the U.S. dollar.

Other expenses. Other expenses amounted to U.S.$1.7 billion (14.0% of total revenues) in 2019, compared to U.S.$2.1 billion (14.8% of total revenues) in 2018. This decrease was primarily attributable to a decline of the amount of special export tax payments due to a lower average copper price, a decrease of bonuses paid related to collective bargaining processes and the absence of non-cash charges related to a U.S.$138.1 million write-off in connection with an underground mining innovation project in 2018, partially offset by the increase in indirect fixed costs. In 2018, other expenses amounted to U.S.$2.1 billion (14.8% of revenues), compared to U.S.$1.6 billion (10.6% of revenues) in 2017. The increase in 2018 as compared to 2017 was primarily attributable to a non-cash charge related to a write-off of an underground mining innovation project amounting to U.S.$138 million, an impairment recognition in the Ventanas Division amounting to U.S.$199 million and the increase in collective bargaining bonuses.

The following table sets forth the principal components of CODELCO's other expenses for the periods indicated:

	Year ended December 31,		
	2017	2018	2019
		(in millions of U.S.$)	
Copper Reserve Law	$ (1,099)	$ (1,108)	$ (936)
Bonus for the end of collective bargaining and Employee Benefits	(53)	(269)	(250)
Asset impairments	(0)	(199)	-
Other non-cash charges	(89)	(217)	(42)
Other expenses	(317)	(322)	(519)
Total	$ (1,557)	$ (2,115)	$ (1,748)

CODELCO recorded other expenses of U.S.$0.9 billion, U.S.$1.1 billion and U.S.$1.1 billion in 2019, 2018, and 2017, respectively, pursuant to the Copper Reserve Law, which levies a 10% tax on receivables of the sales proceeds that CODELCO receives and transfers to Chile from the export of copper and related byproducts produced by CODELCO. The decrease of this tax recorded in 2019 compared to 2018 is primarily attributable to lower revenues from CODELCO's own copper sales

In 2019, bonuses for the end of collective bargaining and other employee benefits decreased to U.S.$250 million from U.S.$269 million in 2018, due to a smaller number of employees benefitting from collective bargaining negotiations in 2019. Other expenses increased from U.S.$322 million in 2018 to U.S.$519 million in 2019 due to an increase in indirect fixed costs. In 2018, CODELCO recorded a U.S.$199 million impairment loss of certain items of property, plant and equipment related to the Ventanas Division due a decline in, and deterioration in the outlook for, treatment and refining charges.

Finance costs. Finance costs in 2019 increased to U.S.$479 million, compared to U.S.$463 million in 2018. This increase was primarily attributable to costs incurred in connection with the consummation of the tender offer in September 2019. In 2018, finance costs amounted to U.S.$463 million, compared to U.S.$645 million in 2017. The decrease in 2018 as compared to 2017 was primarily attributable to a higher capitalization of interest related to certain investment projects and a decrease in financial expenses that had previously increased due to costs incurred in connection with the consummation of the tender offer in August 2017. CODELCO's debt level was U.S.$17.3 billion as of December 31, 2019, U.S.$15.3 billion as of December 31, 2018 and U.S.$14.7 billion as of December 31, 2017. CODELCO's average interest rate was 4.21% as of December 31, 2019 and 4.34% as of December 31, 2018. As of December 31, 2019, 86% of our debt had a fixed rate and 14% had a floating rate. As of December 31, 2018, 88% of CODELCO's debt had a fixed rate and 12% had a floating rate. See "Selected Consolidated Financial Data" for information regarding debt during the years ended December 31, 2017, 2018 and 2019.

Share of profit/(loss) of associates and joint ventures accounted for using equity method. CODELCO's net equity participation in related companies decreased to a net profit of U.S.$13 million in 2019, compared to a net profit of U.S.$119 million in 2018. This decrease was primarily attributable to the decrease in the average copper price which negatively impacted the El Abra deposit and Anglo American Sur's profitability, as well as production losses due to weather disruptions in the northern area of Chile. In 2018, CODELCO's net equity participation in associates and joint ventures accounted for using the equity method was a profit of U.S.$119 million, compared to a profit of U.S.$185 million in 2017. The decrease in 2018 as compared to 2017 was primarily attributable to lower income from CODELCO's stake in Anglo American Sur. See note 8 to the Consolidated Financial Statements.

Profit (loss) before tax. In 2019, profit before tax decreased to U.S.$408 million, compared to U.S.$547 million in 2018. This decrease was primarily attributable to the decrease in the average copper price and lower sales volume. Profit before tax was U.S.$547 million in 2018, compared to a profit of U.S.$1.8 billion in 2017. The decrease in 2018 as compared to 2017 was primarily attributable to slightly lower sales combined with higher selling and administrative expenses, a non-cash charge related to a write-off of an underground mining innovation project in 2018, an impairment recognition in the Ventanas Division and the impact of end of bargaining bonuses.

Income tax expense. In 2019, CODELCO had a statutory tax rate of 65.0% in accordance with applicable regulations, comprised of (i) a corporate income tax rate of 25.0% (a 17% historic corporate tax rate applied to income earned in and prior to 2011 but changed by means of the 2014 tax reform) and (ii) a 40% tax on net earnings applicable to state-owned enterprises as specified by Decree Law 2,398, Art. 2. During 2018, CODELCO was subject to the same statutory tax rate of 65%. CODELCO is also subject to an additional mining tax that is based on its operating income, and, effective as of fiscal year 2012, is imposed at progressive rates of between 5% and 14%. CODELCO's statutory rate of the mining tax for 2019, 2018 and 2017 was 5%. CODELCO's taxes on income amounted to an expense of U.S.$393 million in 2019, compared to an expense of U.S.$357 million in 2018 and U.S.$1.2 billion in 2017, primarily as a result of a decrease in CODELCO's pre-tax profit in 2019 as compared to 2018 and 2017. For more information regarding this payment, see note 5 to the Consolidated Financial Statements and "Risk Factors—Risks Relating to CODELCO's Relationship with the Government of Chile—CODELCO is subject to special taxes."

Profit for the period. As a result of the factors described above, CODELCO recorded a profit after tax of U.S.$15 million in 2019, U.S.$190 million in 2018 and U.S.$624 million in 2017.

Liquidity and Capital Resources

CODELCO's primary sources of liquidity are funds from (i) operations, (ii) domestic and international borrowings from banks and (iii) debt offerings in the domestic and international capital markets. CODELCO is generally required to transfer its profit to the Chilean Treasury. The calculation of profit and other comprehensive income includes certain non-cash generating charges or benefits. Significant non-cash generating charges or benefits are deferred tax expense/benefit and amortization and depreciation recorded against other comprehensive income and/or profit and loss. For the nine-month period ended September 30, 2020, non-cash charges were U.S.$2 million in amortization and U.S.$1,785 million in depreciation. Non-cash deferred tax charges of U.S.$336 million were recorded for the nine-month period ended September 30, 2020. Specifically with respect to deferred taxes, non-cash charges or benefits are generated by recording the fluctuation of the deferred tax assets and liabilities, which may be recorded against other comprehensive income in equity or through profit and loss. Amortization and depreciation are recorded directly in profit and loss.

In June 2014, the Ministries of Finance and Mining approved the capitalization of U.S.$200 million through a retention of CODELCO's profits from 2013. In October 2014, the multi-year capitalization law approved by the Chilean Congress was promulgated and became effective following its publication in the Official Gazette. This law allocates a maximum of U.S.$3 billion to CODELCO in the form of a capital injection by the Chilean Treasury over the period from 2014 to 2018. Pursuant to this law, CODELCO must present a yearly progress report on the BDP for the 2014-2018 period to the Ministries of Finance and Mining and to the Finance Committee of both the Upper House and the Lower House of Congress by March 30 of each year. The BDP report details the progress of CODELCO's investments, including information about their financing and execution, covering each of the structural projects and their corresponding investments. The BDP report also discusses CODELCO's progress with respect to production, costs and results. On the same date that the multi-year capitalization law was promulgated, the President of Chile announced a commitment to authorize the retention by CODELCO of up to an additional U.S.$1 billion of profit (which includes the U.S.$200 million that had been authorized in June 2014) over the 2014-2018 period.

In accordance with this commitment, in June 2015, the Ministries of Finance and Mining approved the capitalization of U.S.$225 million of 2014 profit, but charged to 2015 profits. However, due to CODELCO's operating losses in 2015, this capitalization has not been implemented. Nonetheless, pursuant to the multi-year capitalization law, the Government of Chile authorized a capital injection of U.S.$600 million (out of the maximum U.S.$3 billion for the 2014-2018 period), which was received in U.S. dollars in December 2015. In December 2016, the Ministries of Finance authorized the capitalization of U.S.$975 million, U.S.$500 million of which related to a capital injection to finance CODELCO's investment plan and was received in December 2016. The remaining U.S.$475 million was authorized pursuant to a new law (Law 20,989), effective as of January 2017, which provided for additional capitalization of a maximum of U.S.$950 million for both 2016 and 2017 (up to U.S.$475 million for each year) in the event CODELCO does not have the required pre-tax profits to cover the 10% special export tax under the Copper Reserve Law. In April 2017, CODELCO received the U.S.$475 million capital injection in U.S. dollars for 2016.

Law 20,989 also extended the U.S.$3 billion capitalization commitment for the 2014-2018 period to 2019. While CODELCO did not expect additional capital injections in connection with Law 20,989 during 2017, in November 2017, the Government of Chile authorized a capital injection of U.S.$520 million (out of the maximum

U.S.$3 billion for the newly extended 2014-2019 period), which was received in U.S. dollars in December 2017. In June 2018, the Government of Chile announced a final capital injection of U.S.$1 billion to complete the multi-year capitalization law approved in October 2014. Moreover, in October 2018, the Government of Chile authorized the disbursement of such amount in two installments completed on December 31, 2018 for U.S.$600 million and on February 28, 2019 for the remaining U.S.$400 million.

Since 2014, the Government of Chile has authorized the capitalization by capital injection and retention of profit within CODELCO in an aggregate amount of U.S.$3.5 billion, U.S.$225 million of which could not be implemented. See "Risk Factors—Risks Relating to CODELCO's Relationship with the Government of Chile—CODELCO's funding through retention of profits is restricted and is subject to the approval of the Ministries of Finance and Mining."

Cash flows. In 2019, net cash flows from operating activities decreased by 38.3% to U.S.$2.4 billion from U.S.$3.9 billion in 2018. This decrease in net cash flows from operating activities resulted primarily due to the decrease in cash received from the sales of goods because of a deterioration in CODELCO's average product portfolio prices and sales volumes. For the year ended December 31, 2018, net cash flows from operating activities decreased to U.S.$3.9 billion, compared to U.S.$4.7 billion in 2017. The decrease in net cash flows from operating activities during 2018 was primarily attributable to an increase in payments to suppliers and employees, partially offset by higher cash received from sales of goods. During the first nine months of 2020, net cash flows from operating activities totaled U.S.$ 2.4 billion, which was flat as compared to the same period of 2019. Lower payments to suppliers and employees in the period due to more favorable input prices and local currency depreciation were offset by higher tax payments (since March 2020, CODELCO has been paying the Copper Reserve Law tax on a monthly basis, while in 2019 it was paid in the fourth quarter). See note 28 to the Unaudited Interim Consolidated Financial Statements and note 28 to the 2017-2018 Consolidated Financial Statements.

Bank debt. CODELCO's total financial debt (defined as loans from financial institutions plus bonds issued) as a percentage of its total capitalization was 57.4% as of December 31, 2017, 57.4% as of December 31, 2018, 59.7% as of December 31, 2019 and 62.6% as of September 30, 2020. CODELCO's total outstanding financial debt as of December 31, 2017, 2018 and 2019 and as of September 30, 2020 was U.S.$14.7 billion, U.S.$15.3 billion, U.S.$17.3 billion and U.S.$19.6 billion, respectively.

In May 2012, CODELCO entered into a two-tranche U.S. dollar unsecured bilateral loan, each tranche with a commitment fee of 15.0 basis points per annum with a maturity date of (i) ten years for the Japan Bank for International Cooperation loan and (ii) seven years for The Bank of Tokyo-Mitsubishi UFJ, Ltd., to be disbursed by the lenders on a *pro rata* basis, for the development, construction and operation of a metals processing plant to be constructed in Mejillones and the export of certain metals to Japanese customers pursuant to long-term offtake agreements. The terms of the loans are described below:

	Credit Amount	Interest Rate	Availability Period
Japan Bank for International Cooperation.	U.S.$224.0 million	LIBOR plus 45.0 basis points	36 months
The Bank of Tokyo–Mitsubishi UFJ, Ltd..	U.S.$96.0 million	LIBOR plus 55.0 basis points	36 months

As of September 30, 2020, U.S.$64 million was outstanding under the loan described above with Japan Bank for International Cooperation, and we had repaid in full the loan described above with The Bank of Tokyo Mitsubishi UFJ, Ltd. As of September 30, 2020, CODELCO had amortized U.S.$160 million of the loan with the Japan Bank for International Cooperation.

Between October and November 2016, CODELCO rolled over loans with The Bank of Tokyo-Mitsubishi UFJ, Ltd. for U.S.$250 million and Export Development Canada for U.S.$300 million, increasing the original principal by an additional U.S.$50 million. The loans mature in five years and the terms are described below:

	Credit Amount	Interest Rate
The Bank of Tokyo–Mitsubishi UFJ, Ltd..........	U.S.$250.0 million	LIBOR plus 75.0 basis points
Export Development Canada............................	U.S.$300.0 million	LIBOR plus 62.0 basis points

The Bank of Tokyo–Mitsubishi UFJ, Ltd. Loan was fully prepaid in January 2020 and the Export Development Canada Loan was fully prepaid in August 2020.

In April 2017, CODELCO entered into a short-term U.S. dollar unsecured bilateral bank loan with Scotiabank & Trust (Cayman) Ltd. and used the proceeds to prepay a loan from Bank of America N.A. for U.S.$300 million in full. In May 2017, CODELCO exchanged the short-term loan with Scotiabank & Trust (Cayman) Ltd. for a five-year U.S. dollar unsecured bilateral bank loan. In July 2017, CODELCO rolled over a loan with Export Development Canada for U.S.$300 million. The new loans mature in five years and the terms and interest rates are described below:

	Credit Amount	**Interest Rate**
Scotiabank & Trust (Cayman), Ltd....................	U.S.$300.0 million	LIBOR plus 65.0 basis points
Export Development Canada.............................	U.S.$300.0 million	LIBOR plus 62.0 basis points

As of September 30, 2020, U.S.$300 million was outstanding under the loan described above with Scotiabank & Trust (Cayman), Ltd. and U.S.$300 million was outstanding under the loan described above with Export Development Canada.

In October 2018, CODELCO rolled over a loan with Export Development Canada for U.S.$300 million. The loan matures in 2028 and the terms are described below:

	Credit Amount	**Interest Rate**	**Date Loan Drawn**
Export Development Canada........	U.S.$300.0 million	LIBOR plus 121.5 basis points	October 2018

As of September 30, 2020, U.S.$299 million was outstanding under the loan described above with Export Development Canada.

In December 2018, CODELCO entered into a one-year revolving credit facility with Scotiabank Chile for U.S.$300 million and drew down the full amount. The revolving credit facility may be renewed on a yearly basis and matures in 2023. The terms are described below:

	Credit Amount	**Interest Rate**	**Date Loan Drawn**
Scotiabank Chile	U.S.$300.0 million	LIBOR plus 72.5 basis points	December 2018

As of September 30, 2020, U.S.$301 million was outstanding under the loan described above with Scotiabank Chile.

Between March and June 2019, CODELCO entered into six up to one-year advances on export exchange contracts (ACC). The loans mature between March and May 2020 and the terms are described below:

	Credit Amount	**Interest Rate**	**Date Loan Drawn**
Scotiabank Chile.	U.S.$100.0 million	LIBOR plus 35.0 basis points	March 2019
Scotiabank Chile...........................	U.S.$65.0 million	LIBOR plus 35.0 basis points	March 2019
Santander Chile.............................	U.S.$100.0 million	LIBOR plus 30.0 basis points	April 2019
Itaú Chile	U.S.$30.0 million	LIBOR plus 63.0 basis points	June 2019
Banco de Crédito e Inversiones ...	U.S.$50.0 million	LIBOR plus 39.5 basis points	June 2019
Banco Chile	U.S.$120.0 million	LIBOR plus 66.0 basis points	June 2019

As of September 30, 2020, none of the loans mentioned above were outstanding. The Scotiabank Chile and Santander Chile loans described above were repaid in full at their respective maturity dates, while the loans described above with Banco Chile, Banco de Crédito e Inversiones and Itaú Chile were prepaid in full in December 2019.

Between June and December 2019, CODELCO entered into a bilateral credit facility with Export Development Canada. The credit facility included a commitment fee of 50.0 basis points and matures in 2029. CODELCO also entered into a seven-year U.S. dollar unsecured bilateral credit facility with the Banco Latinoamericano de Comercio Exterior. The terms are described below:

	Credit Amount	Interest Rate	Date Loan Drawn
Export Development Canada	U.S.$300.0 million	LIBOR plus 121.5 basis points	July 2019
Banco Latinoamericano de Comercio Exterior	U.S.$75.0 million	LIBOR plus 62.0 basis points	December 2019

As of September 30, 2020, U.S.$297 million was outstanding under the loan described above with Export Development Canada and U.S.$75 million was outstanding under the loan described above with Banco Latinoamericano de Comercio Exterior.

In April 2020, CODELCO entered into a three-year bilateral credit facility with The Bank of Nova Scotia for U.S.$165 million, with a commitment fee of 30.0 basis points. The terms are described below:

	Credit Amount	Interest Rate	Date Loan Drawn
The Bank of Nova Scotia	U.S.$165.0 million	LIBOR plus 275.0 basis points	April 2020

This facility was fully prepaid in August 2020.

In May 2020, CODELCO entered into a bilateral credit facility with Export Development Canada. The credit facility included a commitment fee of 32.0 basis points and matures in 2027. CODELCO also entered into a three-year U.S. dollar unsecured bilateral credit facility with BNP Paribas, with an advisory fee of U.S.$250,000.00 and a commitment fee of 5.0 basis points. The terms are described below:

	Credit Amount	Interest Rate	Date Loan Drawn
Export Development Canada	U.S.$300.0 million	LIBOR plus 115.0 basis points	May 2020
BNP Paribas.	U.S.$100.0 million	LIBOR plus 135.0 basis points	May 2020

As of September 30, 2020, U.S.$300 million was outstanding under the loan described above with Export Development Canada while the BNP Paribas Loan was fully prepaid in August 2020.

Other Debt. In July 2017, CODELCO launched a cash tender offer of any and all of its 7.500% notes due 2019, 3.750% notes due 2020 and 3.875% notes due 2021 and a waterfall cash tender offer for its 3.00% notes due 2022, 4.500% notes due 2023 and 4.500% notes due 2025, which was financed with the proceeds from a concurrent offering of U.S.$1.5 billion aggregate principal amount of its 3.625% notes due 2027 and U.S.$1.25 billion aggregate principal amount of 4.500% notes due 2047. Moreover, in January 2019, CODELCO launched a second cash tender offer for its 3.750% notes due 2020, 3.875% notes due 2021 and 3.00% notes due 2022 and a waterfall cash tender offer for its 4.500% notes due 2023 and 4.500% notes due 2025, which was financed with the proceeds from a concurrent offering of U.S.$1.3 billion aggregate principal amount of its 4.375% notes due 2049. Moreover, in September 2019, CODELCO launched a third cash tender offer for its 3.750% notes due 2020 and 3.875% notes due 2021 and a waterfall cash tender offer for its 3.00% notes due 2022 and 4.500% notes due 2023, which was financed with the proceeds from a concurrent offering of U.S.$1.1 billion aggregate principal amount of its 3.000% notes due 2029 and U.S.$0.9 billion aggregate principal amount of 3.700% notes due 2050. On January 14, 2020, CODELCO issued notes in an aggregate principal amount of U.S.$2.0 billion, consisting of a U.S.$1.0 billion international debt offering of 3.150% notes due 2030 and a U.S.$1.0 billion international debt offering of 3.700% notes due 2050. The notes due 2050 form part of the same series of CODELCO's outstanding U.S.$900 million 3.700% notes due 2050 issued on September 30, 2019, resulting in a total aggregate principal amount outstanding of U.S.$1.9 billion in this series. On May 6, 2020, CODELCO issued notes in an aggregate principal amount of

U.S.$800 million consisting of its 3.150% notes due 2031. On May 8, 2020, CODELCO issued notes in an aggregate principal amount of U.S.$131 million, consisting of its 4.500% notes due 2023 issued on August 13, 2013. These notes form part of the same series of CODELCO's outstanding U.S.$335 million 4.500% notes due 2023 issued on August 13, 2013, resulting in a total aggregate principal amount outstanding of U.S.$466 million in this series.

The following table shows amounts due by CODELCO under notes issued in both international and local markets as of September 30, 2020:

Type of Issuance	Maturity	Principal Amount	Outstanding Principal Amount and Accrued Interest as of September 30, 2020	Interest Rate
International	November 4, 2020	U.S.$1.00 billion	U.S.$401million	3.75%
International	November 4, 2021	U.S.$1.15 billion	U.S.$230 million	3.88%
International	July 17, 2022	U.S.$1.25 billion	U.S.$414 million	3.00%
International	August 13, 2023	U.S.$750 million	U.S.$470 million	4.50%
International	July 9, 2024	€600 million	U.S.$701 million	2.25%
International	September 16, 2025	U.S.$2.00 billion	U.S.$1.1 billion	4.50%
Local	April 1, 2025	6.9 million UF	U.S.$259 million	4.00%
Local	August 24, 2026	10 million UF	U.S.$380 million	2.50%
International	August 1, 2027	U.S.$1.50 billion	U.S.$1.5 billion	3.63%
International	August 23, 2029	U.S.$130 million	U.S.$129 million	2.87%
International	September 30, 2029	U.S.$1.10 billion	U.S.$1.1 billion	3.00%
International	January 14, 2030	U.S.$1.00 billion	U.S.$996 million	3.15%
International	January 15, 2031	U.S.$800 million	U.S.$809 million	3.75%
International	November 7, 2034	HKD500 million	U.S.$66 million	2.84%
International	September 21, 2035	U.S.$500 million	U.S.$493 million	5.63%
International	October 24, 2036	U.S.$500 million	U.S.$510 million	6.15%
International	July 22, 2039	AUD70 million	U.S.$50 million	3.58%
International	July 17, 2042	U.S.$750 million	U.S.$740 million	4.25%
International	October 18, 2043	U.S.$950 million	U.S.$958 million	5.63%
International	November 4, 2044	U.S.$980 million	U.S.$981 million	4.88%
International	August 1, 2047	U.S.$1.25 billion	U.S.$1.2 billion	4.50%
International	May 18, 2048	U.S.$600 million	U.S.$605 million	4.85%
International	February 5, 2049	U.S.$1.30 billion	U.S.$1.2 billion	4.38%
International	January 1, 2050	U.S.$1.90 billion	U.S.$1.8 billion	3.70%

The following table sets forth the scheduled maturities of CODELCO's bank and unsecured note obligations as of September 30, 2020:

Bank and Unsecured Note Obligations Outstanding (in millions of U.S.$)

	Total	Less than 1 year	1-2 years	2-3 years	3-5 years	More than 5 years	Average Annual Interest Rate
Loans from financial institutions	2,516	391	678	47	94	1,316	LIBOR+0.9 9%
Bonds issued	17,053	550	638	468	2,013	13,384	4.16%
Total	19,569	941	1,316	515	2,107	14,690	

In addition to the obligations set forth in the table above, CODELCO was a party to certain commitments primarily to secure the payment of (i) deferred customs duties and (ii) staff severance indemnities payable upon the retirement of individual employees, amounting to U.S.$36 million and U.S.$727 million, respectively, as of December 31, 2019 and to U.S.$33 million and U.S.$598 million, respectively, as of September 30, 2020. See notes 16 and 17 to the Consolidated Financial Statements and to the Unaudited Interim Consolidated Financial Statements. In addition, as of September 30, 2020, CODELCO believes that its net deferred taxes will reverse as follows: deferred tax expense in the amount of U.S.$223 million in 2020, U.S.$461 million in 2021 and U.S.$5.2 billion after 2026 and deferred tax benefit in the amount of U.S.$17 million in 2022, U.S.$277 million in 2023, U.S.$133 million in 2024 and U.S.$330 million in 2025. CODELCO currently has no hedges related to its production of copper through 2019. See "Business and Properties—Marketing—Pricing and Hedging" and "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO engages in hedging activity from time to time, particularly with respect to its copper production, which may not be successful and may result in losses to CODELCO."

CODELCO entered into an agreement with Mitsui on October 12, 2011, pursuant to which Mitsui made available to Inversiones Mineras Acrux SpA ("Acrux") a short-term bridge financing facility of up to U.S.$6.75 billion, guaranteed by CODELCO and subsidiaries of Acrux, as a possible means to fund the exercise of the Sur Option (as defined in "Business and Properties—Copper Production—Associations, Joint Ventures and Partnerships"). CODELCO also entered into a separate agreement with Mitsui that provided CODELCO with the option to repay a portion of the bridge loan from Mitsui through a put option for an indirect 50% stake in the Anglo American Sur interest acquired, assuming a pre-determined value of U.S.$9.76 billion for the 49% interest in Anglo American Sur. The balance of the bridge loan would convert into a non-recourse five-year term loan between Acrux and Mitsui, which would not be guaranteed by CODELCO, and would be repayable only from cash distributions on the Anglo American Sur shares held by Acrux. In addition, CODELCO and Mitsui entered into a 10-year sale and purchase agreement for the equivalent of 30,000 tons of fine copper per year subject to market-based pricing terms.

On August 23, 2012, the parties amended and restated the loan agreement described above (the "A&R Mitsui Bridge Loan Facility") pursuant to which Oriente Copper Netherlands B.V. ("Oriente Copper"), an affiliate of Mitsui, agreed to make available to a wholly-owned subsidiary of CODELCO a bridge loan denominated in U.S. dollars. On August 24, 2012, the subsidiary of CODELCO drew down an amount equal to U.S.$1,867 million to finance the acquisition by Inversiones Mineras Becrux SpA ("Becrux") of equity interests of Anglo American Sur as described below under "Business and Properties— Copper Production—Associations, Joint Ventures and Partnerships—Anglo American Sur" and to pay certain taxes, costs and expenses relating to the financing. On October 31, 2012, CODELCO and Oriente Copper entered into an agreement to refinance the U.S.$1,867 million bridge loan with a U.S.$875 million non-recourse term loan with a 3.25% fixed interest rate and a 20-year amortization (the "Mitsui Term Loan") that is secured by a pledge of the equity interests in Acrux held by such subsidiary of CODELCO. As part of this refinancing, CODELCO sold to Oriente Copper the equivalent of a 4.5% stake of Anglo American Sur for U.S.$998 million and used the proceeds of this sale to prepay a portion of the bridge loan. On November 26, 2016, CODELCO signed a credit agreement with Oriente Copper renegotiating the payment of principal at the end of the contract. The terms established an annual interest rate of LIBOR +2.5% with a five-year maturity to be payable in one installment at maturity with semi-annual interest payments. On May 26, 2017, CODELCO signed a new credit agreement with Oriente Copper renegotiating the following semi-annual payment, which was on the same terms as the first renegotiation done in November 2016. As of September 30, 2020, the aggregate outstanding balance of the credit agreements is U.S.$580 million.

Capital Expenditure Program. We seek to maintain and improve our competitive position in the industry through our three-year capital expenditure program. Following the completion of a number of significant projects in recent years, such as the development of CODELCO's new Mina Ministro Hales, the development of sulfide ores at the Radomiro Tomic mine, the expansion at the Andina mine and the development of the Pilar Norte area at the El Teniente mine, CODELCO intends to continue its development program. Accordingly, the Company expects to make capital expenditures of approximately U.S.$12.5 billion between 2020 and 2022, transforming its main mining operations with a view towards the long-term development of its resources. We expect these expenditures to be funded with a combination of internal and external resources. For a complete list of planned capital expenditures, see "Business and Properties—Copper Production—Operations." CODELCO's expansion and development of major projects between 2020 and 2022 are expected to include:

- The gradual transformation of the Chuquicamata mine from an open pit mine to an underground operation, which we expect will enable Chuquicamata to maintain its annual copper production at its current level starting in 2019 (an approximate investment of U.S.$1.4 billion between 2020 and 2022). Environmental approvals were obtained in September 2010, and the project is approximately 99.5% complete as of September 30, 2020.

- The reallocation of the Andina plant, which involves maintaining the treatment capacity of the concentrator plant in the long-term (an approximate investment of U.S.$172 million between 2020 and 2022). Operations are expected to begin in 2021, and the project is approximately 89.1% complete as of September 30, 2020.

- The development of a new production level in the existing El Teniente underground mine (an approximate investment of U.S.$2.0 billion between 2020 and 2022) to maintain El Teniente's annual copper production at its current level. Environmental approvals were obtained in March 2011. However, based on geomechanical challenges that need to be addressed, an alternative development plan was approved in January 2018 that will still permit us to maintain our original production goal and the new mining level is now expected to be completed in 2023. As of September 30, 2020, the project is approximately 62.6% complete.

- The development of the Inca Pit project is designed to extend the life of the current underground mine operation in the Salvador Division and enable it to maintain its annual production at its current level starting in 2021 and the analysis for a future expansion, which requires an approximate investment of U.S.$1.2 billion between 2020 and 2022. As of September 30, 2020, the feasibility study and initial works have been completed.

- The expansion of the existing Andina open pit is an initiative that is expected to expand the treatment capacity of the concentrator plant up to 150 thousand tons per day (an approximate investment of U.S.$80 million between 2020 and 2022) starting in 2027. As of September 30, 2020, the feasibility study has been authorized and is approximately 78% complete.

CODELCO has already begun investing in the aforementioned projects. In 2019, CODELCO invested U.S.$3.7 billion principally in expansion and development projects, including the new El Teniente mine level, the Chuquicamata underground mine expansion and, the reallocation of the Andina mine-plant pursuant to the Andina expansion project, as well as in the upgrade of CODELCO's smelters to comply with the new emission standards. CODELCO invested U.S.$3.6 billion in 2018 and U.S.$3.5 billion in 2017. For an additional description of CODELCO's principal planned capital expenditures, see "Business and Properties—Copper Production—Operations."

CODELCO expects that it will have sufficient resources from operations, including cash flows, capitalization and retention of profits, in addition to new borrowings from banks and the capital markets to fund its anticipated capital expenditures and investments.

As described under "Regulatory Framework—Overview of the Regulatory Regime" below, the Ministries of Finance and Mining are required to determine, by means of a joint decree, the amount, if any, that the Company shall allocate to the creation of capitalization and reserve funds. In June 2014, the Ministries of Finance and Mining approved the capitalization of U.S.$200 million through a retention of profits from 2013 profits. In October 2014, the multi-year capitalization law approved by the Chilean Congress was promulgated and became effective following its publication in the Official Gazette on October 30, 2014. This law allocates a maximum of U.S.$3 billion to CODELCO in the form of a capital injection by the Chilean Treasury over the period from 2014 to 2018. Pursuant to this law, CODELCO must present a yearly progress report on the BDP for the 2014-2018 period to the Ministries of Finance and Mining and to the Finance Committee of both the Upper House and the Lower House of Congress by March 30 of each year. The BDP report details the progress of CODELCO's investments, including information regarding their financing and execution, covering each of the structural projects and their corresponding investments. The BDP report also discusses CODELCO's progress with respect to production, costs and results. On the same date that the multi-year capitalization law was promulgated, the President of Chile announced a commitment to authorize the retention by CODELCO of up to an additional U.S.$1 billion of profit (which includes the U.S.$200 million that had been authorized in June 2014) over the 2014-2018 period.

In accordance with this commitment, in June 2015, the Ministries of Finance and Mining approved the capitalization of U.S.$225 million of 2014 profit, but charged to 2015 profits. However, due to CODELCO's operating losses in 2015, this capitalization has not been implemented. Nonetheless, pursuant to the multi-year capitalization law, the Government of Chile authorized a capital injection of U.S.$600 million (out of the maximum U.S.$3 billion for the 2014-2018 period), which was received in U.S. dollars in December 2015. In December 2016, the Ministries of Finance authorized the capitalization of U.S.$975 million, U.S.$500 million of which related to a capital injection to finance CODELCO's investment plan and was received in December 2016. The remaining U.S.$475 million was authorized pursuant to a new law (Law 20,989), effective as of January 2017, which provided for additional capitalization of a maximum of U.S.$950 million for both 2016 and 2017 (up to U.S.$475 million for each year) in the event CODELCO does not have the required pre-tax profits to cover the 10% special export tax under the Copper Reserve Law. In April 2017, CODELCO received the U.S.$475 million capital injection in U.S. dollars for 2016. Law 20,989 also extended the U.S.$3 billion capitalization commitment for the 2014-2018 period to 2019. While CODELCO did not expect additional capital injections in connection with Law 20,989 during 2017, in November 2017, the Government of Chile authorized a capital injection of U.S.$520 million (out of the maximum U.S.$3 billion for the newly extended 2014-2019 period), which was received in U.S. dollars in December 2017. In June 2018, the Government of Chile announced a final capital injection of U.S.$1 billion to complete the multi-year capitalization law approved in October 2014. Moreover, in October 2018, the Government of Chile authorized the disbursement of such amount in two installments completed on December 31, 2018 for U.S.$600 million and on February 28, 2019 for the remaining U.S.$400 million.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Risk Factors—Risks Relating to CODELCO's Relationship with the Government of Chile—CODELCO's funding through retention of profits is restricted and is subject to the approval of the Ministries of Finance and Mining."

Since 2014, the Government of Chile has authorized the capitalization and retention of U.S.$2.5 billion within CODELCO, U.S.$225 million of which has not been implemented.

Cash flows from operating activities may be affected by a variety of factors, including copper price levels. In the event that CODELCO is unable to sell assets or obtain external financing with respect to such capital investments, it may be required to further curtail such expenditures.

Environmental. An important part of CODELCO's investment policy is its pollution abatement plan, which includes several environmental projects undertaken to comply with Chilean law and to achieve its own environmental performance goals. See "Regulatory Framework—Environmental Regulations."

CODELCO invested U.S.$3.6 billion in environmental projects from 2012 to 2019 and plans to continue implementing its pollution abatement plan through additional capital investments of approximately U.S.$930 million in 2020 through 2021. In 2019, CODELCO invested U.S.$833 million in environmental projects, including new phases of the planned enlargements of the Talabre, Ovejería and Carén tailings dams in the Chuquicamata, Andina and El Teniente Divisions and various projects in the Chuquicamata, Ventanas, Salvador and El Teniente Divisions in order to comply with the new regulation on atmospheric emissions from the smelters. This figure includes the investment made in the Gabriela Mistral Division. CODELCO's planned investment of approximately U.S.$439 million in 2020 includes the continuation of the enlargement of the Carén, Ovejería and Talabre tailings dams in the El Teniente, Andina and Chuquicamata Divisions and various projects in the Chuquicamata, Salvador and El Teniente smelters for the abatement of atmospheric emissions, among others. In 2021, planned investments include the continuation of the projects for the abatement of atmospheric emissions in the Chuquicamata smelter and the continued enlargement of the tailing dams, among others. Further, a new air emission standard for smelters was enacted by the Ministry of the Environment in December 2013. CODELCO's cost of complying with this standard was U.S.$2.4 billion, which was incurred over a period of approximately five years and which started in 2013.

The following table sets forth CODELCO's principal environmental investments in the years 2017-2019:

	Environmental Investments (in millions of U.S.$)			
	2017	2018	2019	Total
Decontamination plans	433.2	581.6	545.2	1,560.0
Tailing dams	183.5	245.9	218.6	648.1
Solid wastes	15.2	9.0	40.9	65.0
Liquid wastes and water management	24.9	15.6	17.1	57.7
Others	6.7	8.9	11.0	26.6
Total	663.3	861.0	832.9	2,357.5

Distributions to the Chilean Treasury. As a state-owned enterprise and according to its governing law, CODELCO's profit is due to be transferred to the Chilean Treasury. Before June 30 of each year, the Ministries of Finance and Mining determine, by means of a joint decree, the amount, if any, that the Company must allocate to the creation of capitalization and reserve funds. Amounts not allocated to the creation of capitalization and reserve funds are distributed to the Chilean Treasury.

In 2018 and 2017, CODELCO distributed U.S.$602 million and U.S.$273 million, respectively, to the Chilean Treasury, while in 2019 CODELCO did not distribute dividends. While CODELCO makes advance payments to the Chilean Treasury throughout the year, funded by cash flows from operating activities, it generally has distributions payable to the Chilean Treasury at the end of each year. These distributions are paid in the first six-month period of the following year but are reflected in the prior year's financial statements.

The following table sets forth amounts paid in taxes (which due to the timing of payments may be different from tax amounts accrued) and payments and profit distributions made by CODELCO to the Chilean Treasury for each of the three years ended December 31, 2019 for the nine-month period ended September 30, 2020.

Contributions to the Chilean Treasury
(in millions of U.S.$)

	Year Ended December 31,			Nine-month period ended September 30,
	2017	2018	2019	2020
Income tax payments	$ 31	$ 70	$ 82	$ 24
Copper Reserve Law	1,062	1,137	918	694
Subtotal	$ 1,093	$ 1,207	$ 1,000	$ 718
Dividends	273	602	-	-
Total	$ 1,366	$ 1,809	$ 1,000	$ 718

Production Hedging. CODELCO has hedged certain future copper delivery commitments and production in order to manage the risks associated with copper price volatility in the past. CODELCO currently does not have any hedged production commitments and therefore there is no relevant impact from hedging. See notes 27 and 28 to the Consolidated Financial Statements and notes 29 and 30 to the Unaudited Interim Consolidated Financial Statements. In 2019, CODELCO's production hedging activities had no negative impact on pre-tax income.

CODELCO's future production hedging activities could cause it to lose some of the benefit of an increase in copper prices if copper prices increase over the level of CODELCO's hedge position, as occurred in 2012. The cash flows from the mark-to-market values of CODELCO's production hedges can be affected by factors such as the market price of copper, copper price volatility and interest rates, which are not under CODELCO's control.

CODELCO's production hedging agreements contain events of default and termination events that could lead to early close-outs of CODELCO's hedges. These include failure to pay, breach of the agreement, misrepresentation, default under CODELCO's loans or other hedging agreements and bankruptcy. In the event of an early termination of CODELCO's hedging agreements, the cash flows from the affected hedge instruments would cease and CODELCO and the relevant hedge counterparty would settle all of CODELCO's obligations at that time. In that event, there could be a lump sum payment to be made either to or by CODELCO. The magnitude and direction of such a payment would depend upon, among other things, the characteristics of the particular hedge instruments that were terminated and the market price of copper and copper price volatility and interest rates at the time of termination.

See "Business and Properties—Marketing—Pricing and Hedging," "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO engages in hedging activity from time to time, particularly with respect to its copper production, which may not be successful and may result in losses to CODELCO," note 28 to the Consolidated Financial Statements and note 30 the Unaudited Interim Consolidated Financial Statements for further information on CODELCO's hedging activity.

Exchange Rates and Interest Rates. CODELCO's main currency exposure is between the Chilean peso and the U.S. dollar due to the fact that a significant portion of CODELCO's operating costs are denominated in Chilean pesos and paid pursuant to contracts providing for indexation to Chilean inflation, and approximately 100% of revenue is denominated in U.S. dollars or other foreign currencies. To minimize the risks associated with currency exposures and fluctuations in interest rates, CODELCO enters into interest rate futures contracts and foreign exchange forward contracts which reduce exposure to fluctuations in the Chilean peso to U.S. dollar exchange rate.

As of September 30, 2020, CODELCO had swap contracts in place to hedge the risk of future UF/U.S.$, HKD/U.S.$, AUD/U.S.$ and Euro/U.S.$ exchange rate fluctuations with respect to a notional amount of U.S.$615 million, U.S.$64 million, U.S.$49 million and U.S.$819 million, respectively, which were equivalent to, and sufficient to cover, 100% of CODELCO's foreign currency-denominated bonds outstanding as of September 30, 2020.

As of September 30, 2020, 10% of CODELCO's financial debt was at a variable interest rate and 90% had a fixed rate.

Controls and Procedures

CODELCO's management conducted an assessment utilizing The Committee of Sponsoring Organizations (COSO) criteria of the effectiveness of its internal controls as of the year ended December 31, 2019. Based on the assessment performed, CODELCO's management has not identified any material weakness in its control environment.

New Accounting Standards

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of CODELCO's annual consolidated financial statements for the year ended December 31, 2019.

In 2019, CODELCO applied IFRS 16 for the first time. CODELCO applied IFRS 16 with the cumulative effect of the initial application of the standard, recognized as of January 1, 2019. Consequently, it has not restated the comparative financial information.

IFRS 16 introduced new or modified requirements with respect to the accounting for leases. It introduced significant changes to lease accounting for lessees by removing the distinction between operating and financial leases; required the recognition, at the outset, of an asset for right to use and a lease liability for all leases, except for short-term leases and leases of low-value assets. In contrast to the accounting for the lessee, the requirements for the accounting of the lessor remain largely unchanged. The impact of the adoption of IFRS 16 in the consolidated financial statements of CODELCO is described below.

The change in the definition of a lease is mainly related to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the client has the right to control the use of an identified asset for a period of time in exchange for a consideration.

IFRS 16 changes with respect to how CODELCO accounts for leases previously classified as operating leases under IAS 17, which, with this change, are recognized in the assets and liabilities of the statement of financial position. CODELCO has re-evaluated all of its contracts at the date of initial application. As a result of the foregoing, leases have been re-assessed in accordance with the new requirements of IFRS 16.

As of January 1, 2019, CODELCO recognized its leases with the accumulated effect on the date of initial application, opting to recognize a right to use asset equal to the lease liability. Practical expedients applied in the transition to operating leases: (a) single discount rate applied to a lease portfolio; (b) short-term and low value lease exemption for those contracts whose term ends within twelve months from January 1, 2019 and/or are of low value; and (c) review of contracts under the onerous contract provisions of IAS 37 as an alternative to impairment testing under IAS 36.

The following table sets the impact of the adoption of IFRS 16 on assets, liabilities and equity as of January 1, 2019.

	Balances prior to IFRS 16	Adjustment IFRS 16	Balances adjusted by IFRS 16
		(in millions of U.S.$)	
Property, plant and equipment (1)	$ 26,754,998	$ 373,889	$ 27,128,887
Total Assets	37,090,805	373,889	37,464,694
Other current financial liabilities (1)	872,277	96,404	968,681
Other non-current financial liabilities (1)	14,674,510	277,485	14,951,995
Total Liabilities	25,746,936	373,889	26,120,825
Net Effect	11,343,869	-	11,343,869

(1) CODELCO has re-evaluated all of its contracts at the date of initial application, including those that under IAS 17 and IFRIC 4, had not been identified as leases. As a result of the foregoing, leases have been included in accordance with the new requirements of IFRS 16.

The following table sets the reconciliation of operating leases under IAS 17 disclosed as of December 31, 2018 and lease liabilities recognized as of January 1, 2019.

Reconciliation of operating leases	**January 1, 2019 U.S.$**
Operating lease commitments as of December 31, 2018, as disclosed in the consolidated financial statements in accordance with IAS17	$ 266,351
Less initial recognition exceptions:	
Short-term leases	(55,360)
Leases with variable payments that do not depend on an index or a rate	(69,070)
Low-value leases	(220)
Total lease liabilities (undiscounted) recognized as of January 1, 2019	**141,701**
Plus:	
Leases identified in existing contracts as of January 1, 2019 under IFRS 16(1)	421,608
Discounted using the incremental borrowing rate at the date of the initial application (January 1, 2019)	3.81%
Discounted financing lease liabilities recognized as of January 1, 2019	373,889
Lease liabilities related to leases previously classified as financial leases	107,839
Total lease liabilities recognized on January 1, 2019	**481,728**
Consisting of:	
Lease liabilities current portion	117,914
Lease liabilities non-current portion	363,814
Total lease liabilities recognized on January 1, 2019	**481,728**

(1) CODELCO has re-evaluated all of its contracts at the date of initial application, including those that under IAS 17 and IFRIC 4, had not been identified as leases. As a result of the foregoing, leases have been included in accordance with the new requirements of IFRS 16.

See Section II, part 4 of the Consolidated Financial Statements for information regarding new accounting standards that have been issued but are not yet effective.

Critical Accounting Estimates

The preparation of the consolidated financial statements in accordance with the IFRS requires the use of certain critical accounting estimates and assumptions that affect the amounts of assets and liabilities recognized as of the date of financial statements and the amounts of income and expenses during the reporting period. It also requires CODELCO's management to exercise its judgment in the process of applying CODELCO's accounting principles. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are below. For a full description of CODELCO's accounting policies, see Section II to the Consolidated Financial Statements.

Useful Economic Lives and Residual Values of Property, Plant and Equipment. The useful lives and residual values of property, plant and equipment assets that are used for calculating depreciation are determined based on technical studies prepared by specialists (internal or external). When there are indicators that could lead to changes in the estimated useful lives of such assets, these changes are determined by using technical estimates considering specific factors related to the use of the assets.

Depreciation Method. Estimated useful lives, residual values and our depreciation method are reviewed at the end of each year and again at the beginning of each year pursuant to changes in the structure of our reserves. We record the effect of any change in estimates prospectively. Additionally, a review can happen at any time if the conditions of ore reserves change significantly as a result of new information, confirmed and officially recognized by us. The amounts recognized in property, plant and equipment are depreciated, as a general rule, under a units of production method, allowing for the depreciation of an asset when it can be clearly identified as being a part of a production process relating to copper extraction. For all other assets, however, a straight line depreciation method is still being used.

Ore Reserves. The measurements of ore reserves are based on estimates of the ore resources that are economically exploitable, and reflect the technical considerations of the Company regarding the amount of resources that could be exploited and sold at prices exceeding the total cost associated with extraction and processing.

CODELCO applies its judgment in determining its ore reserves and, as such, possible changes in these estimates could significantly impact the estimates of net revenues over time. For such reason, these changes would lead to modifications in the usage estimates of certain assets and of the amount of certain decommissioning and restoration costs.

CODELCO estimates its reserves and mineral resources based on the information prepared by the Competent Persons of the Company, as defined and regulated by Chilean Law N° 20,235. The estimates are based on the Joint Ore Reserves Committee (JORC) methodology, taking into consideration the historical information of the cost of goods sold and copper prices in the international market.

CODELCO also periodically reviews such estimates supported by world-class external experts, who certify the determined reserves.

Impairment of Assets. CODELCO reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss with regard to the carrying amount. In the evaluation of impairment, the assets are grouped into cash generating units ("CGUs") to which the assets belong. The recoverable amount of these assets or CGUs is calculated as the present value of the cash flows expected to be derived from such assets, considering a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. If the recoverable amount of the assets is less than their carrying amount, an impairment loss exists.

CODELCO defines the CGUs and also estimates the timing and cash flows that such CGUs should generate. Subsequent changes in the grouping of the CGU, or changes in the assumptions supporting the estimates of cash flows or the discount rate, could impact the carrying amounts of the corresponding assets.

Estimates of factors influencing the calculation of cash flows, such as the price of copper or treatment charges and refining charges, among others, are determined based on studies conducted by the Company, which are in turn supported by certain standards over time. Any changes to these criteria may impact the recoverable amount of the assets on which is performing the impairment tests. CODELCO's evaluations and definition of the CGUs are made at the level of each of its current operating divisions.

CODELCO has assessed and defined the CGUs that are constituted at the level of each of its current operating divisions.

The review for impairment includes its subsidiaries, associates and joint arrangements.

Provisions for Decommissioning and Site Restoration Costs. CODELCO is obligated to incur decommissioning and site restoration costs when an environmental disturbance is caused by the development or ongoing production of a mining property. Costs are estimated on the basis of a formal closure plan and are reassessed annually or as of the date such obligations become known.

Significant estimates and assumptions are made in determining the provision for decommissioning and site restoration costs, as there are numerous factors that will affect the ultimate liability payable. In order to establish such estimates, CODELCO: (i) creates a defined list of mine sites, installations and other equipment assigned to this process, considered at the engineering level profile; (ii) evaluates the assets that will be subject to removal and restoration, weighted by a structure of market prices of goods and services, and reflecting the best knowledge at the time to carry out such activities; and (iii) examines the techniques and more efficient construction procedures to date. In addition, CODELCO must make certain assumptions about the exchange rate for tradable goods and services and the discount rate applied to update the relevant cash flows over time, which reflects the time value of money and includes the risks associated with liabilities, which is based on the currency in which disbursements will be made.

The provision as of a reporting date represents management's best estimate of the present value of the future decommissioning and site restoration costs required. Changes to estimated future costs are recognized in the statement of financial position by adjusting the provision for decommissioning and site restoration costs as well as the associated asset measured in accordance with IAS 16, "Property, Plant and Equipment." Any reduction in the decommissioning and site restoration liability, and therefore any deduction from the decommissioning and site restoration asset, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is immediately accounted for as profit or loss.

If the change in estimate results in an increase in the decommissioning and site restoration liability, and therefore an addition to the carrying value of the asset, the entity is required to consider whether this is an indication of impairment of the asset as a whole and test for impairment in accordance with IAS 36 "Impairment of Assets." If the revised asset net of decommissioning and site restoration provisions exceeds the recoverable value, that portion of the increase is charged directly to profit or loss statement. Any decommissioning and site restoration costs that arose as a result of the production phase of a mine should be expensed as incurred.

The costs arising from the installation of a plant or other site preparation projects are discounted at net present value, provided for and capitalized at the beginning of each project, as soon as the obligation to incur such costs arises. These decommissioning costs are charged to profit over the life of the mine through depreciation of the asset. The depreciation is included in operating costs, while the unwinding of the discount in the provision is included in finance costs.

Accrual for Employee Benefits. Employee benefits costs for severance payments and health benefits for services rendered by the employees are determined based on actuarial calculations using the projected credit unit method and are charged to profit or loss on an accrual basis.

We use assumptions to determine the best estimate for these benefits. Such estimates, as well as assumptions, are determined together with an external actuary. These assumptions include demographic assumptions, mortality and morbidity, discount rate and expected salary increases and rotation levels, among other factors. Although we believe that the assumptions used are appropriate, a change in these assumptions could affect profit.

Provisional Pricing Arrangements. The substantial majority of copper produced by CODELCO is sold under annual contracts. Pricing on such contracts is based on prevailing monthly average prices quoted on the LME for a quotation period, generally the month following the scheduled month of shipment. CODELCO uses information on future copper prices, through which it recognizes adjustments to its revenues and trade receivables due to its provisional invoicing. These adjustments are updated on a monthly basis. At the end of each month, CODELCO estimates and accounts for any change in the provisional sales price using information available at the time financial statements are generated. However, the amount estimated may differ from the amount received at settlement. Revenue is recorded at the time control of the asset is transferred to the customer according to the shipment or dispatch of the products, in conformity with the agreed-upon conditions and are subject to variations related to the content and/or sales price at their liquidation date. Notwithstanding the foregoing, there are certain contracts under which control of the product is transferred to the client based on receipt of the product at the buyer's destination point, and for these contracts revenue is recorded at the moment of such transfer.

Sales contracts include a provisional price at the shipment date, which final price is generally based on the price recorded in the LME. In the majority of cases, the recognition of sales revenue for copper and other commodities is based on the estimates of the future spread of metal price on the LME and/or the spot price at the date of shipment, with a subsequent adjustment made upon final determination and presented as part of "Revenue." The terms of sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (the "quotation period"). As such the final price will be fixed on the dates indicated in the contracts. Adjustments to the sales price occurs based on movements in the LME up to the date of final settlement. The period between provisional invoicing and final settlement can be between one and nine months. Changes in fair value over the quotation period and up until final settlement are estimated by reference to forward market prices for the applicable metals.

Sales in the national market are recorded in conformity with the regulations that govern domestic sales as indicated in Articles 7, 8 and 9 of Law N° 16,624, modified by Article 15 of Decree Law N° 1,349 of 1976, on the determination of the sales price for the internal market.

Additionally, we recognize revenue for providing services, mainly related to the processing of minerals bought from third parties. Revenue is recognized when the performance obligation has been satisfied.

See "Business and Properties—Marketing—Pricing and Hedging" for information regarding hedge accounting.

Fair Value of Derivatives and Other Instruments. Management may use its judgment to choose an adequate and proper valuation method for the instruments that are not quoted in an active market. In the case of derivative financial instruments, assumptions are based on the observable market inputs, adjusted in conformity with the specific features of the instruments.

Lawsuits and Contingencies. We assess the probability of lawsuits and contingency losses on an ongoing basis according to estimates performed by our legal advisors. No provision is recognized for cases in which management and our legal advisors believe that (i) a favorable outcome will be obtained, (ii) the probability of a loss is remote or possible, but not probable, or, if probable, (iii) the amount of the obligation cannot be measured reliably.

BUSINESS AND PROPERTIES

CODELCO is the world's largest copper producer and one of the largest companies in Chile in terms of revenues (U.S.$12.5 billion in 2019). As of December 31, 2019, CODELCO's total assets were U.S.$40.3 billion and equity amounted to U.S.$11.6 billion. As of September 30, 2020, total assets were U.S.$42.4 billion and equity amounted to U.S.$11.7 billion. CODELCO engages primarily in the exploration, development and extraction of ores bearing copper and byproducts, the processing of ore into refined copper and the international sale of refined copper and byproducts. CODELCO is 100% owned by the Government of Chile and controls approximately 6% of the world's proven and probable copper reserves, as such term is defined by the U.S. Geological Survey. In 2019, CODELCO had an estimated 8.1% share of the total world copper production, with production amounting to approximately 1.71 million metric tons (including CODELCO's share of the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra, 49% of which is owned by CODELCO and 51% by Cyprus El Abra Corporation (a subsidiary of Freeport-McMoRan Inc.), as well as CODELCO's indirect 20% share of Anglo American Sur) and an estimated 8% share of the world's molybdenum production with production amounting to approximately 22,353 metric tons, excluding CODELCO's share of Anglo American Sur.

CODELCO's main commercial product is Grade A cathode copper. In 2019 and for the nine-month period ended September 30, 2020, CODELCO derived 91% of its total sales from copper and 9% of its total sales from byproducts of its copper production.

The following table sets forth certain production, cost and price information relating to CODELCO for the three-year period ended December 31, 2019 and the nine-month periods ended September 30, 2019 and 2020:

Copper Production, Cash Cost of Production and Price Information
(excluding El Abra and Anglo American Sur)
(production in thousands of metric tons and cash costs
and prices in cents per pound)

	Year ended December 31,			For the nine-month periods ended September 30,	
	2017	2018	2019	2019	2020
CODELCO's Copper Production	1,734	1,678	1,588	1,120	1,165
CODELCO's Cash Cost of Production	135.9	139.1	141.6	143.1	126.9
Average LME Price(1)	279.7	295.9	272.1	274.0	265.3

(1) Price for Grade A cathode copper.

CODELCO's mission is to maximize the value of its mineral resources for the benefit of its shareholder, the Chilean state, by fully developing its vast mining resources on a timely basis, leveraging the Company's experienced workforce, utilizing its advanced technological holds in key areas and by executing the following key strategic initiatives:

Capital Expenditure Program. We seek to maintain and improve our competitive position in the industry through our three-year capital expenditure program. Following the completion of a number of significant projects in recent years, such as the development of CODELCO's new Mina Ministro Hales, the development of sulfide ores at the Radomiro Tomic mine, the expansion at the Andina mine and the development of the Pilar Norte area at the El Teniente mine, CODELCO intends to continue its development program. Accordingly, the Company expects to make capital expenditures of approximately U.S.$12.5 billion between 2020 and 2022 on major projects, transforming its main mining operations with a view towards the long-term development of its resources. We expect these expenditures to be funded with a combination of internal and external resources. For a complete list of planned capital expenditures, see "Business and Properties—Copper Production—Operations." CODELCO's expansion and development of major projects between 2020 and 2022 are expected to include:

- The gradual transformation of the Chuquicamata mine from an open pit mine to an underground operation, which we expect will enable Chuquicamata to maintain its annual copper production at its current level starting in 2019 (an approximate investment of U.S.$1.4 billion between 2020 and 2022). Environmental approvals were obtained in September 2010, and the project is approximately 99.5% complete as of September 30, 2020.

- The reallocation of the Andina plant, which involves maintaining the treatment capacity of the concentrator plant in the long-term (an approximate investment of U.S.$172 million between 2020 and 2022). Operations are expected to begin in 2021, and the project is approximately 89.1% complete as of September 30, 2020.

- The development of a new production level in the existing El Teniente underground mine (an approximate investment of U.S.$2.0 billion between 2020 and 2022) to maintain El Teniente's annual copper production at its current level. Environmental approvals were obtained in March 2011. However, based on geomechanical challenges that need to be addressed, an alternative development plan was approved in January 2018 that will still permit us to maintain our original production goal and the new mining level is now expected to be completed in 2023. As of September 30, 2020, the project is approximately 62.6% complete.

- The development of the Inca Pit project is designed to extend the life of the current underground mine operation in the Salvador Division and enable it to maintain its annual production at its current level starting in 2021 and the analysis for a future expansion, which requires an approximate investment of U.S.$1.2 billion between 2020 and 2022. As of September 30, 2020, the feasibility study and initial works have been completed.

- The expansion of the existing Andina open pit is an initiative that is expected to expand the treatment capacity of the concentrator plant up to 150 thousand tons per day (an approximate investment of U.S.$80 million between 2020 and 2022) starting in 2027. As of September 30, 2020, the feasibility study has been authorized and is approximately 78% complete.

Improvement in operations. A number of improvement initiatives are underway to adopt best industry practices, most notably in the areas of labor productivity, asset utilization rates and process efficiency. Together with its capital expenditure investment program, CODELCO expects these initiatives to enhance its competitive position. CODELCO operates in a cyclical business and its strategy is to ensure that it is able to take full advantage of high copper prices. CODELCO is developing a number of plans to achieve production targets in the coming years. These plans mainly focus on reducing the risk of disruptions to production and providing increased flexibility to its operations.

Transformation Plan. On November 29, 2019, CODELCO announced the Transformation Plan. Among other objectives, the Transformation Plan seeks to optimize the standards for project selection and to reduce execution delays, improve operating performance and renew focus on maximizing the value of its mineral resources and reserves. The Transformation Plan also includes a series of targets to achieve cost savings in capital and operational expenditures.

Exploration Efforts. CODELCO controls the largest copper reserves worldwide, the Company's single most important long-term competitive advantage. The discovery of new mining resources and improving its ability to locate existing ore bodies and prospects are critical to CODELCO maintaining its preeminent position in the industry. Accordingly, the Company's exploration program will continue to be a key part of its business strategy.

Investment in Human Capital. The successful execution of CODELCO's business strategy relies on continuing to attract and retain a world-class management team and professionals of the highest caliber. The mining industry faces increased competition for workforce talent. As a result, the Company intends to continue improving career development opportunities for its staff and the overall attractiveness of CODELCO as a preferred employer.

Mining Association with Third Parties. CODELCO seeks to continue to develop and operate assets in association with third parties where these associations will add value to CODELCO's business. A few examples of the Company's willingness and ability to do so are (i) the association with Freeport-McMoRan Inc. in the El Abra copper mine (CODELCO owns 49%) and (ii) the association with Anglo American, Mitsui and Mitsubishi Corporation in Anglo American Sur (CODELCO owns an indirect 20% interest). CODELCO believes its large mining reserve is a strong platform from which to establish such associations.

Copper Production

General

The copper deposits in CODELCO's mines exist in two principal forms—sulfide ore and oxide ore. The majority of CODELCO's mines, including Chuquicamata and El Teniente, yield primarily sulfide ore. The ore extracted from the Radomiro Tomic deposit is copper oxide and sulfides. CODELCO produces refined copper from oxide and sulfide ore using different processes. CODELCO believes that having these two different forms of copper deposits gives it a high level of flexibility to respond to market changes by adjusting its production and utilizing the refining processes described below.

Sulfide Ores. Sulfide ores are found in CODELCO's open-pit and underground mines. In open-pit mines, the process of producing copper from sulfide ores begins at the mine pit. Waste rock and ores containing copper are first drilled and blasted and then loaded onto diesel-electric trucks by electric shovels. Waste is hauled to dump areas. In underground mines, copper ore is deposited on rail cars and transported to a crushing circuit where gyratory crushers break the ore into sizes no larger than three-fourths of an inch. In both types of mines, the ore is then transported to rod and ball mills which grind it to the consistency of powder. In the conventional concentrator/smelter/refinery process for sulfide ore, this finely ground ore is agitated in a water and chemical solution and pumped as a watery mixture to the flotation separator. The solution is then aerated, producing a froth which carries the copper minerals, but not the waste rock, to the surface. The froth is skimmed off and filtered to produce copper concentrates. The waste rock, called tailings, is sent to a tailings storage facility. The copper concentrates (which contain a copper grade of approximately 30%) are then sent to the smelter.

At the smelter, the concentrates are blended with fluxes and fed into reverberatory furnaces or a Teniente converter (a technologically advanced type of converter designed by CODELCO) where they are melted, producing "matte" and "slag." Matte from reverberatory furnaces contains approximately 45% copper, and matte from a Teniente converter contains approximately 75% copper. Slag is a residue of the smelting process containing iron and other impurities, which the Company disposes of with its other industrial solid waste. The matte is transferred by ladles to the converters and is oxidized in two steps. First, the iron sulfides in the matte are oxidized with silica, producing slag that is returned to the reverberatory furnaces. Second, the impurities in the matte sulfide are oxidized to produce blister copper. The blister copper contains approximately 98.5% copper. Some of the blister copper is sold to customers. The remainder is transferred to the electrolytic refinery.

After additional treatment in the anode furnace, the copper is cast into anodes and then moved to the refinery's electrolytic tank house. This anode copper is approximately 99.0% copper. In the electrolytic tank house, anodes are suspended in tanks containing an acid solution and copper sulfate. An electrical current is passed through the anodes and chemical solution to deposit clean copper on pure copper plates. The resulting refined copper cathodes are 99.99% copper. Silver and small amounts of other metals contained in the anodes settle on the bottom of the tanks and are recovered in a separate process.

Oxide Ores. Oxide ore is scarcer than sulfide ore, and is typically found closer to the surface of the earth. A different process (called the SX-EW process) is used to produce refined copper from oxide ores, which CODELCO employs at its SX-EW facilities in Chuquicamata, El Teniente, Salvador, Gabriela Mistral and Radomiro Tomic. In the first step of the SX-EW process, copper oxide ore is mined, crushed and deposited into large piles. The piles are leached for a period of several days with a solution of sulfuric acid, resulting in the effusion from the piles of a solution with a high-concentration of copper. The copper solution is collected into large pools, from which copper is then recovered by solvent extraction, followed by a second recovery method called electrowinning, to produce high-grade copper cathodes. The SX-EW process involves lower overall refining costs, and can be used with a lower grade of ore, than the traditional concentrator/smelter/refinery process. The SX-EW process also enables CODELCO to recover copper by re-leaching waste material left over from prior copper extractions.

Operations

CODELCO's copper operations are divided into the following eight divisions:

- The El Teniente Division operates the El Teniente mine, which is the world's largest underground copper mine and has been in operation for more than 100 years. The El Teniente Division includes the Caletones smelter. In 2019, this division produced 459,744 metric tons of copper, or 26.9% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 100.7 cents per pound, compared to 106.5 cents per pound in 2018, and a total cash cost of U.S.$1.0 billion in 2019, compared to U.S.$1.1 billion in 2018. During the first nine months of 2020, this division produced 312,961 metric tons of copper with a cash cost of 102.4 cents per pound and a total cash cost of U.S.$699 million.

- The Radomiro Tomic Division operates the Radomiro Tomic mine, which began its first full year of production in 1998 and ranked among the world's top three largest producers of copper using SX-EW technology in 2018. In 2019, this division produced 266,415 metric tons of copper cathodes, or 15.6% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 154.3 cents per pound, compared to 134.1 cents per pound in 2018, and a total cash cost of U.S.$901 million in 2019 compared to U.S.$973 million in 2018. During the first nine months of 2020, this division produced 182,068 metric tons of copper with a cash cost of 144.7 cents per pound and a total cash cost of U.S.$577 million.

- The Chuquicamata Division operates the Chuquicamata mine, one of the largest copper-producing mines in the world, which began its operations in 1915 and currently includes smelting and refining capacities. In 2019, this division produced 385,309 metric tons of copper cathodes, or 22.6% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 120.5 cents per pound, compared to 131.5 cents per pound in 2018, and a total cash cost of U.S.$996 million in 2019, compared to U.S.$908 million in 2018. During the first nine months of 2020, this division produced 299,752 metric tons of copper with a cash cost of 104.7 cents per pound and a total cash cost of U.S.$675 million.

- The Mina Ministro Hales Division was created in 2010 for the operation of the Mina Ministro Hales ore body, which first began producing copper at the end of 2013. In 2019, this division produced 151,838 metric tons of copper, or 8.9% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 123.6 cents per pound, compared to 124.0 cents per pound in 2018, and a total cash cost of U.S.$400 million in 2019, compared to U.S.$517 million in 2018. During the first nine months of 2020, this division produced 112,801 metric tons of copper with a cash cost of 116.5 cents per pound and a total cash cost of U.S.$280 million.

- The Andina Division operates the Andina and Sur-Sur mines with production split among open-pit and underground mines. It does not have independent smelting capacity. Andina has been in operation since 1970. In 2019, this division produced 170,274 metric tons of copper, or 10.0% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 184.6 cents per pound, compared to 163.7 cents per pound in 2018, and a total cash cost of U.S.$669 million in 2019, compared to U.S.$682 million in 2018. During the first nine months of 2020, this division produced 142,334 metric tons of copper with a cash cost of 145.9 cents per pound and a total cash cost of U.S.$442 million.

- The Gabriela Mistral Division was created in 2013 and operates the Gabriela Mistral mine, which uses SX-EW technology. The Gabriela Mistral mine produced its first copper cathodes in 2008 after a 26-month construction period. In 2019, this division produced 104,087 metric tons of copper, or 6.1% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 231.8 cents per pound, compared to 191.9 cents per pound in 2018, and a total cash cost of U.S.$532 million in 2019, compared to U.S.$454 million in 2018. During the first nine months of 2020, this division produced 74,226 metric tons of copper with a cash cost of 188.0 cents per pound and a total cash cost of U.S.$308 million.

- The Salvador Division operates the Salvador mine and concentrator and the smelter/refinery complex at

Potrerillos, which has the capacity to treat 671,000 metric tons of concentrate. In 2019, this division produced 50,561 metric tons of copper cathodes, or 3.0% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 232.7 cents per pound, compared to 223.5 cents per pound in 2018, and a total cash cost of U.S.$257 million in 2019, compared to U.S.$296 million in 2018. During the first nine months of 2020, this division produced 40,935 metric tons of copper with a cash cost of 199.8 cents per pound and a total cash cost of U.S.$179 million. Unless the Inca Pit project (as described below) enters the execution stage, CODELCO's Board of Directors has decided to phase out mining operations at the Salvador mine by 2021, or sooner, if warranted by market and operational conditions, specifically marketability of its copper, cash costs and annual reviews of performance. The Potrerillos smelter and refinery would continue to operate upon any cessation of the mining operations at Salvador.

- The Ventanas Division was created in connection with the acquisition of the Ventanas smelter/refinery complex from Chile's state-owned mining company ENAMI in 2005. In 2019, this division refined 376,400 metric tons of copper, compared to 409,049 metric tons of copper in 2018. Pursuant to the terms of the acquisition, CODELCO is required to provide on market terms the necessary smelting and refining capacity for the treatment of copper concentrate delivered by the small- and medium-sized mining industry that ENAMI serves.

For a description of CODELCO's associations with other companies, see "Business and Properties—Copper Production—Associations, Joint Ventures and Partnerships" below.

Beginning in late 2010, CODELCO implemented a corporate reorganization plan which divided the management of CODELCO's operations into Northern Operations (*Operaciones Norte*) and Central Southern Operations (*Operaciones Centro Sur*), to supervise the divisions in the north and center-southern regions, respectively. The reorganization was intended to simplify the organizational structure by causing all corporate administrative and support functions to report to a single vice president, and the productive divisions to concentrate on maximizing production, controlling costs and implementing safety measures. The Chuquicamata Division, the Radomiro Tomic Division, the Mina Ministro Hales Division and the Salvador Division are now supervised by the Vice President of Northern Operations (*Operaciones Norte*). The Andina Division, the El Teniente Division and the Ventanas Division are now supervised by the Vice President of Central Southern Operations (*Operaciones Centro Sur*).

CODELCO's copper production, including its share of the El Abra deposit and of Anglo American Sur, decreased to 1,706,013 metric tons during the twelve months of 2019 from 1,806,363 metric tons in the twelve months of 2018. This decrease was mainly due to lower copper production from the Radomiro Tomic, Andina and Ministro Hales Divisions. Molybdenum production decreased by 7.0% in 2019 mainly due to the decreased production from the Chuquicamata and the Andina Divisions.

The table below shows the production of copper from CODELCO's mines, as compared to private sector production in Chile, for the three-year period ended December 31, 2019 and the nine-month period ended September 30, 2020:

Production of Copper from Chilean Mines (CODELCO and Private Sector)
(in thousands of metric tons)

	Year ended December 31,			For the nine-month periods ended September 30,		% Change
	2017	2018	2019	2019	2020	2019/2020
El Teniente Division	464	465	460	324	313	(3.4)%
Radomiro Tomic Division	319	333	266	198	182	(8.0)
Chuquicamata Division	331	321	385	262	300	14.3
Mina Ministro Hales	215	195	152	111	113	2.1
Andina Division	220	196	170	126	142	12.9
Gabriela Mistral Division	123	107	104	72	74	2.8
Salvador Division	62	61	51	27	41	51.3
El Abra[(1)]	38	44	40	29	26	(9.4)

Anglo American Sur[2]	70	84	78	61	52	(13.4)
CODELCO Total Production	1,842	1,806	1,706	1,209	1,243	2.9
Chilean Private Sector[3]	3,661	4,026	4,081	3,037	3,018	(0.6)
Total Chilean Production	5,503	5,832	5,787	4,246	4,262	0.4%

(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% direct ownership interest in the mine). The balance of El Abra's production is included in the private sector figures.

(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). The balance of Anglo American Sur production is included in the private sector figures.

(3) Source: Chilean Copper Commission.

The table below shows the breakdown of CODELCO's own copper output for the three-year period ended December 31, 2019 and the nine-month period ended September 30, 2020:

Copper Output of CODELCO (excluding El Abra and Anglo American Sur)
(in thousands of metric tons)

	Year ended December 31,			For the nine-month period ended September 30,
	2017	**2018**	**2019**	**2020**
Cathodes	508	455	406	316
Blister and anodes	382	386	339	262
Calcines	159	153	117	95
Concentrates	686	684	726	492
Total	**1,734**	**1,678**	**1,588**	**1,165**

The following table sets forth CODELCO's initial capital expenditures budget for the period 2020-2022 by division, and for the executive offices, as approved by the Company's Board of Directors as part of CODELCO's BDP report, which is subject to the approval of the Ministries of Finance and Mining (capital expenditures are subject to change at the discretion of CODELCO). The capital expenditures budget is subject to an annual review and therefore may be subject to change.

Division	**Estimated Investment**[1] (in millions of U.S.$)
Chuquicamata	$ 2,183
El Teniente	2,973
Andina	1,327
Radomiro Tomic	1,400
Salvador	1,368
Mina Ministro Hales	157
Gabriela Mistral	159
Ventanas	99
Executive Offices	262
Subsidiaries	89
Deferred expenses	2,448
Total	**$ 12,467**

(1) Includes equipment replacement and facilities repair, contributions to subsidiaries and other.

The following table sets forth the estimated investment cost for each of CODELCO's principal expansion and development projects in each division (projects are subject to change at the discretion of the Company):

Division	Project	Status	Estimated Investment
			(in millions of U.S.$)
El Teniente	New mining level (2023)	Execution[(1)]	5,183
Chuquicamata	Chuquicamata Underground (2019)	Execution[(1)]	5,036
Andina	Expansion phase II (N.A.)	Feasibility	3,017
	Reallocation Plant (2020)	Execution[(1)]	1,275
Salvador	Inca Pit (2021)	Feasibility	1,362
		Total	**$ 15,874**

(1) Expenditures have been invested in projects in the execution stage.

Nonetheless, the figures above reflect the estimated investments that CODELCO expected to make under its 2020 updated BDP report. CODELCO continues to reformulate the Andina expansion project, which could decrease the medium-term capital expenditure program. Therefore, this medium-term period more reliably reflects CODELCO's commitments than a longer-term period, especially considering current industry trends.

El Teniente Division

Mining Operations. The El Teniente Division is the largest division of CODELCO, based on 2018 production, and operates the El Teniente underground mine located 80 kilometers southeast of Santiago. With the production of 459,744 metric tons in 2019, it is the world's largest underground copper mine. For information regarding the new mine level at the El Teniente mine, see "Summary—Competitive Strengths."

The El Teniente deposit is also a porphyry-type ore body. The deposit covers a vertical span of over 1,500 meters. A tabular subvertical dacite porphyry intrusion two kilometers long by 200 meters wide is well exposed in the northern part of the deposit, and a quartz-diorite stock is located at the southeast side. Wall rock are mostly andesites, which are strongly mineralized, containing a high concentration of chalcopyrite and bornite. The size of the deposit is at least three kilometers north-south and close to one kilometer wide.

El Teniente primarily produces concentrates that are smelted at the Caletones smelter. In addition to the principal mine at El Teniente, the division performs mining operations at several other areas of the main deposit, with a production of approximately 140,000 metric tons of ore per day. The Esmeralda area of the mine is the main producing mine area, producing approximately 36,750 metric tons of ore per day.

As of September 30, 2020, the El Teniente Division employed 3,942 persons and produced 312,961 metric tons of copper at a cash cost of 102.4 cents per pound and a total cash cost of U.S.$699 million, as compared to a cash cost of 101.8 cents per pound and a total cash cost of U.S.$ 716 million during the first nine months of 2019. In 2019, the El Teniente Division produced 459,744 metric tons of copper at a cash cost of 100.7 cents per pound and a total cash cost of U.S.$1.01 billion, as compared to a cash cost of 106.5 cents per pound and a total cash cost of U.S.$1.08 billion in 2018. In 2017, this division had a cash cost of 113.5 cents per pound and a total cash cost U.S.$1.2 billion.

Copper Production and Cash Cost—El Teniente Division
(production in thousands of metric tons and cash cost in cents per pound)

	Year ended December 31,			For the nine-month period ended September 30,
	2017	2018	2019	2020
Copper Production	464	465	460	313
Cash Cost	113.5	106.5	100.7	102.4

Smelting Operations. The El Teniente Division includes the Caletones smelter, which has the capacity to smelt 1.25 million metric tons of concentrate per year. The El Teniente mine supplies 1.29 million metric tons of concentrate per year to the Caletones smelter. The balance of concentrate processed by the smelter is brought by railway from the Andina Division, 300 kilometers away.

The Caletones smelter operates two Teniente modified converters, three Pierce Smith Converters and several refining furnaces and gas treatment plants. El Teniente has no electrolytic refining plant, and smelter output is sold as fire-refined copper or anodes to be refined at other facilities such as the Ventanas refinery or Chuquicamata.

Radomiro Tomic Division

The Radomiro Tomic deposit lies five kilometers north of the main pit at Chuquicamata. Radomiro Tomic began production at the end of 1997. The Radomiro Tomic mine is a state of the art facility, and the world's largest producer of copper using the highly efficient SX-EW process.

During the first half of 2010, the Sulfide Phase I project was completed, which enables the treatment of 100,000 metric tons per day of sulfides from Radomiro Tomic in the Chuquicamata processing plants.

As of September 30, 2020, the Radomiro Tomic Division employed 1,270 persons and produced 182,068 metric tons of copper at a cash cost of 144.7 and a total cash cost of U.S.$577 million compared to a cash cost of 147.4 cents per pound and a total cash cost of U.S.$639 million during the first nine months of 2019. In 2019, this Division produced 266,415 metric tons of copper at a cash cost of 154.3 and a total cash cost of U.S.$901 million compared to a cash cost of 134.1 cents per pound and a total cash cost of U.S.$973 million in 2018. In 2017, this division had a cash cost of 131.4 cents per pound and a total cash cost of U.S.$915 million.

Copper Production and Cash Cost—Radomiro Tomic Division
(production in thousands of metric tons and cash cost in cents per pound)

	Year ended December 31,			For the nine-month period ended September 30,
	2017	**2018**	**2019**	**2020**
Copper Production Radomiro Tomic	319	333	266	182
Cash Cost Radomiro Tomic	131.4	134.1	154.3	144.7

Chuquicamata Division

Mining Operations. Located in the Atacama Desert, 1,200 kilometers north of Santiago and 240 kilometers east of the Chilean city of Antofagasta, the Chuquicamata mine has been in continuous operation since 1915. The Chuquicamata mine is an open-pit operation that produces predominantly sulfide concentrates, which are smelted and refined on site. The pit size of the Chuquicamata mine is almost nine kilometers long in a north-south direction by five kilometers wide and one kilometer deep.

The Chuquicamata deposit is a porphyry-type ore body. The most important feature of the ore body is a north-south regional fault, the west fissure fault, which cuts the ore on the west side and creates a sharp limit on the deposit. An oxide ore zone was a large part of the deposit and has been almost totally mined out. The mine contains a supergene enrichment layer (a redeposit of copper, by natural forces, from higher to lower layers), which has a thickness of almost 800 meters near the center of the mine. Five kilometers north of Chuquicamata, the ore body narrows and merges with the Radomiro Tomic ore body. For information regarding the transformation of the Chuquicamata mine from an open pit mine to an underground operation, see "Summary—Competitive Strengths."

Smelting Operations. Chuquicamata utilizes one Outokumpu flash furnace, five Pierce Smith converters and two Teniente converters to process 1.25 million metric tons of 29.6% copper concentrate per year. Chuquicamata performs all stages of copper production from the mining process through cathode production.

As of September 30, 2020, the Chuquicamata Division employed 4,043 persons and produced 299,752 metric tons of copper at a cash cost of 104.7 cents per pound and a total cash cost of U.S.$675 million, compared to a cash cost of 125.0 cents per pound and a total cash cost of U.S.$ 702 million during the first nine months of 2019. In 2019, this Division produced 385,309 metric tons of copper at a cash cost of 120.5 cents per pound and a total cash cost of U.S.$996 million, compared to a cash cost of 131.5 cents per pound and a total cash cost of U.S.$908 million in 2018. In 2017, this division had a cash cost of 130.9 cents per pound and a total cash cost of U.S.$933 million.

Copper Production and Cash Cost—Chuquicamata Division
(production in thousands of metric tons and cash cost in cents per pound)

	Year ended December 31,			For the nine-month period ended September 30,
	2017	2018	2019	2020
Copper Production Chuquicamata	331	321	385	300
Cash Cost Chuquicamata	130.9	131.5	120.5	104.7

Mina Ministro Hales Division

Mining Operations. The Mina Ministro Hales Division was created in September 2010 for the operation of the Mina Ministro Hales ore body, and delivered its first tons of copper during the last quarter of 2013.

As of September 30, 2020, Mina Ministro Hales employed 747 persons and produced 112,801 metric tons of fine copper at a cash cost of 116.5 cents per pound and a total cash cost of U.S.$280 million, compared to a cash cost of 133.7 cents per pound and a total cash cost of U.S.$315 million during the first nine months of 2019. In 2019, this Division produced 151,838 metric tons of fine copper at a cash cost of 123.6 cents per pound and a total cash cost of U.S.$400 million, compared to a cash cost of 124.0 cents per pound and a total cash cost of U.S.$516.9 million in 2018. In 2017, this division had a cash cost of 121.8 cents per pound and a total cash cost of U.S.$560 million.

Copper Production and Cash Cost—Mina Ministro Hales Division
(production in thousands of metric tons and cash cost in cents per pound)

	Year ended December 31,			For the nine-month period ended September 30,
	2017	2018	2019	2020
Copper Production	215	195	152	113
Cash Cost	121.8	124.0	123.6	116.5

Smelting and Refinery Operations. The processing of minerals will be carried out in a stand-alone concentrator with processing capacity of 50,000 tons per day. Copper concentrates will be processed in a new roasting plant. The project also includes a new acid plant.

Gabriela Mistral Division

The Gabriela Mistral ore body is located in Chile's Second Region and began production in May 2008. On January 1, 2013, CODELCO created the Gabriela Mistral Division, which operates the Gabriela Mistral mine. Gabriela Mistral uses SX-EW technology and produced its first copper cathodes in May 2008 after a 26-month construction period at a cost of U.S.$1.0 billion.

As of September 30, 2020, the Gabriela Mistral Division employed 453 persons and produced 74,226 metric tons of copper at a cash cost of 188.0 cents per pound and a total cash cost of U.S.$308 million, as compared to a cash cost of 250.2 cents per pound and a total cash cost of U.S.$ 398 million during the first nine months of

2019. In 2019, the Gabriela Mistral Division produced 104,087 metric tons of copper at a cash cost of 231.8 cents per pound and a total cash cost of U.S.$532 million, as compared to a cash cost of 191.9 cents per pound and a total cash cost of U.S.$454 million in 2018. In 2017, this division had a total cash cost of 151.9 cents per pound and a total cash cost U.S.$411 million.

Copper Production and Cash Cost—Gabriela Mistral Division
(production in thousands of metric tons and cash cost in cents per pound)

	Year ended December 31,			For the nine-month period ended September 30,
	2017	2018	2019	2020
Copper Production	123	107	104	74
Cash Cost	151.9	191.9	231.8	188.0

Andina Division

Mining Operations. The Andina Division operates the Andina mine and the Sur-Sur mine, which are located 50 kilometers northeast of Santiago. Production at the Andina Division is split among open-pit and underground mines. For information regarding the Andina plant reallocation project, see "Summary—Competitive Strengths." The Andina Division does not operate a smelter. Its production is processed at the Caletones smelter of El Teniente, at the Ventanas refinery or at the Salvador Division, and some of its concentrate is sold to ENAMI or other purchasers.

As of September 30, 2020, the Andina Division employed 1,484 persons and produced 142,334 metric tons of copper at a cash cost of 145.9 cents per pound and a total cash cost of U.S.$442 million, as compared to a cash cost of 188.8 cents per pound and a total cash cost of U.S.$506 million during the first nine months of 2019. In 2019, the Andina Division produced 170,274 metric tons of copper at a cash cost of 184.6 cents per pound and a total cash cost of U.S.$669 million, as compared to a cash cost of 163.7 cents per pound and a total cash cost of U.S.$682 million during in 2018. In 2017, this division had a cash cost of 139.6 cents per pound and a total cash cost of U.S.$654 million.

The Río Blanco-Los Bronces porphyry-type deposit, one of the largest copper ore bodies in Chile, is partially owned by the Andina Division. The northwest portion of this deposit is owned by the Andina Division; Anglo Sur owns and operates the mines at Los Bronces and El Soldado along with the Chagres smelter and various mineral resources, including Los Sulfatos and San Enrique Monolito, located in the southwest portion of the deposit. The deposit is characterized by plentiful tourmaline and breccia rock bodies mineralized with copper sulfides, mostly calcopyrite. CODELCO's portion of the deposit is four kilometers in length, in the northwest to southeast direction, with a maximum width of almost one kilometer.

Copper Production and Cash Cost—Andina Division
(production in thousands of metric tons and cash cost in cents per pound)

	Year ended December 31,			For the nine-month period ended September 30,
	2017	2018	2019	2020
Copper Production	220	196	170	142
Cash Cost	139.6	163.7	184.6	145.9

With the aim to increase the processing output of the Andina Division, CODELCO completed the Andina Phase I Expansion Project in 2010. While the Andina Division had plans to continue investing to expand the mine and increase copper production by an additional 350,000 tons of copper per year, the Company is currently reformulating its plans in order to create an alternative that should require less investment, while at the same time seeking to minimize the environmental impact and prolong the life of the Andina Division.

Salvador Division

Mining Operations. The Salvador Division is the smallest of CODELCO's divisions. The complex includes the mine and concentrator at Salvador and a smelter/refinery at Potrerillos. The Salvador mine is located 900 kilometers north of Santiago and 120 kilometers east of the Chilean port of Chañaral. Concentrates are transported 67 kilometers from the mine to the smelter at Potrerillos via pipeline and truck.

The Salvador Division has the smallest base reserve of ore among all of CODELCO's divisions. The Salvador deposit is a typical medium-sized porphyry-type ore body. There is an 80- to 200-meter thick leached capping covering a lensoid-shaped enrichment layer roughly one kilometer in diameter that attains a maximum thickness of about 250 meters. This enrichment layer is almost completely mined out. Mining is currently focused on the primary ore located underneath the secondary enrichment (the so-called Inca levels).

As of September 30, 2020, Salvador employed 1,446 persons and produced 40.935 metric tons of fine copper at a cash cost of 199.8 cents per pound and a total cash cost of U.S.$179 million, compared to a cash cost of 246.6 cents per pound and a total cash cost of U.S.$146 million during the first nine months of 2019. In 2019, Salvador produced 50,561 metric tons of fine copper at a cash cost of 232.7 cents per pound and a total cash cost of U.S.$257 million, compared to a cash cost of 223.5 cents per pound and a total cash cost of U.S.$296 million in 2018. In 2017, this division had a cash cost of 198.7 cents per pound and a total cash cost of U.S.$269 million.

Unless the Inca Pit project (as described below) enters the execution stage, CODELCO's Board of Directors has decided to phase out mining operations at the Salvador mine by 2021, or sooner, if warranted by market and operational conditions, specifically marketability of its copper, cash costs and annual reviews of performance. The Potrerillos smelter and refinery would continue to operate upon any cessation of the mining operations at Salvador.

Copper Production and Cash Cost—Salvador Division
(production in thousands of metric tons and cash cost in cents per pound)

	Year ended December 31,			For the nine-month period ended September 30,
	2017	**2018**	**2019**	**2020**
Copper Production	62	61	51	41
Cash Cost	198.7	223.5	232.7	199.8

Smelting Operations. The smelting and refining operation is located at Potrerillos. This facility includes one Teniente converter and four Pierce Smith converters for a rated annual capacity of 671,000 metric tons of concentrate. CODELCO increased capacity of the Potrerillos smelter in 2004.

Ventanas Division

Smelting and Refinery Operations. The Ventanas Division was created in connection with the acquisition of the Ventanas smelter and refinery from the Chilean state-owned mining company ENAMI in 2005. The Ventanas smelter has the capacity to treat of over 400,000 metric tons of concentrate. Ventanas refined approximately 376,400 metric tons of copper in 2019. Pursuant to the terms of the acquisition, CODELCO is required to provide, on market terms, the necessary smelting and refining capacity for the treatment of products for the small- and medium-sized mining industry that ENAMI serves. As of September 30, 2020, the Ventanas Division employed 815 persons.

Associations, Joint Ventures and Partnerships

CODELCO has undertaken several projects, business ventures and associations with certain private sector mining and non-mining enterprises, including:

- *SCM El Abra*: In 1994, CODELCO (49%) formed a company, SCM El Abra, with Cyprus El Abra Corporation (51%), a subsidiary of Freeport-McMoRan Inc., to develop the El Abra mine in northern Chile. The mine is a porphyry copper open-pit facility located 105 kilometers north of the city of Calama at an altitude of 3,900 meters above sea level. Constructed at a cost of U.S.$1.1 billion, it is designed to produce 225,000 metric tons of copper per year and includes one of the world's largest SX-EW facilities. The El Abra project was originally financed by a U.S.$850 million syndicated loan, which was repaid in full in 2004.

    - In 2009, SCM El Abra approved resuming construction activities for the Sulfolix Project, which had been deferred as a result of market conditions at the end of 2008, to extract and process (by the leaching process) sulfide ores, which is expected to extend mine life by 13 years and enable El Abra to produce at least 125,000 metric tons of fine copper per year. This project contains approximately 1.2 billion metric tons of leachable oxide and sulfide copper, with an average ore grade of 0.43%. The project started producing sulfides, shifting from an oxide operation, during the first quarter of 2011 and includes milling mine ores until 2024, and is expected to generate the last cathode in 2029 by leaching heap remains. The Sulfolix Project requires approximately U.S.$565 million of initial equity and an additional U.S.$160 million to sustain the operations. The project is financed by SCM El Abra's retained earnings.

    - In 2019, SCM El Abra produced 81,520 metric tons of fine copper with a cash cost of 268 cents per pound. For the nine-month period ended September 30, 2020, the production was 53,038 metric tons of fine copper with a cash cost of 251 cents per pound.

    - The project had delivered total dividends of U.S.$80 million, U.S.$10 million and U.S.$6 million in 2017, 2018 and 2019, respectively, and CODELCO had received U.S.$39.2 million, U.S.$4.9 million and U.S.$3 million in dividends in 2017, 2018 and 2019, respectively. In the first nine months of 2020, the project had not delivered dividends. As of September 30, 2020, the carrying value of SCM El Abra's ownership interest was equal to U.S.$585.4 million.

- *Anglo American Sur*: On December 19, 2008, CODELCO purchased from ENAMI for U.S.$175 million an option to purchase up to 49% of the equity interests of Anglo American Sur, a wholly-owned subsidiary of Anglo American, for a price to be determined by a prescribed formula based on a multiple of historic earnings (the "Sur Option"). Anglo American Sur owns and operates the mines at Los Bronces and El Soldado, the Chagres Smelter and various mineral resources, including Los Sulfatos and San Enrique Monolito. In October 2011, CODELCO announced that it had arranged for a bridge loan of up to U.S.$6.75 billion from Mitsui that would allow it to exercise the Sur Option and indicated its intent to exercise the Sur Option during the next window for its exercise, which would occur in January 2012. On November 9, 2011, Anglo American announced that it had sold 24.5% of the equity interests of Anglo American Sur to affiliates of Mitsubishi Corporation. Following this sale, CODELCO announced that it retained the right to acquire up to 49% of the equity interests of Anglo American Sur and requested from the Santiago Court of Appeals a legal order preventing further sales of equity interests of Anglo American Sur until CODELCO was able to exercise the Sur Option. The requested legal order was granted and, on January 2, 2012, CODELCO exercised the Sur Option to purchase 49% of the equity interests of Anglo American Sur. Prior to and after the exercise of the Sur Option, Anglo American and CODELCO were involved in additional legal proceedings relating to the exercise of the Sur Option, which were ultimately settled pursuant to the settlement agreement described below.

    - On August 23, 2012, CODELCO and Anglo American entered into a settlement agreement to settle their respective claims in relation to the Sur Option. In connection with this settlement agreement, CODELCO and Anglo American agreed that Becrux, then a wholly-owned subsidiary of Acrux, an entity owned by CODELCO and Mitsui in the manner described below, would acquire 29.5% of the equity interests in Anglo American Sur pursuant to the following transactions:

- On August 24, 2012, Becrux acquired (i) shares representing 24.5% of the equity interests of Anglo American Sur for a purchase price of U.S.$1.7 billion, which was financed through a draw down by an affiliate of CODELCO on the A&R Mitsui Bridge Loan Facility described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Other Debt;" and (ii) shares representing 0.94% of the equity interests of Anglo American Sur for a purchase price of U.S.$206.8 million, which was financed by cash contributions made by Mitsui; and

- On September 14, 2012, Becrux acquired shares representing 4.0% of the equity interests of Anglo American Sur for a purchase price of U.S.$893.2 million, which was financed by cash contributions made by Mitsui.

o As part of the settlement agreement, Anglo American Sur transferred to CODELCO certain undeveloped mining properties, Los Leones and Profundo, which are located to the east of CODELCO's Andina mine, and the shareholders of Anglo American Sur entered into a shareholders' agreement that provides a framework for the ongoing governance of Anglo American Sur, which includes board representation and participation in certain decisions for Becrux.

o Immediately following the acquisition of 29.5% of the equity interests of Anglo American Sur, affiliates of CODELCO and Mitsui owned approximately 83% and 17%, respectively, of the equity interests of Acrux. In connection with the refinancing of the A&R Mitsui Bridge Loan Facility described above under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Other Debt," an affiliate of Mitsui exercised its right to acquire from an affiliate of CODELCO at the closing of the refinancing a number of equity interests of Acrux representing a 4.5% stake in Anglo American Sur for a purchase price equal to U.S.$998 million. This amount was used to prepay a portion of the bridge loan previously drawn down by an affiliate of CODELCO under the A&R Mitsui Bridge Loan Facility in connection with the transactions described above. Following the consummation of this transaction, affiliates of CODELCO and Mitsui owned approximately 67.8% and 32.2%, respectively, of the equity interests of Acrux. Consequently, CODELCO indirectly owns a 20% interest in Anglo American Sur.

o On November 26, 2016, CODELCO signed a credit agreement with Oriente Copper, an affiliate of Mitsui, renegotiating the payment of principal at the end of the contract. The terms established an annual interest rate of LIBOR +2.5% with a five-year maturity to be payable in one installment at maturity with semi-annual interest payments. On May 26, 2017, CODELCO signed a new credit agreement with Mitsui renegotiating the following semi-annual payment, which was on the same terms as the first renegotiation done in November 2016.

o On December 21, 2017, CODELCO and Mitsui agreed to merge Acrux into Becrux, as the surviving entity. The reorganization did not affect the interest that CODELCO and Mitsui indirectly hold in Anglo American Sur.

o Anglo American Sur fine copper production was metric 389,194 tons in 2019 with a cash cost of 139 cents per pound, compared to 422,247 with a cash cost of 149 cents per pound and 348,732 metric tons in 2017 with a cash cost of 173 cents per pound. For the nine-month period ended September 30, 2020, the production was 261,248 metric tons of fine copper with a cash cost of 155 cents per pound. Anglo American Sur distributed U.S.$187.3 million in 2017, U.S.$182.9 million in 2018, U.S.$84.4 million in 2019 and U.S.$22.7 million as of September 30, 2020 in cash dividends to Becrux, which is an indirectly owned subsidiary of CODELCO. As of September 30, 2020, the carrying value of equity of Anglo American Sur was equal to U.S.$2.8 billion. As of December 31, 2019, the carrying value of equity of Anglo American Sur was equal to U.S.$2.9 billion, of which CODELCO has a 20% indirect participation. See "Risk Factors." A substantial amount of our total assets are property, plant and equipment.

- *SCM Purén*: CODELCO (35%) and Compañía Mantos de Oro (65%), a subsidiary of Kinross Gold Corp., own

SCM Purén. SCM Purén's mining activities, located in the Atacama Region, east of the city of Copiapó, began in November 2005, having produced over 801,839 ounces of equivalent gold. In 2015, the company distributed U.S.$2.5 million in dividends to CODELCO. During 2017, 2018, 2019 and the first nine months of 2020, this company did not issue dividends. SCM Purén mines two gold and silver ore bodies through open pits. Currently, SCM Púren is evaluating a second phase of the project, which is expected to produce 295,419 ounces of gold equivalent over a four-year period.

- *Agua de la Falda S.A.*: CODELCO (42%) and Minera Meridian Limitada (58%), a subsidiary of Yamana Gold Inc., own Agua de la Falda S.A., which was created to explore and exploit the Agua de la Falda deposit that was in production until 2005. This company has completed its feasibility study of the Jerónimo gold deposit, which contains over 2 million ounces of gold. The results of this study have not been satisfactory and the partners are studying alternatives for improvement.

- *Inca de Oro S.A.*: CODELCO (33%) and PanAust Minera Limited (67%) own Inca de Oro S.A., which was created in 2009 to explore, exploit and process mineral resources in Chile and abroad. The production of Inca de Oro S.A. is currently halted pending new market opportunities.

- *Deutsche Giessdraht GmbH*: CODELCO (40%) and Aurubis AG (60%) own Deutsche Giessdraht GmbH, a German corporation located in Emmerich, Germany. The company, which has been in existence since 1975, produces continuous copper cast wire rod. CODELCO indirectly supplies copper to Deutsche Giessdraht GmbH. On July 31, 2018, CODELCO sold its 40% ownership stake in Deutsche Giessdraht GmbH to its partner Aurubis AG after receiving approval of the transaction by Germany's federal antitrust regulator (*Bundeskartellamt*). The sale included an agreement which allowed CODELCO to produce wire rod until December 31, 2018 to fulfill its sales contract obligations that expired at the end of 2018.

- *GNL Mejillones S.A.*: Due to the decrease and eventual termination of natural gas supply from Argentina, electrical power generation companies have experienced diminished electricity generation. For this reason, CODELCO and Suez Energy Andino S.A. through GNL Mejillones constructed an LNG re-gasification plant, which has been operating since the beginning of 2010. GNL Mejillones has the capacity to receive, process and store natural gas, with a send-out capacity of 5.5 million of cubic meters of gas per day, originating in Trinidad and Tobago and purchased from SUEZ Global LNG Ltd. under a long-term supply contract. The LNG storage tank is currently in operation. GNL has entered into a long-term agreement with E-CL for the re-gasification and storage of approximately 15 trillion BTU (British Thermal Unit).

    - GNL Mejillones provides gas required by the electricity power plant in the Sistema Interconectado del Norte Grande, known as the SING, which supplies power to CODELCO's operations. The project partners have financed this project under existing take-or-pay contracts with CODELCO and other mining companies.

    - As of June 30, 2019, CODELCO owned 37% of the outstanding shares of the company, and Suez Energy Andino S.A. owned the remaining 63% of the shares.

    - On August 6, 2019, CODELCO completed the sale of its 37% stake in GNL Mejillones S.A. to to Ameris Capital AGF, for an amount of US$193.5 million.

- *Planta Recuperadora de Metales SpA*: In December 2012, CODELCO (34%) together with LS Nikko (66%) formed Planta Recuperadora de Metales SpA ("PRM"), the purpose of which is to process intermediate products derived from refining and processing copper and other metals, in order to recover copper, other metals and byproducts contained in these substances and transform them into commercial products, and also trading and distributing all classes of goods or supplies relating to such process. This entity developed and built a processing plant located in Mejillones, in the Antofagasta Region, which began its commissioning process during 2016. A 20-year contract regulates the treatment of anodic slimes produced at Codelco refineries for the recovery of precious metals.

- *Salar de Maricunga SpA*: In April 2017, CODELCO formed Salar de Maricunga SpA ("Salar de Maricunga") to develop projects for the exploration and exploitation of lithium in Chile. In March 2018, Salar de Maricunga entered into a special lithium operating contract with Chile's Ministry of Mining for the exploration and development of a lithium project in the Maricunga salt flat in the northern Atacama Region of Chile. In July 2019, CODELCO subscribed a non-binding MOU with Minera Salar Blanco S.A. with the purpose of studying how to structure a sustainable lithium project from a social, environmental and economic point of view in the Salar de Maricunga. As of the date of this offering memorandum, CODELCO is reviewing Minera Salar Blanco S.A.'s lithium project according to the terms included in the MOU. In November 2020, CODELCO was granted environmental authorization to explore lithium resources in some of its mining rights in Maricunga salt flat. The exploration campaign will be developed during 2021. In addition, CODELCO is seeking alternatives to consolidate the main mining properties of the Maricunga salt flat, based on a public-private alliance model, according to the guidelines of the National Lithium Policy.

- *Technology and Research and Development Partnerships and Associations*: CODELCO has entered into associations with companies and organizations that are world leaders in research and development to increase the integration of knowledge and innovation into mining processes. The following is a representative list of such associations:

  - *CodelcoTec SpA*: CODELCO established CodelcoTec SpA (formerly, BioSigma S.A.) ("CodelcoTec") in 2002 with the Japanese company JX-Nippon Mining and Metals Corporation ("JX-Nippon Mining") and has since increased its participation to 99% following the exit of JX-Nippon Mining in 2016. CodelcoTec's mission today is the development of mining and metallurgy technological innovations, commercial development of processes and technology in the field of genomics, proteomics, and bioinformatics for the mining sector, and, in general, application of systems based on microorganisms, analysis, research, invention and creation, development, and implementation of new applications, processes, and uses for copper, molybdenum, lithium, and other byproducts of mining processes, insofar as they are directly related to greater use of copper. CodelcoTec's mission also includes technological monitoring of copper substitutes, representation of domestic or foreign companies and individuals or legal entities, sale and purchase, distribution, trading, import and export of such substitutes and other activities relating to the foregoing.

  - *Kairos Mining S.A.*: Kairos Mining S.A. is a company created in 2006 in association with Honeywell Chile S.A., which owns 60% (CODELCO owns the remaining 40%). Kairos Mining S.A.'s purpose is to provide services for the automation and control of industrial and mining activities, and to supply related technology and software licenses;

  - *Ecosea Farming S.A.*: CODELCO, through its subsidiary Innovaciones en Cobre S.A., was a 91.32% shareholder in EcoSea Farming ("EcoSea"), a technology-driven company setting the standard for aquaculture on a global scale. The company's objective was to incorporate the use of metallic copper alloy meshes for fish cultivation systems, in order to take advantage of the various benefits of copper: antimicrobial, antifouling, anti-predator, mechanically strong and infinitely recyclable. In addition, EcoSea discovered new properties that allow for lower operational costs and the expansion of offshore aquaculture in exposed areas. During 2018, CODELCO sold the technology assets of EcoSea to a group of investors and EcoSea was liquidated and dissolved.

The following table sets forth the major mining and exploration agreements to which CODELCO is a party as of September 30, 2020:

Major Mining and Exploration Agreements
(As of September 30, 2020)

	Partner	Type
Mining Co-participation in Chile		
SCM El Abra	Freeport-McMoRan Inc. (USA)	Copper
Agua de la Falda S.A.	Meridian Gold Inc. (USA)	Gold
SCM Purén	Compañía Mantos de Oro (Chile)	Gold/Silver
Inca de Oro S.A.	PanAust Minera Limited (Australia)	Copper
Anglo American Sur S.A.	Inversiones Anglo American Sur S.A. (England); affiliates of	Copper

	Mitsubishi Corporation (Japan); and Mitsui & Co., Ltd. (Japan)	
Exploration Agreement Projects		
Chile		
Puntilla Galenosa	Pucobre (Chile)	Copper
International		
Liberdade	Pan Brazilian (Brazil)	Copper/Gold
JV Codelco-Xstrata	Xstrata Do Brasil (Brazil)	Copper
Grupo Propiedades	Ministerio de Minas y Petróleo del Ecuador (Ecuador)	Copper

CODELCO reports its inventory of mining assets, distinguishing mineral resources and mineral reserves, according to Chilean and international regulation. The system described below for categorizing mineral ore, which is widely used within the mining industry, is codified in Chilean Law N° 20,235 and is regulated by an independent Chilean private entity called the *Comisión Calificadora de Competencias en Recursos y Reservas Mineras* (the Commission for the Qualification of Competencies in Mineral Resources and Reserves, or "CQCMRR"). The CQCMRR is part of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO).

Geological Resources

Geological resources are concentrations or occurrences of materials in such form, quantity (tonnage and ore grade) and quality, based on specific geological evidence and knowledge, which allow for the calculation of the amount, ore grade and quality of the material with some level of confidence. *Geological resources* are identified and evaluated through exploration, reconnaissance and sampling. They are estimated based on geological knowledge about the deposit, which is based on scientific concepts concerning the formation of minerals such as oxides, sulfides and mixed ores, as well as available knowledge concerning the geological continuity of the mineralized sectors. This is based on technical parameters, such as robustness of the genetic-geological model, and its validation through drillings. *Geological resources* are further categorized as *measured*, *indicated* and *inferred*.

A resource is considered to be *measured* if CODELCO's knowledge of the resource is extensive and direct; if CODELCO's knowledge of the resource is substantial but less extensive, it is considered to be *indicated*; and if CODELCO's knowledge of the resource is only indirect, it is considered to be *inferred*.

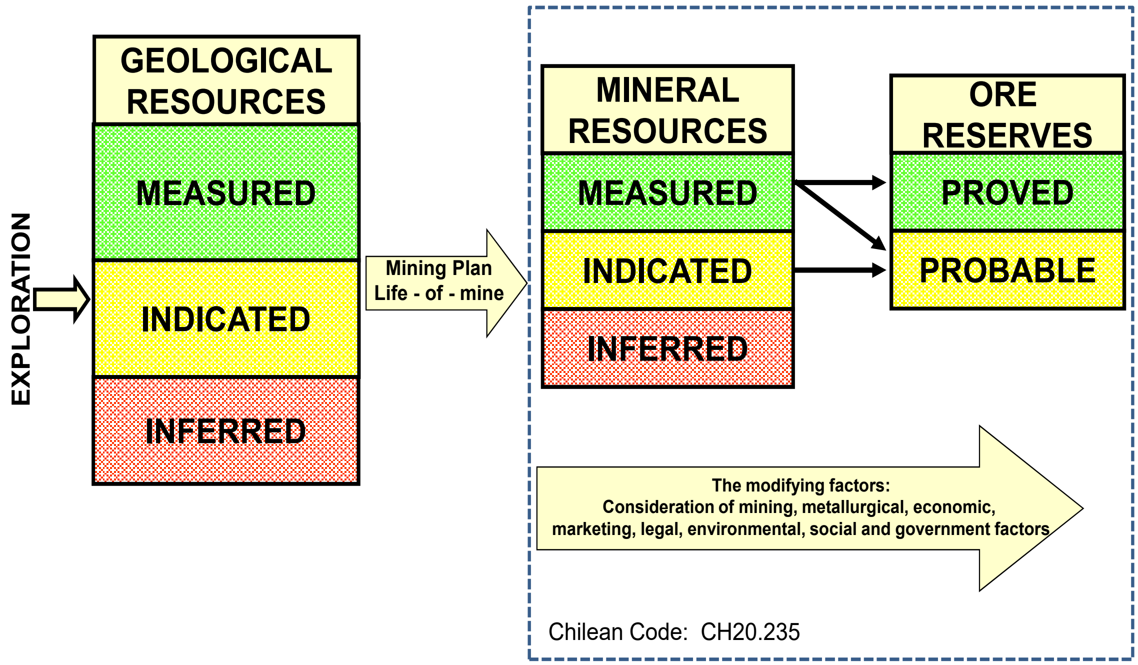
Mineral Resources

Once CODELCO has achieved increased knowledge about its *geological resources*, it is able to generate a long-term mining plan for the exploitation of such resources, which are then considered to be *mineral resources*. Mineral resources, as well as geological resources, are sub-categorized as *measured*, *indicated* and *inferred*.

Ore Reserves

Ore reserves are defined as the economically mineable part of *mineral resources*. They include diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, which take into account rationally assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments address at the time of reporting whether extraction is justified. *Ore reserves* are sub-divided in order of increasing confidence from *probable ore reserves* to *proved ore reserves*. Ore reserves are a subset of *mineral resources* in the same way as *mineral resources* are a subset of *geological resources*. The following diagram sets forth the relationships among the different categories of resources and reserves:

Resources and Reserves, CODELCO



Based on the methods and categories described above, CODELCO's proved and probable reserves include 50.1 million metric fine tons of copper as of December 31, 2019, an amount that represents at least 29 years of future production at current levels. In 2018 and 2017, CODELCO's proved and probable reserves included 47.6 and 48.3 million metric fine tons of copper, respectively. As of December 31, 2019, CODELCO's mineral resources include 140.2 million metric fine tons of copper, and its identified geological resources include 394.2 million metric tons of copper, for a cut-off grade of 0.2% copper.

The following table sets forth the amount and grade of CODELCO's copper holdings by division according to the methodology described above, as of December 31, 2019:

	Geological Resources(1)			Mineral Resources(2)			Ore Reserves		
	Tonnage(3)	**Grade copper**	**Fine copper(3)**	**Tonnage(3)**	**Grade copper**	**Fine copper(3)**	**Ore(3)**	**Grade copper**	**Fine copper(3)**
Radomiro Tomic	7,591	0.40%	30.5	4,282	0.44%	18.9	1,943	0.49%	9.4
Chuquicamata	14,633	0.43%	63.3	1,889	0.69%	13.1	1,289	0.73%	9.4
Ministro Hales	3.010	0.75%	22.6	1,328	0.87%	11.5	278	0.97%	2.7
Gabriela Mistral	1,438	0.33%	4.8	374	0.35%	1.3	285	0.35%	1.0
Salvador	3,475	0.41%	14.1	813	0.60%	4.8	582	0.64%	3.8
Andina	22,063	0.61%	135.3	4,796	0.75%	36.1	1,213	0.76%	9.2
El Teniente	16,418	0.57%	93.9	4,633	0.79%	36.4	1,338	0.83%	11.2
Exploration/Business and Subsidiaries(4)	8,368	0.35%	29.6	3,099	0.58%	18.1	770	0.45%	3.5
Total	**76,996**	**0.51%**	**394.2**	**21,213**	**0.66%**	**140.2**	**7,698**	**0.65%**	**50.1**

(1) Geological resources cut-off grade 0.2% copper.
(2) Mineral resources with variable cut-off grade.
(3) In millions of metric tons.
(4) Includes artificial geological resources

The following table sets forth the copper holdings of the world and of CODELCO using the U.S. Geological Survey system as of December 31, 2019:

	World (in millions of tons)	CODELCO (in millions of tons)	CODELCO's share (%)
Geological Resources	2,100[1]	394.2[2]	19
Proved and Probable Reserves	870[1]	50.1	6

(1) As defined by the U.S. Geological Survey (January 2020) and with reference to "identified resources."
(2) Refers to copper holdings that are measured, indicated and inferred.

Each year, the Board of Directors must approve a long-term BDP of the Company. The first three years are subject to the approval of the Ministries of Finance and Mining. This plan must include the annual investment and financing amounts in addition to the annual profits that the Company is estimated to generate during the period. The Ministries of Finance and Mining jointly issue a decree, pursuant to which a portion of CODELCO's profit may be allocated by CODELCO to the creation of capitalization and reserve funds.

The 2020 BDP enables CODELCO to develop a long-term mining plan. CODELCO reviews the terms of the BDP annually to update or modify it for changes in business trends.

The 2020 BDP uses inferred resources to define CODELCO's strategic vision for long-term resource development. However, the incorporation of such resources increases gradually over time, and the inferred resources become proved and probable reserves.

In the early stages of the 2020 BDP, production is almost exclusively based on proved and probable reserves and mining projects are at advanced stages of engineering or at the investment stage. Mining projects must support their economic evaluation based on pre-defined minimum proved and probable reserves in order to be approved for investment.

Resource Development

CODELCO controls approximately 6% of the world's proved and probable copper reserves, as such terms are defined by the U.S. Geological Survey.

Potential geological resources, which have been identified by our internal exploration division as the result of projects carried out through 2020, comprise resources incorporated at different stages of exploration and have not been added into CODELCO's copper holdings.

CODELCO's total potential geological resources, according to our internal estimates, are approximately 7,391 million of metric tons of ore with an 0.44% average copper ore grade, and equivalent to 32.30 million metric tons of fine copper. As explorations progress and further estimates are completed, these resources could be incorporated into CODELCO's copper holdings.

The following table shows the distribution of CODELCO's potential geological resources in all districts of CODELCO Norte and projects abroad, as of December 31, 2019:

	Potential Geological Reserves[1]		
Region	**Ore[2]**	**Grade Copper**	**Fine Copper[2]**
CODELCO Northern District (CND)	3,076	0.44	13.38
Don Felipe			
San Andrés NW			
Carmen			
Zeus			
San Antonio (Greenfield)			
Exploradora Campamento (Greenfield)			
International Exploration	4,315	0.44	18.92
Liberdade (Brazil)			

Llurimagua (Ecuador)			
Total	7,391	0.44	32.30

(1) Geological resources cut-off grade 0.2% copper.

(2) In millions of metric tons.

Production Costs of Copper

CODELCO's production costs include all costs and expenses incurred in connection with the mining and production of its copper mix and related byproducts. These production costs do not include administrative and operating costs incurred in connection with the processing of other copper products purchased from third parties.

In 2018, CODELCO's annual production of copper was 1.68 million metric tons, or 1.81 million metric tons including the El Abra and Anglo American Sur interests. CODELCO continues to focus on controlling and limiting increases in production costs. In 2018, CODELCO's total costs and expenses were 245.1 cents per pound, compared to 227.1 cents per pound in 2017, mainly due to the appreciation of the Chilean peso against the U.S. dollar, lower production levels, higher input prices, reflected in higher fuel, energy and materials expenses, a non-cash charge related to a write-off of an underground mining innovation project, an impairment recognition in Ventanas Division and higher bonuses and employment benefits associated with 18 collective bargaining agreements. In 2019, CODELCO's annual production of copper was 1.59 million metric tons, or 1.71 million metric tons including the El Abra and Anglo American Sur interests. In 2019, CODELCO's total costs and expenses decreased by 11.6 cents per pound (4.7%) to 233.5 cents per pound, compared to 245.1 cents per pound in 2018, mainly due to Chilean peso depreciation against U.S. Dollar and cost cutting initiatives, partially offset by lower production levels in connection with weather disruptions in the northern area of Chile, a 14-day strike at the Chuquicamata mine and upgrades at the Chuquicamata and Salvador smelters that suspended operations temporarily. During the first nine months of 2020, CODELCO's total costs and expenses decreased by 11.3 cents per pound (4.7%) to 228.3 cents per pound, compared to 239.7 cents per pound for the same period in 2019, mainly due to lower input prices, such as electricity and diesel, depreciation of the Chilean peso against the U.S. Dollar and higher production volume.

In 2013, CODELCO also implemented a productivity and cost structured project intended to lower costs and increase production. The initiative is comprised of: (i) performance optimization to minimize operational disruption; (ii) budget optimization to identify expendable and necessary contracts to control the budget for third-party services costs; (iii) energy and input costs optimization marked by a review of energy and main inputs contracts; and (iv) a review of hygienic factors and costs, such as travel expenses and consulting services. Moreover, CODELCO has also created a new Vice President for Productivity and Costs position with the aim of increasing productivity, reducing costs and enhancing the cost control program.

In 2019, CODELCO's cash cost was 141.6 cents per pound, compared to 139.1 cents per pound in 2018, due to lower production levels as a result of weather disruptions in the northern area of Chile, a 14-day strike at the Chuquicamata mine and lower by-product credits due to lower volumes sold of molybdenum, sulfuric acid, gold and silver. For the first nine months of 2020, CODELCO's cash cost of production was 126.9 cents per pound, compared to 143.1 cents per pound for the same period in 2019, mainly due to lower input prices, such as electricity and diesel, depreciation of the Chilean peso against the U.S. Dollar and higher production volume.

In 2019, CODELCO's total cash cost was U.S.$4.9 billion, as compared to U.S.$5.1 billion in 2018. For the first nine months of 2020, CODELCO's total cash cost was U.S.$3.2 billion, as compared to U.S.$3.5 billion for the same period in 2019. Because a significant portion of CODELCO's costs are denominated in Chilean pesos, the depreciation of the Chilean peso against the U.S. dollar reduces CODELCO's cash costs in U.S. dollar terms and, on the other hand, the appreciation increases these costs. See "Exchange Rates."

The main energy sources for CODELCO's operations are electricity, liquid fuels (such as diesel, fuel oil and gasoline) and natural gas. Since 2004, there has been a restricted supply of natural gas from Argentina. CODELCO's production costs have increased due to these shortages, having to rely on electricity generated from more expensive sources, such as diesel, oil or coal, and these increased costs have adversely affected CODELCO's results of operations.

In late 2009 and early 2010, as a palliative measure given the adverse effects of Argentina's restriction and in order to stabilize future energy costs, CODELCO entered into electrical supply agreements at competitive prices for a 15-year period for its facilities in the Chuquicamata Division and for a 30-year period for facilities in the middle-south region of Chile. Both agreements include the creation of new electrical generation capacity based on coal. Furthermore, in 2018 CODELCO entered into an extension of the Chuquicamata Division contract for an additional 11 years. This new agreement, effective as of 2025, provides for the creation of new electrical generation capacity based on renewable sources. Additionally, in early 2010, CODELCO entered into a five-year supply contract for liquid fuels with the main Chilean fuel distributors. In 2015, after the expiration of this contract, CODELCO entered into a new five-year supply contract for liquid fuels. In August 2011, CODELCO entered into two energy and power supply agreements with Norgener S.A. for the Mina Ministro Hales Division and the Radomiro Tomic Division. CODELCO began to receive energy under these contracts in 2011 for Mina Ministro Hales and began in 2017 for Radomiro Tomic, in each case lasting until 2028. During 2014, AES Gener S.A. took over Norgener S.A., assigning CODELCO's contract to AES Gener S.A. These energy supply contracts are expected to meet all of CODELCO's power requirements. In April 2012, CODELCO renewed a contract with Pacific Hydro, involving the purchase of power generation of the Coya and Pangal hydroelectric plants, for 12 years. Since CODELCO's sale of the Coya and Pangal hydroelectric plants to Pacific Hydro in 2004, Pacific Hydro and CODELCO have entered into similar supply contracts to purchase the injected energy produced by these hydroelectric plants.

CODELCO continues to develop and refine its mine management practices and programs to limit and reduce its costs. These initiatives include the following: (i) improved deposit identification and mining techniques; (ii) the implementation of early retirement plans and workforce reduction programs; (iii) an investment in human capital and continuing to attract and retain a world-class management team and professionals of the highest caliber; (iv) improved utilization of equipment and inputs used in the processes of copper production to increase productivity and efficiency; and (v) the development of key projects, specifically the new mine level at El Teniente, the Andina plant reallocation and the Chuquicamata underground projects.

Marketing

General

Four of CODELCO's wholly-owned subsidiaries and 12 of its sales representatives cover over 35 countries around the world. The following table shows the breakdown of CODELCO's sales by product type including third-party products for the three years ended December 31, 2019 and the nine-month period ended September 30, 2020:

Copper Sales by Product Type
(in thousands of metric tons)

	Year ended December 31,			For the nine-month period ended September 30,
	2017	2018	2019	2020
Cathodes	1,233	1,231	1,076	899
Blisters and Anodes	119	136	58	58
Concentrates	611	529	721	421
Total	1,963	1,896	1,856	1,378

CODELCO's marketing strategy is focused in three major areas:

- *Establishing long-term relationships.* CODELCO encourages sales through annual contracts and direct long-term relationships with copper consumers.

- *Quality and sales service.* CODELCO focuses on product quality and sales service based on timeliness, scheduling and conditions of product delivery.

- *Diversification.* CODELCO has a geographically diverse sales portfolio.

Pricing and Hedging

The substantial majority of copper produced by CODELCO is sold under long-term contracts of at least one year to customers that have long-term relationships with CODELCO. The specific commercial terms of these contracts are negotiated annually by the parties for the following calendar year. Recently, and as part of a revamped commercial strategy, CODELCO has agreed to sell copper under a rolling deal format known as "evergreen" contracts with certain key customers. CODELCO's evergreen contracts have an initial duration of three years from the effective date and, unless terminated by either party, are automatically renewed for an additional year at the end of the original term. The main advantage of evergreen contracts is to lock-in sales to key customers (and for customers to have a guaranteed supply of raw material from a key supplier) over a longer period of time. For both annual and evergreen contracts, the premium over the base price is negotiated annually and the base price is the LME cash settlement averaged over the quotation period, which according to CODELCO's commercial policy is the month following the contractual or scheduled month of shipment (referred to as M+1). Products that are not committed under long-term contracts (which represent a small percentage of CODELCO's annual volume) are sold throughout the year at the prevailing conditions of the spot market to either consumers or merchants.

CODELCO applies a premium policy in sales of its Grade A cathodes. Premium amounts for different markets are adjusted in accordance with prevailing ocean freight costs and keyed to the standard terms of payment in different markets, as well as to the individual characteristics and competitive conditions of those markets. For 2019, the base premium for CIF shipments (including shipping and insurance costs) to Rotterdam was set at U.S.$98 per metric ton, compared to U.S.$87 per metric ton in 2018 and U.S.$82 per metric ton in 2017. The estimated base premium for 2019 is U.S.$98 per metric ton.

CODELCO sells its copper concentrates under long-term contracts. These contracts generally have three-year terms with fixed volume. As a general rule, contracts covering one-third of the terms on one-third of the volume are negotiated on a yearly basis. The sale price is based on world metal prices and is generally tied to the LME settlement prices for Grade A copper cathodes minus certain treatment and refining charges.

Molybdenum is sold mainly to steel producers and merchants under annual sale contracts. Sales prices are based on prevailing monthly averages of molybdenum dealer oxide high/low prices as quoted in "Metals Week" for a quotation period, generally the month following the scheduled month of shipment.

CODELCO has hedged certain future copper delivery commitments and production in order to manage the risks associated with copper price volatility in the past. CODELCO currently does not have any hedged production commitments and therefore there is no relevant impact from hedging. See notes 29 and 30 to the Unaudited Interim Consolidated Financial Statements.

CODELCO also periodically enters into futures contracts with respect to sales of its own copper in order to provide protection to its customers against fluctuation in the sale price paid by them in connection with such sales.

See "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO engages in hedging activity from time to time, particularly with respect to its copper production, which may not be successful and may result in losses to CODELCO," notes 27 and 28 to the Consolidated Financial Statements and notes 29 and 30 to the Unaudited Interim Consolidated Financial Statements for further details regarding CODELCO's hedging activity.

Major Export Customers

As discussed above, most of CODELCO's customers receive shipments on a monthly basis. Consequently, CODELCO's sales volume is relatively consistent throughout the year. CODELCO's sales of copper in 2019 were geographically diversified, with approximately 49% of sales made to Asia, including 35% to China, 13% of sales made to Europe and 37% to North and South America. CODELCO's top ten customers purchased approximately 41.5% of its total copper sales volume in 2019.

The following table shows CODELCO's copper sales for the three years ended December 31, 2019 to CODELCO's top export markets and in Chile:

CODELCO's Copper Sales by Destination
(in thousands of metric tons)

	2017	2018	2019
China	789	869	656
United States	295	248	273
South Korea	123	107	113
Chile	170	201	251
France	95	82	79
Brazil	88	72	73
Germany	58	17	1
India	58	30	30
Japan	37	43	42
Taiwan	54	48	74
Spain	51	31	48
Bulgaria	28	22	3
Turkey	29	25	22
Greece	11	5	5
Mexico	10	14	31
Malaysia	7	5	6
Thailand	7	7	8
Vietnam	12	8	6
Canada	6	32	-
Others(1)	63	33	135
Total	**1,991**	**1,899**	**1,889**

(1) In 2019, CODELCO sold 65 thousand metric tons to Peru and 34 thousand metric tons to Netherlands.

The sales to China decreased in 2019 as compared to 2018 and 2017 primarily driven by stronger demand in the U.S. and other markets.

Competition

CODELCO believes that competition in the copper market is based upon price, quality of product and timing of delivery. CODELCO's products compete with other materials, including aluminum and plastics. CODELCO competes with other mining companies and private individuals in connection with the acquisition of mining concessions and mineral leases and in connection with the recruitment and retention of qualified employees.

Employees

On December 31, 2019, CODELCO employed 16,731 employees as compared to 18,203 employees as of December 31, 2018. CODELCO spent U.S.$11.5 million during 2019 on staff development and training. A total of 578,555 hours of training were held, with 16,053 employees attending multiple courses. CODELCO employed an average work force of 17,395 persons during the twelve months of 2019.

As of December 31, 2019, approximately 90% of CODELCO's employees were covered by collective bargaining agreements with labor unions. Most of these collective bargaining agreements have terms of two to three years.

In the nine-month period ended September 30, 2020, CODELCO negotiated two collective bargaining agreements with no conflicts or work stoppages.

In 2019, CODELCO negotiated eight collective bargaining agreements with no conflicts or work stoppages, except for one 14-day strike involving approximately 3,200 union workers in the Chuquicamata Division. In 2018, CODELCO negotiated 18 collective bargaining agreements. Twelve collective bargaining agreements, covering a total of 7,081 employees at the Andina Division, Salvador Division, Mina Ministro Hales Division, El Teniente Division and Gabriela Mistral Division, were negotiated ahead of schedule without any conflicts or work stoppages. Five collective bargaining agreements, covering a total of 2,601 employees at the Radomiro Tomic Division, Mina Ministro Hales Division, Chuquicamata Division and our headquarters, were negotiated on schedule without any conflicts or work stoppages. The remaining collective bargaining agreement was reached at the conclusion of the 39-day strike with the workers from the Andina Division.

CODELCO has experienced material work slowdowns, work stoppages and strikes in the past.

In July 2015, the Copper Workers Confederation (the "CTC") organized an illegal 22-day strike that primarily affected the Salvador Division and, to a lesser extent, the Mina Ministro Hales Division. In August 2015, the CTC, AGEMA and CODELCO, in its role as facilitator, agreed to a protocol for the commencement of a dialogue. Since then, there have been additional conversations, none of which have resulted in a review or extension of the existing agreement, as intended by CTC. There can be no assurance that further work slowdowns or stoppages with the CTC will not occur in the future.

As of September 30, 2020, there were 19,811 employees of regular independent operating contractors and 14,735 employees of contractors involved in the development of CODELCO's investment projects.

Work slowdowns, stoppages and other labor-related events could increase CODELCO's independent contracting costs, which could have a material adverse effect on the business, financial condition, results of operations or prospects of CODELCO. See "Risk Factors—Risks Relating to CODELCO's Operations—Labor disruptions involving CODELCO's employees or the employees of its independent contractors could affect CODELCO's production levels and costs." In addition, pursuant to the Labor Code of Chile, CODELCO could be held liable for the payment of labor and social security obligations owed to the employees of independent contractors (or their subcontractors) if the independent contractors (or their subcontractors) do not fulfill those payment obligations. CODELCO has agreed with a Government of Chile agency to provide a framework to facilitate this agency's supervision of the labor and social security obligations owed by the independent contractors to their employees.

As part of its compensation plan, CODELCO offers each employee the opportunity to partially finance the purchase of a first home or to obtain other personal loans granted through each employee's severance plan. Such home loans have a term of up to 15 years, and such personal loans have a term of less than one year. Loans of both kinds provide for interest rates of actual inflation plus a margin of between 1% and 5%. As of September 30, 2020, an aggregate principal amount of U.S.$124 million of these loans was outstanding.

Number of Employees by Division[1]

Divisions	January to December 2017	2018	2019	Variation (%) 2018/2019	January to September 2020
Chuquicamata	5,679	5,601	5,155	(8.0)%	4,351
Radomiro Tomic	1,238	1,258	1,220	(3.0)%	1,216
Gabriela Mistral	548	550	501	(8.9)%	457
Mina Ministro Hales	758	780	777	(0.4)%	768
Salvador	1,666	1,661	1,517	(8.7)%	1,436
Andina	1,691	1,719	1,623	(5.6)%	1,511
El Teniente	4,526	4,378	4,154	(5.1)%	3,956
Headquarters	477	606	578	(4.6)%	576
Ventanas	936	895	845	(5.6)%	842
Shared Services (Vice Presidency of Projects)	855	944	982	(4.0)%	863
Internal Auditing	29	34	42	23.5%	44
Total	18,403	18,426	17,395	(5.6)%	16,020

(1) Average number of employees for the periods presented.

Chile Law N° 20,123 of 2007 (the "Chile Subcontracting Law") governing subcontractors provides incentives for companies to ensure that contractors and subcontractors comply with labor, health and safety regulations and standards with respect to their own employees. The Chile Subcontracting Law gives companies the right to request that contractors provide information on the status of their payment of labor and social security obligations to their employees prior to the company's payment of amounts due to contractors. Additionally, companies have the right to withhold payments due if the contractors cannot provide evidence that they have fulfilled their labor and social security obligations. Finally, companies are required to pay contractors' pending labor and social security obligations with the amounts withheld from the contractors. It also regulates the provision of temporary services by contractors and subcontractors, enabling the creation of specialized and regulated companies for this specific purpose (*Empresas de Servicios Transitorios*) and defining the specific events under which companies may hire for temporary services.

Occupational Health and Safety

CODELCO, through its structural project on occupational safety and health, has established occupational health and safety performance indicators aimed at avoiding serious and fatal accidents and occupational illnesses. In 2018, there were four fatalities involving CODELCO personnel and CODELCO contractors. In 2019, there was one fatality involving CODELCO personnel. CODELCO is currently investigating the cause of this fatality.

The total number of "lost time" accidents in 2019 was 108 and the accident frequency rate was 0.70 accidents per million hours worked. As of September 30, 2020, the current total number of "lost time" accidents for 2020 is 73 and the accident frequency is 0.86 accidents per million hours worked. In 2019, the current total number of "lost time" accidents was 108 and the accident frequency was 0.70 accidents per million hours worked.

Comptroller General of the Republic

During 2017, the Comptroller issued three declarations (Opinions N° 15.759 and N° 18.850, both from 2017, and Final Auditor Report (*Informe Final de Auditoria*) N° 900/2016, from a 2016 audit) that affect CODELCO. Two of these declarations are opinions related to labor relations that: (i) query whether CODELCO could provide greater benefits to its employees than those currently established by law and (ii) state that, although CODELCO may continue to engage in collective bargaining with its employees, the Comptroller reserves the right to evaluate the amounts agreed upon. The third declarations was the result of an audit report, which maintained that CODELCO was subject to the provisions of the Public Procurement Law (Law N° 19,886) that relates to: (i) the prohibition on contracts between related parties and (ii) the mandatory public tender of contracts through the rules that apply to public services. CODELCO has filed administrative appeals against all three declarations issued, and subsequently filed an action of annulment against the three declarations issued by the Comptroller. The action of annulment was denied and in October 2020 CODELCO appealed the decision. A final ruling is still pending.

Although CODELCO does not question the competence of the Comptroller, CODELCO disputes the standard on which the Comptroller is basing its conclusions. As of the date of this offering memorandum, CODELCO has estimated a negative effect of approximately U.S.$100 million due to a reduction in production related to the delay in awarding specific contracts and the delay of investments. A final decision regarding this matter is pending.

Legal Proceedings

CODELCO is party to various legal proceedings in the ordinary course of business. Other than as disclosed in this offering memorandum, CODELCO is not currently involved in any litigation or arbitration proceeding, including any proceeding that is pending or threatened of which we are aware, which we believe will have, or has had, a material adverse effect on the Company. Other legal proceedings that are pending against or involve us and our subsidiaries are incidental to the conduct of our and their business. We believe that the ultimate resolution of such other proceedings individually or on an aggregate basis will not have a material adverse effect on our consolidated financial condition or results.

Labor-Related Proceedings

We are a party to various legal actions involving labor claims of unions and former and present employees. These labor disputes relate to working conditions, union practices, improper termination and discrimination. We do not expect these disputes to have a material adverse effect on our financial condition or future results of operations.

Other Proceedings

In October 2020, CODELCO, on the one hand, and Santa Elvira S.A., Mining Services Group S.A. and Sociedad de Servicios para la Minería Limitada (collectively "Santa Elvira") on the other, simultaneously filed reciprocal arbitration claims under an agreement with CODELCO's El Salvador Division, for disputes related to charges and payments between 2012 and 2018. CODELCO's claims amount to approximately U.S.$315 million and Santa Elvira is claiming payment for works allegedly executed for approximately U.S.$75 million. The proceedings are in the early stages and a final ruling is pending.

In July 2020, the State Defense Council filed a claim against CODELCO seeking environmental rehabilitation measures for alleged environmental damage to water sources and vegetation surrounding the "Salar de Pedernales" due to surface and underground water use between 1994 and 2017 by CODELCO's El Salvador Division. The proceedings are currently in the discussion period. On November 16, 2020, CODELCO filed its response, and subsequently the parties to this proceeding agreed to and filed a settlement agreement, which is pending approval by the Environmental Court.

In October 2019, CODELCO and Colbún S.A. simultaneously filed for the initiation of arbitration proceedings in respect of a dispute under a power purchase agreement between them. The purpose of this arbitration is to seek a determination on which party is ultimately responsible for bearing the cost of the emissions taxes set forth under Law 20,780, which allegedly affect the thermoelectric plant associated with the power purchase agreement. The relevant taxes amount to approximately U.S.$14 million to U.S.$15 million per year for the duration of the power purchase agreement, which expires in 2044, unless terminated earlier. The proceedings are in the early stages and a final ruling is pending.

In July 2019, Ingeniería y Maquinarias Indak Limitada *et al.* filed a civil a claim against CODELCO claiming payment of damages, loss of profits, loss of opportunities and moral damages, plus interest thereon, in the amount of approximately U.S.$46 million. The proceedings are currently in the discovery period. A final ruling is still pending.

In April 2018, Trebol Minerals S.A. filed a civil claim against CODELCO's El Salvador Division claiming payment of unpaid services, damages, loss of profits and moral damages, plus interest thereon, in the amount of approximately U.S.$12 million. The proceedings are currently in the discovery period. A final ruling is still pending.

In April 2017, Sociedad Comercial IMS Ltda. filed a commercial claim against CODELCO requesting specific performance of an alleged agreement to supply uniforms for workers, as well as damages under several concepts that, in the aggregate, amount to approximately U.S.$14.2 million. A final ruling is still pending.

CODELCO believes that it has meritorious defenses to the claims against it and, accordingly, is vigorously defending its rights and interests in these proceedings.

For additional details related to CODELCO's litigation and contingencies and amounts of probable loss with respect to lawsuits and legal actions, see note 29 to the Consolidated Financial Statements.

OVERVIEW OF THE COPPER MARKET

Copper is an internationally traded commodity, the price of which is effectively established on terminal markets including the LME and COMEX. The following table sets forth quarterly average prices for refined copper since 2017 on the LME:

Average Copper Price
(U.S.¢/Pound)

2017	
First Quarter	264.5
Second Quarter	256.8
Third Quarter	288.0
Fourth Quarter	308.8
2018	
First Quarter	315.7
Second Quarter	311.7
Third Quarter	276.9
Fourth Quarter	280.0
2019	
First Quarter	281.9
Second Quarter	277.3
Third Quarter	263.2
Fourth Quarter	266.8
2020	
First Quarter	255.7
Second Quarter	243.0
Third Quarter	295.7
Fourth Quarter (through December 4, 2020)	315.1

Source: London Metal Exchange, Monthly Average Settlement.

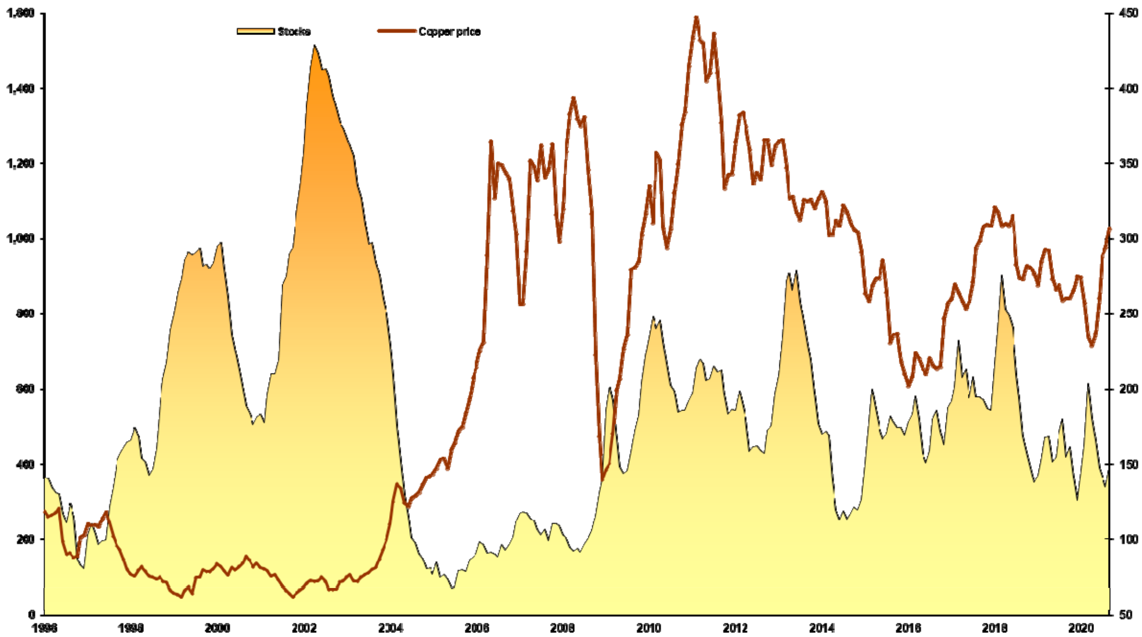
On December 4, 2020, the closing price for refined copper on the LME was 351.2 cents per pound.

The following graph compares average market prices for copper and the level of LME, Shanghai Metal Exchange and COMEX inventories from 1996 through September 30, 2020:

Copper Prices and Inventories on Commodities Exchanges

'000 tons

c/lb



Source: Metal Exchanges: London, COMEX and Shanghai.

Historically, copper prices have been subject to wide fluctuations and are affected by numerous factors, including international economic and political conditions, levels of supply and demand, the availability and costs of substitutes, inventory levels maintained by producers and others and actions of participants in the commodities markets. To a lesser extent, copper prices are also subject to the effects of inventory carrying costs and currency exchange rates. In addition, the market prices of copper have occasionally been subject to rapid short-term changes. See "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO's business is highly dependent upon the price of copper."

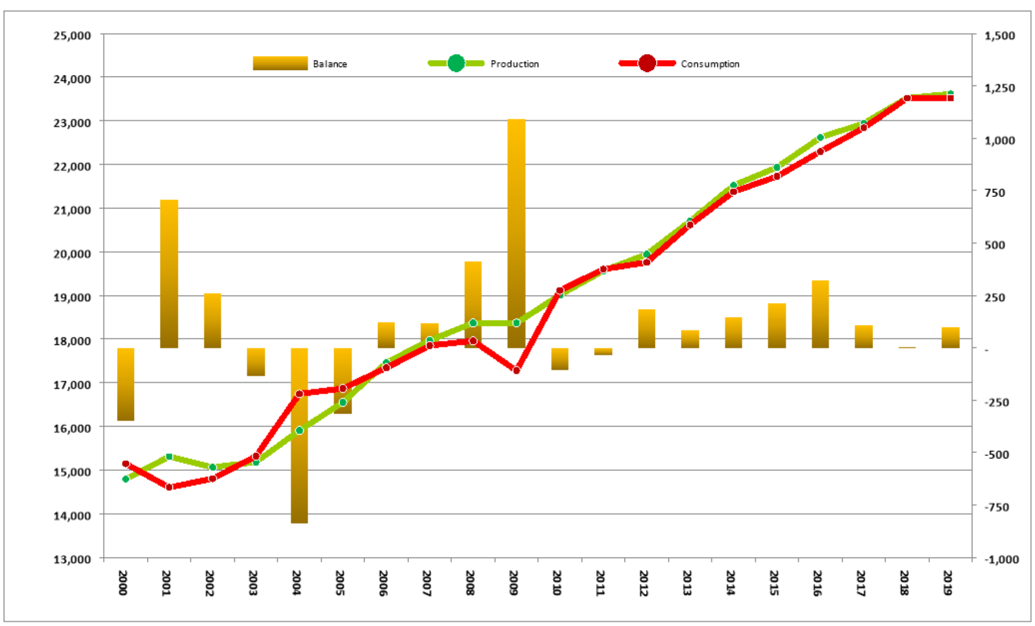
Opportunities for Copper

Since 2005, copper prices have experienced significant volatility. LME copper prices averaged 272.1 cents per pound in 2019, compared to 295.9 cents per pound in 2018 and 279.9 cents per pound in 2017. While higher copper prices in 2018 compared to prices in 2017 reflected an increased in global demand, higher expectations on China and disruptions on the supply side, lower prices in 2019 reflected concerns on the trade dispute between China and the U.S. and its impact on the global growth. In 2019, demand for copper is estimated that remained flat, while supply would have increased 0.4%. See "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO's business is highly dependent upon the price of copper."

There is also increased general use of copper tubing, particularly in air conditioning systems. The quantity of copper consumed in electrical applications in cars, trains and other vehicles has also increased. In the electricity generation and transmission area, the control of energy losses and a growing concern for higher energy efficiency are factors that have tended to increase demand for copper, becoming the main copper usage. The termination of widespread substitution of aluminum for copper in overhead high-voltage transmission lines also bodes well for the metal's future.

Historically, demand and supply of copper have demonstrated continued growth during periods of oversupply as well as periods of overconsumption. The following graph shows the historical development of copper supply, demand and stocks in the world from 2000 through 2019 (in thousands of metric tons):

Refined Copper Supply and Demand Worldwide Balance



Source: CODELCO, internal data (March 2020)

REGULATORY FRAMEWORK

Overview of the Regulatory Regime

CODELCO is a mining, industrial and commercial state-owned enterprise of indefinite duration with its own legal personality and capital. CODELCO's relationship with the Government of Chile is conducted through the Ministry of Mining. CODELCO was incorporated pursuant to Decree Law 1,350 of 1976, as amended by Law 20,392, published in the Official Gazette on November 14, 2009, and effective as of March 1, 2010. CODELCO is governed by Decree Law 1,350 and by Decree 146 of August 12, 1991, as amended (to conform the same with Law 20,392) by Decree N° 3 of January 13, 2012 issued jointly by the Ministries of Finance and Mining, and published in the Official Gazette on July 4, 2012, which sets forth CODELCO's current bylaws, and the general legal framework applicable to private companies regarding public disclosure (rules applicable to publicly held companies), and other applicable regulations. CODELCO's principal corporate purpose is to exercise all rights acquired by Chile pursuant to the nationalization of the Chilean mining industry, namely mining, exploration and the development of mining deposits and other rights belonging to Chile at the time of CODELCO's incorporation in 1976.

Principally, the amendments to Decree Law 1,350 contained in Law 20,392: (i) introduce best corporate governance practices in conformity with recommendations made by the Organization for Economic Co-operation and Development to CODELCO's legal framework; (ii) make applicable the provisions of Law 18,046, (the "Corporations Law"), to CODELCO; and (iii) vest in the President of Chile the authority and prerogatives afforded to the shareholders of a corporation (*sociedad anónima*) under Chilean law, who may delegate such authority to the Ministries of Finance and Mining, jointly. In addition, the amendments introduced significant changes to the structure, designation and authority of the Board of Directors of CODELCO: (i) there are no longer board member positions for the Ministers of Finance and Mining, nor for a representative of the armed forces; (ii) directors must (a) hold a professional degree granted by a State-run or State-recognized university or college or by an equivalent foreign university and (b) have at least five years' working experience as board members, managers, administrators or main executives at public or private companies; (iii) directors representing the workers and foremen are no longer appointed directly by the President of Chile, but rather are appointed by the President of Chile from short-lists presented by the *Federación de Trabajadores del Cobre* (FTC) and both the *Federación de Sindicatos de Supervisores del Cobre* (FESUC) and the *Asociación Nacional de Supervsores del Cobre* (ANSCO), respectively; and (iv) directors are subject to the rules governing the rights, obligations, responsibilities and prohibitions established in the Corporations Law.

CODELCO is subject to the supervision of: (i) the Chilean securities authority, the CMF, on the same terms as publicly held corporations (CODELCO is registered under the Securities Registry N° 785 of the CMF) and (ii) the Chilean Commission of Copper (*Comisión Chilena del Cobre*, or "COCHILCO") or the governmental agencies that, among other authorities, are responsible for examining the compliance with certain regulations applicable to CODELCO's activities and report the relevant findings to its Chief Executive Officer. Furthermore, other government agencies in charge of specific areas, such as taxes and customs, exercise their legal authorities with respect to CODELCO as they do in regard to any other company of the Chilean private sector. The Lower House (*Cámara de Diputados*) of the Chilean Congress also maintains an overarching authority to oversee CODELCO in the exercise of its constitutional duties.

Chilean law requires CODELCO to obtain the approval of the Ministry of Finance before it can assume any financial indebtedness and before it can acquire assets outside Chile with financial or payment terms exceeding one year. Although CODELCO is 100% owned by it, the Government of Chile is not legally liable for CODELCO's obligations unless expressly guaranteed by the Government of Chile, nor do such obligations form any part of the direct public debt of the Government of Chile. A constitutional amendment would be required to allow private participation in CODELCO's ownership.

Each year, the Board of Directors must approve the BDP report of the Company for the following three years, subject to the approval of the Ministries of Finance and Mining. This plan must include the annual investment and financing amounts in addition to the annual profits that the Company is estimated to generate during the period. The Ministries of Finance and Mining jointly issue a decree pursuant to which a portion of CODELCO's profit may be allocated by CODELCO to the creation of capitalization and reserve funds.

CODELCO's Board of Directors must also submit its proposed annual budget to the Ministries of Finance and Mining for approval. In addition, Decree Law 1,350 requires CODELCO to include as part of its proposed annual budget a debt amortization budget that includes interest and principal payments on CODELCO's debts, including the notes. CODELCO's budget and financial statements are subject to both internal and external controls. CODELCO's Board of Directors is responsible for monitoring its operations, and CODELCO retains independent auditors to audit its consolidated financial statements and an internal comptroller to review its finances, accounting and administration.

CODELCO's Board of Directors approved corporate governance guidelines consistent with its high transparency, probity and accountability standards which: (i) establish limits and controls on the use of resources of the Board of Directors; (ii) implement a transparent and traceable system for the handling of hiring requests, promotions and redundancies of CODELCO's officers and employees; (iii) regulate the relationships between members and management of the Board of Directors with related parties; and (iv) establish guidelines for corporate speakers. CODELCO's Board of Directors also agreed to consider directives that: (i) regulate lobbying activities within CODELCO; (ii) strengthen and reform internal audit systems; and (iii) strengthen policies to avoid any conflicts of interest.

Mining Regulations

Legal framework. CODELCO's exploration, mining, milling, smelting and refining activities are subject to Chilean laws and regulations which are generally applicable to all Chilean companies in the mining sector. The legal framework which regulates CODELCO as a holder of mining concessions is contained in the Chile's Constitution, the Constitutional Law Governing Mining Concessions (Law 18,097 of January 21, 1982) and the Mining Code (Law 18,248 of October 14, 1983). Under Chilean mining law, Chile is the owner of all mineral and fossil substances, regardless of who owns the surface land in which such substances are located. Private persons and companies may obtain mining concessions for exploration and exploitation. These concessions are granted by judicial resolutions in accordance with the Mining Code.

Mining concessions are transferable, mortgageable and irrevocable and regulated by the same civil law that regulates real estate rights generally. Generally, the owner of a mining concession may occupy as much of the surface land as is necessary for mining activities upon the creation of a mining easement or upon other authorization given by the land owner, such as a lease agreement or a license. Mining easements can be obtained by way of direct negotiation with the surface land owner or, if the latter opposes, by way of a summary procedure before the relevant court. Regardless of how the mining easement is obtained, the party granting the easement is entitled to compensation should the mining activities and works caused by the owner of the mining concession cause damage. Exploitation concessions have an indefinite duration. Exploration concessions are granted for two years and may be extended for a maximum of two additional years subject to waiving at least half of the area originally allocated. Prior to the expiration of the first or the second two-year period, exploration concessions can be converted to exploitation concessions. If they are not so converted, the exploration concession terminates.

Owners of mining concessions must pay an annual fee equivalent to approximately U.S.$1.3 per hectare in the case of exploration concessions and approximately U.S.$6.0 per hectare in the case of exploitation concessions. However, the latter fees, within certain limits, may be credited to income taxes originated through the exploitation of the concession. Payments of the annual fees must be made in March of each year. Failure to make the annual fee payments may result in the loss of title to the concession through its auction.

CODELCO owns mining concessions granted by the Constitution and the Chilean Ordinary Courts for its exploration and exploitation operations. Some of these concessions were previously held by foreign private mining companies before being transferred to Chile in 1971 and subsequently to CODELCO upon its incorporation in 1976. CODELCO's principal concessions are those which give rights to the mineral deposits of the Chuquicamata, El Teniente, Andina, Salvador, Radomiro Tomic, Gabriela Mistral and Mina Ministro Hales Divisions. CODELCO's concessions relating to land that is currently being mined essentially grant an indefinite right to conduct mining operations in that land, provided that annual concession fees are paid. In 2018, CODELCO paid total concession fees of U.S.$7.5 million. In 2019, CODELCO paid total concession fees of U.S.$8.4 million.

Pursuant to the Mining Code, all mining concessions, as well as certain raw materials, assets and other property permanently dedicated to the exploration or extraction of minerals cannot be subject, except in extremely limited circumstances, to an order of attachment. In addition, pursuant to the Constitution, mining concessions corresponding to mining deposits exploited by CODELCO upon its incorporation in 1976 cannot be subject to attachment nor to any act of disposition by CODELCO. As a result, the rights of holders to attach property of CODELCO in the event of a default under the notes would be limited by such provisions. See "Risk Factors—Risks Relating to the Offering—In case of a default under the notes, the ability of holders to attach property of CODELCO may be limited by Chilean law."

Environmental Regulations

CODELCO's operations are subject to national, regional and local regulations as well as international treaties subscribed by the Government of Chile and enacted as Chilean domestic law regarding the protection of the environment, natural resources and the effect of the environment on human health and safety, including laws and regulations concerning water, air and noise pollution, the handling, disposal and transportation of hazardous waste and occupational health and safety.

The General Environmental Law (Law N° 19,300), enacted in March 1994 and modified by Law N° 20,417, enacted in 2010, establishes the general environmental legal framework in Chile, including the establishment of a range of environmental management mechanisms known as the Environmental Impact Assessment System (*Sistema de Evaluación de Impacto Ambiental*), the Emission Standards and the Environmental Quality Standards, among others. Chilean environmental laws and regulations, and the enforcement thereof, have become increasingly stringent since 2010 and even more due to recent changes. Such amendments include, among other significant modifications, the creation of a new institutional framework comprised by: (i) the Ministry of the Environment (*Ministerio del Medio Ambiente*); (ii) the Council of Ministers for Sustainability (*Consejo de Ministros para la Sustentabilidad*); (iii) the Environmental Assessment Service (*Servicio de Evaluación Ambiental*); (iv) the Bureau of the Environment (*Superintendencia del Medio Ambiente*); and (v) the Environmental Courts (*Tribunales Ambientales*), each of which are in charge of designing, evaluating and enforcing laws and regulations relating to projects and activities that could have an environmental impact. These institutions are fully operational. Recent legal and regulatory changes are likely to impose additional restrictions or costs on CODELCO and also increased fines due to non-compliance with such laws and regulations, relating to environmental litigation and protection of the environment, particularly those related to flora and fauna, wildlife protected areas, water quality standards, mine closure, air emissions, and soil pollution. Since the Bureau of the Environment became fully operational on December 28, 2012, infringement of environmental regulations may result in fines of up to approximately U.S.$8.7 million, the closure of facilities and the revocation of environmental approvals. As described in more detail below, CODELCO incurs, and may be required in the future to incur, substantial capital and operating costs related to environmental compliance. However, many of these costs are inextricably intertwined with the operation of CODELCO's business as a whole.

The General Environmental Law, as complemented by additional regulations, enables the Government of Chile to: (i) bring administrative and judicial proceedings against companies that violate environmental laws; (ii) close non-complying facilities; (iii) revoke required operating licenses; (iv) require that companies to submit their projects for environmental evaluation as required by applicable law; and (v) impose sanctions and fines when companies act negligently, recklessly or deliberately in connection with environmental matters. The General Environmental Law also grants citizens the right to bring civil actions against companies that are not in compliance with environmental laws and regulations when such companies have caused "environmental damage," as defined in such law, after such non-compliance has been established by a judicial proceeding. As of the date of this offering memorandum, one of these proceedings involves CODELCO, for an action brought by citizens against all the companies that operate in the Ventanas area and the Ministry of the Environment. CODELCO is unable to fully assess at this time the potential cost of compliance.

In 2016, the Bureau of the Environment presented claims against the Ventanas Division for the infringement of environmental regulations and permits. In response, CODELCO presented a Compliance Plan (*Programa de Cumplimiento*), which allows the Ventanas Division to comply with the Bureau of the Environment's requirements in a specified term and once successfully executed it may absolve the infringer from fines or sanctions. This Compliance Plan was approved by the Bureau of the Environment in 2016 and was implemented by CODELCO. In 2017 the Environmental Court required a complement of this plan to include the evaluation of possible environmental consequences. CODELCO presented the required information and on November, 28, 2018 the Bureau of the Environment approved the Compliance Program as satisfactorily fulfilled.

This approval decision was later appealed and ultimately upheld in August 2020 by the Environmental Court. In September 2020, the Environmental Court's ruling was appealed. A final decision from the Supreme Court is pending.

Additionally, citizens affected by environmental pollution may file a petition for relief to Chilean Courts of Appeal, requiring the suspension of the offending activity and the adoption of protective measures through the judicial process called *recurso de protección* (constitutional protection action).

If determined that CODELCO violated its environmental permits, the Bureau of the Environment could impose a fine on CODELCO and could require CODELCO to implement environmental compensation and mitigation measures. There can be no assurance that the Bureau of the Environment, as a result of the Supreme Court decision, will not impose additional fines or require that additional measures be taken. As of the date of this offering memorandum, CODELCO has not assessed a potential loss as probable or such loss is not estimable.

The General Environmental Law and its regulations contain certain rules on Environmental Impact Assessment, which have been in effect since April 1997, and that provide that CODELCO must evaluate the environmental impact of any future project or activity listed in article 10 of Law 19,300 by means of an environmental impact declaration or an environmental impact study depending on the significance of the environmental impacts associated. CODELCO has conducted these environmental impact declarations and studies pursuant to the General Environmental Law.

Chile has adopted environmental regulations requiring companies operating in Chile, including CODELCO, to undertake programs to reduce, control and/or eliminate certain environmental impacts. CODELCO has undertaken a number of environmental initiatives to comply with such regulations. From 2012 to 2019, CODELCO invested U.S.$3.6 billion in environmental projects, and plans to continue implementing pollution abatement plans through additional capital investments amounting to U.S.$439 million in 2020 and U.S.$490 million in 2021. In 2019, CODELCO allocated U.S.$834 million to environmental projects, including the expansion of the Talabre, Ovejería and Carén Tailings dams in the Chuquicamata, Andina and El Teniente Divisions and various projects in Chuquicamata, Potrerillos and Caletones smelters in order to comply with the new regulation regarding atmospheric emissions. Additionally, as part of its pollution abatement efforts, CODELCO continues to implement water recovery systems, the costs of which are also budgeted in CODELCO's pollution abatement plan, to conserve resources and minimize pollution of natural water sources.

To protect and improve environmental air quality in the country, the Ministry of the Environment has the authority to declare certain areas to be "latent zones" (*zonas latentes*) or "saturated zones" (*zonas saturadas*). Latent zones are areas in which there exists a high risk of excessive pollution – the pollutant concentration in air water or soil is greater than 80% of the corresponding quality standard in a certain area – and in which further emissions are highly restricted. Saturated zones are areas in which an excessive level of pollution already has been reached – the concentration of the air pollutant exceeds 100% of the corresponding quality standard for a pollutant in a certain area – and in which emissions are required to be reduced and mitigation measures are required to be implemented. In connection with the declaration of a latent or saturated zone, the Ministry of the Environment may initiate an investigation and public-consultation process to develop a prevention or decontamination plan, as the case may be. The whole process for approving these plans may take more than two years. Upon publication of either type of plan, emission reduction targets and other environmental remediation actions may be required of specific industries located within the latent or saturated zone. Measures included in the pollution prevention or reduction plans governing CODELCO's operations are subject to change and may become more stringent if compliance with applicable air quality standards is not achieved.

The area surrounding the Potrerillos, Caletones and Ventanas smelting facilities have been declared saturated zones for particulate matter (PM_{10} and/or $MP_{2,5}$) and sulfur dioxide (SO_2). These areas are subject to decontamination plans. The Ventanas decontamination plan has been recently reviewed by government authorities. In the areas surrounding the Chuquicamata smelter, there are decontamination plans for PM_{10} under review and under development, and a pollution prevention plan for SO_2 is currently under development. In August 2013, the Ministry of the Environment enacted a decontamination plan for Chile's Sixth Region, Central Valley, which could potentially affect CODELCO's operations in the region.

In addition, the relevant Environmental Assessment Service may impose further requirements on CODELCO's projects. Under the various plans that cover the areas where CODELCO operates, net increases in emissions by industrial facilities in these zones, including any increased emissions from the Potrerillos, Caletones, Ventanas and Chuquicamata smelting plants, have been banned. As of the date of this offering memorandum, the impact of operating in latent and saturated zones has not been material for CODELCO; however, it could have a material effect in the future.

A new air quality standard for an additional pollutant, primary particulate matter $PM_{2.5}$, was enacted by the Ministry of the Environment in 2011 and became effective in 2012. In 2015, a new saturated zone with respect to $PM_{2.5}$ and latent zone with respect to PM10 in the boroughs of Concón, Quintero and Puchuncavi, the areas where Ventanas is located, was declared and, as a result, a new decontamination plan has been recently enacted. CODELCO estimates that the cost of complying with this new standard will be U.S.$27 million, which will be incurred over a period of approximately four years.

In 2013, Supreme Decree N° 28 of the Ministry of the Environment, on Emission Standard for Smelting Plants was enacted, which establishes maximum parameters of emission for $PM_{10,}$ $SO_{2,}$ arsenic (As) and mercury (Hg) generated by smelting plants. Certain aspects of the regulation became effective immediately while other provisions of the new emission standards must be complied with by a later date—within three years in the case of Ventanas smelter, and within five years in Chuquicamata, Potrerillos and Caletones smelters. The cost of complying with this new standard was U.S.$2.4 billion, which was incurred over a period of approximately five years. This regulation is currently under routine review by the Ministry of the Environment, which is conducted every five years.

Supreme Decree N°90/2001 of the General Secretary of the Presidency, which sets forth the standards for discharges of liquid waste into surface water bodies, went into effect in 2006. CODELCO has invested significant amounts to reduce liquid waste emissions to date and expects that it will continue to incur costs related to compliance with Supreme Decree N° 90/2001. In addition, the authorities are developing water quality standards for water bodies that CODELCO currently or may in the future discharge into, including the Loa, Aconcagua and Cachapoal rivers. Such standards could require CODELCO to incur additional costs to manage liquid waste discharges.

Regulations were enacted in February 2004 governing safety standards for mining operations. Pursuant to these regulations, all mining companies, including CODELCO, were required to provide closure plans for their mining facilities, demonstrating compliance with safety standards. These plans must be updated every five years and must consider the requirements set forth in the environmental authorization issued for the respective facility, if any. SERNAGEOMIN has approved the closure plans CODELCO prepared for all of its facilities.

A new mine closure regulation, Law N° 20,551, which includes health, safety and environmental requirements along with mandatory provisions that require financial guarantees, was enacted in 2011, and became effective in 2012. According to this law, CODELCO and other mining companies in Chile were required to submit an assessment of the closure expenses of all its mines to the SERNAGEOMIN before 2014. Once the assessment of closure expenses was approved, CODELCO had to provide the financial guarantee between the sixth months since the approval and two-thirds of the project life (less than 20 years), or 15 years of the project life (more than 20 years). CODELCO obtained the approval of the closure plans for all of its Divisions from SERNAGEOMIN and provided the financial guarantees in the term established by the law. CODELCO had total provisions amounting to U.S.$1.6 billion for future decommissioning and site restoration costs primarily related to tailing dams, closures of mine operations and other mining assets, including potential new governmental regulations, as of December 31, 2018, and U.S.$2.0 billion as of December 31, 2019. CODELCO is currently developing a project to estimate the additional costs of complying with this new regulation regarding mine closure, which could be material.

On February 13, 2018, the Environmental Court (*Tribunal Ambiental*) in Antofagasta, Chile issued an interim decision which could potentially reduce the availability of a minor source of water to CODELCO in the city of Calama. As of the date of this offering memorandum, CODELCO: (i) is not a party to this legal proceeding; and (ii) has not been contacted by any party or served by the Environmental Court. If and when CODELCO becomes a party to this proceeding, CODELCO expects to: (a) enforce all its available legal remedies against any adverse decision; and (b) implement operational mitigation measures, if necessary. In August 2018, the Environmental Court voided its previous interim decision and subsequently during the month of August 2018 the Bureau of the Environment desisted from its original action giving rise to such interim decision.

Future legislative or regulatory developments, private causes of action or the discovery of new facts relating to environmental matters may impose new restrictions or result in additional costs that may have a material adverse effect on CODELCO's business, financial condition, results of operations or prospects. See "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO's compliance with environmental, health and safety laws may require increased costs, including capital commitments, and non-compliance may subject it to significant penalties."

Enforceability of Obligations

CODELCO's commercial obligations are enforceable in the same manner as those of any privately owned company in Chile. Even though CODELCO is a state-owned enterprise, it is subject to the same laws and regulations applicable to all private Chilean corporations. This principle is consistent with the constitution of 1980, wherein Article 19, N° 21 states that if Chile and its bodies carry out commercial activities, they will be governed by common legislation applicable to private persons, unless a specific law approved by an absolute majority of representatives of the Chilean Congress dictates otherwise. No such law has been passed with respect to CODELCO.

Payment of Obligations

Article 23 of Decree Law 1,350 provides that CODELCO has the obligation to return the total proceeds of its exports to Chile, but has no obligation to convert the proceeds to Chilean pesos in excess of its peso requirements. The proceeds from its exports are deposited at the Central Bank of Chile, and withdrawals against such foreign exchange deposits are made to cover CODELCO's expenses. In addition, Article 13 of Decree Law 1,350 directs CODELCO to prepare a Loan Amortization Budget which must include the payment of principal of CODELCO's debts and related interest payments, including the notes. This budget, as part of the general budget of CODELCO, is approved annually by joint decree of the Ministry of Mining and the Ministry of Finance and may be amended to meet non-budgeted expenses. The incurrence of any indebtedness by CODELCO must be authorized by an official letter from the Ministry of Finance. For loans with maturity at issuance of a duration of more than one year, this authorization is required to commence the relevant procedures.

Statutory Documents

The statutory documents of CODELCO are contained in Decree Law 1,350 published in the Official Gazette on February 28, 1976, as amended by Law 20,392 published in the Official Gazette on November 14, 2009, and Decree 146 published in the Official Gazette on October 25, 1991, as amended (to conform the same with Law 20,392) by Decree N° 3 of January 13, 2012 issued jointly by the Ministries of Finance and Mining, published in the Official Gazette on July 4, 2012. These gazettes may be seen on-line on the Library of the Chilean Congress website (http://www.bcn.cl/) or in a booklet that CODELCO will issue upon request, which contains free translations of the regulations into English.

MANAGEMENT

The Board of Directors is primarily responsible for the management and administration of CODELCO. The Board of Directors is composed of nine members, appointed as set forth in Law 20,392, enacted on November 4, 2009: (i) three directors are directly appointed by the President of Chile; (ii) four directors are appointed by the President of Chile from a short-list presented by the Council of Senior Public Management (*Consejo de la Alta Dirección Pública*), an entity within the National Civil Service Bureau that advises the President of Chile, ministers and heads of services departments on the appointment of high-ranking public positions; (iii) one director is appointed by the President of Chile from a short-list presented by the FTC; and (iv) one director is appointed by the President of Chile from a short-list presented by both the FESUC and ANSCO. All directors in CODELCO serve four year terms and may be reelected for new terms. The Board is renewed on a staggered basis and may not be revoked in its entirety.

The Board of Directors is vested with all the management and asset-disposal authority, except to the extent that Chilean law or CODELCO's bylaws establish such authority within the exclusive province of the President of Chile (as discussed below), and other than the authority delegated to the Chief Executive Officer. The main responsibilities of the Board of Directors of CODELCO are to: (i) designate and remove the Chief Executive Officer; (ii) approve and send to the Ministry of Finance an estimate of the revenues and surplus earnings that it will transfer to the Government of Chile in the following year's budget; (iii) prepare the annual budget of CODELCO and send for the approval of the Ministry of Finance; and (iv) approve the BDP report of the Company for the following three-year period.

The President of Chile is vested with authority analogous to that of the shareholders of a corporation (*sociedad anónima*) under Chilean law, which may be delegated in whole or in part to the Ministers of Finance and Mining, jointly. Pursuant to such authority, the President of Chile: (i) participates in the designation of the Board of Directors by designating three directors without external input and by electing six directors on the basis of third-party short-lists; (ii) appoints the Chairman of the Board of Directors; and (iii) may approve and amend the bylaws of the Company, by means of an executive decree issued jointly by the Ministries of Finance and Mining. See "Risk Factors – Risks Relating to CODELCO's Relationship with the Government of Chile."

Senior management and administration of the Company are vested in its Board of Directors and Chief Executive Officer. The Board of Directors is in charge of the ultimate conduct and oversight of the Company. The Chief Executive Officer is named by the Board of Directors and remains in office so long as he/she maintains the confidence of the Board. The Chief Executive Officer is responsible for implementing the resolutions of the Board of Directors and supervising the activities of CODELCO. On July 12, 2019, the Board of Directors of CODELCO appointed Octavio Araneda Osés as the new CEO, and he commenced his term on September 1, 2019.

On March 1, 2018, CODELCO announced the appointment of Christian Toutin as General Manager of the Salvador Division. On April 1, 2018, CODELCO announced the appointment of Roberto Ecclerfield as Vice President of Sales. On April 27, 2018, CODELCO announced the appointment of Nicolás Rivera as General Manager of the El Teniente Division. On September 28, 2018, CODELCO announced the appointment of Marcelo Alvarez Jara as Vice President of Human Resources.

On December 27, 2018, CODELCO announced the appointment of Renato Fernandez Baeza as Vice President of Corporate Affairs & Sustainability. On January 16, 2019, CODELCO announced the appointment of José Pesce Rosenthal as the Acting Vice President of Corporate Affairs & Sustainability, in addition to his responsibilities as Vice President of Mining Resources Management and Development, until February 18, 2019 when Renato Fernandez Baeza assumed such position on a permanent basis, until April 20, 2020.

On March 1, 2019, CODELCO announced the appointment Sergio Herbage Lundín, former Northern District Development Manager, as the General Manager of the Gabriela Mistral Division. The same day, CODELCO announced the appointment of Jaime Rivera Machado, former General Manager of the Mina Ministro Hales Division, as the General Manager of Andina Division, and the appointment of Andrés Music Garrido, former Mine Manager El Teniente Division, as the General Manager of the Mina Ministro Hales Division. Finally, CODELCO announced the appointment of Alvaro García Gonzalez as CODELCO's first Vice President of Technology.

On July 26, 2019, CODELCO announced the appointment of Mauricio Barraza Gallardo, former General Manager of the Chuquicamata Divison, as Vice President of Central Southern Operations. The same day, CODELCO announced the appointment of Nicolás Rivera Rodriguez, former General Manager of the El Teniente Division, as the General Manager of the Chuquicamata Division, and the appointment of Andrés Music Garrido, the former General Manager of Mina Ministro Hales, as the General Manager of the El Teniente Division. On August 29, 2019, CODELCO announced the appointment of Rodrigo Barrera, former Chuquicata Underground Project Manager, as the General Manager of the Mina Ministro Hales Division. All new positions were effective as of September 1, 2019.

On January 31, 2020, CODELCO announced the appointment of Lorena Ferreiro Vidal as General Counsel and created the position Vice Presidency of Smelters and Refiners, appointing José Sanhueza Reyes in the role. Both appointments are effective as of March 1, 2020. On February 28, 2020, CODELCO announced the appointment of Cristián Cortés Egaña as acting General Manager for Ventanas Division, effective on March 1, 2020. On March 2, 2020, CODELCO announced the appointment of Patricio Vergara Lara as Vice President of Mining Resources Management and Development, effective on April 20, 2020.

On September 29, 2020, CODELCO announced the appointment of Ricardo Weishaupt Hidalgo as General Manager of Ventanas Division, effective on November 1, 2020.

On October 2, 2020 CODELCO announced the appointment of Mauricio Barraza Gallardo as acting Vice President – Northern Operations and Alejandro Rivera Stambuck as acting Vice President – Productivity and Costs, both positions effective as of October 16, 2020. Mr. Mauricio Barraza Gallardo and Mr. Alejandro Rivera Stambuck will also maintain their current positions as Vice President – Central Southern Operations and Chief Financial Officer, respectively.

On October 30, 2020 CODELCO announced the appointment of Carlos Alvarado Hernández as Vice President of Sales and Rodrigo Miranda Schleyer as acting General Auditor, both positions effective on November 1, 2020. The same day, CODELCO announced the appointment of Rodrigo Barrera Paez, former General Manager of Mina Ministro Hales Division, as General Manager of Andina Division, and Francisco Balsebre Olaran as acting General Manager of Mina Ministro Hales Division, both positions effective on December 1, 2020.

Directors and Executive Officers

The following table sets forth the current directors and executive officers of CODELCO and their positions:

Name	Position
Directors	
Juan Benavides Feliú	Chairman(1)(2)
Juan Enrique Morales Jaramillo	Director(3)(4)
Blas Tomic Errázuriz	Director(3)(5)
Paul Schiodtz Obilinovich	Director(3)(5)
Isidoro Palma Penco	Director(3)(4)
Hernán de Solminihac Tampier	Director(1)(2)
Ghassan Dayoub Pseli	Director(6)(4)
Rodrigo Cerda Norambuena	Director(1)(7)
Executive Officers	
Octavio Araneda Osses	Chief Executive Officer and President
Alejandro Rivera Stambuk	Chief Financial Officer and acting Vice President – Productivity and Costs
Marcelo Alvarez Jara	Vice President – Human Resources
Carlos Alvarado Hernandez	Vice President of Sales
Gerhard von Borries Harms	Vice President – Projects
Patricio Vergara Lara	Vice President – Mining Resources Management and Development
Renato Fernandez Baeza	Vice President – Corporate Affairs & Sustainability
Alvaro García Gonzalez	Vice President – Technology
José Sanhueza Reyes	Vice President of Smelters and Refineries
Alejandro Sanhueza Diaz	Head of Finance
Lorena Ferreiro Vidal	General Counsel
Rodrigo Miranda Schleyer	General Auditor
Mauricio Barraza Gallardo	Vice President – Central Southern Operations and acting Vice President – Northern Operations
Nicolás Rivera Rodriguez	General Manager – Chuquicamata Division
Lindor Quiroga Bugueño	General Manager – Radomiro Tomic Division
Francisco Balsebre Olaran	General Manager – Mina Ministro Hales Division
Sergio Herbage Lundín	General Manager – Gabriela Mistral Division
Christian Toutin	General Manager – Salvador Division
Ricardo Weishaupt Hidalgo	General Manager – Ventanas Division
Andrés Music Garrido	General Manager – El Teniente Division
Rodrigo Barrera Páez	General Manager – Andina Division

(1) Directly appointed by the President of Chile.

(2) Term expires May 2022.

(3) Appointed by the President of Chile from a short list presented by the Council of Senior Public Management (*Consejo de la Alta Dirección Pública*).

(4) Term expires May 2023.

(5) Term expires May 2021.

(6) Employee of CODELCO, appointed by the President of Chile from a short list presented by the Federation of Copper Supervisors and the National Association of Copper Supervisors.

(7) Directly appointed by the President of Chile. Term expires May 2022.

There is no family relationship between any director or executive officer and any other director or executive officer. The business address for the executives and directors previously listed is Huérfanos 1270, 6th floor, Santiago, Chile. No executive holds a position as an employee outside of CODELCO.

Committees of the Board of Directors

Audit, Benefits and Ethics Committee (Comité de Auditoría, Compensaciones y Ética)

CODELCO's audit, benefits and ethics committee consists of Blas Tomic Errázuriz (Chair), Isidoro Palma Penco (Vice Chair), Juan Enrique Morales Jaramillo and Paul Schiodtz Obilinovich, who may invite others to assist in its work. The audit, benefits and ethics committee's primary responsibility is to support the Board of Directors by providing and improving internal controls by reviewing transactions with related parties and the work of CODELCO's internal audit department. The committee also analyzes and reviews the work and reports of the external auditors. The committee is also responsible for analyzing observations made by Chilean regulatory entities and for recommending measures to be taken by the management in response. CODELCO's audit, benefits and ethics committee is not subject to the independence and other requirements to which U.S. public companies are subject.

Projects and Investment Committee (Comité de Proyectos y Financiamiento de Inversiones)

The projects and investment committee consists of Isidoro Palma Penco (Chair), Juan Enrique Morales Jaramillo (Vice Chair), Paul Schiodtz Obilinovich and Rodrigo Cerda Norambuena. This committee analyzes and recommends major mining development projects and financing of these projects.

Management Committee (Comité de Gestión)

The management committee consists of Hernán De Solminihac Tampier (Chair), Isidoro Palma Penco (Vice Chair), Rodrigo Cerda Norambuena and Ghassan Dayoub Pseli. The committee is primarily responsible for the management of the Company's divisions and key projects. It also reviews and evaluates the performance of subsidiaries and affiliated companies.

Sustainability Committee (Comité de Sustentabilidad)

The sustainability committee consists of Paul Schiodtz Obilinovich (Chair), Hernán De Solminihac Tampier (Vice Chair), Blas Tomic Errázuriz, Juan Enrique Morales Jaramillo and Ghassan Dayoub Pseli. The committee advises the Board of Directors with respect to matters of sustainability, providing assistance to the Board of Directors in the Company's sustainability policies and goals as well as analyzing the efficacy of the Company's policies and management systems in the areas of health, safety and the environment.

Science, Technology and Innovation Committee (Comité de Ciencias, Tecnología e Innovación)

The science, technology and innovation committee consists of Juan Enrique Morales Jaramillo (Chair), Paul Schiodtz Obilinovich (Vice Chair), Hernán De Solminihac Tampier, Rodrigo Cerda Norambuena and Ghassan Dayoub Pseli. This committee was formed in 2016 and discusses the challenges facing the corporation with respect to science and technology.

RELATED PARTY TRANSACTIONS

In the ordinary course of its business, CODELCO engages in a variety of transactions on arm's-length terms with certain related parties. For information regarding these transactions, see note 3 to the Consolidated Financial Statements.

In its dealings with Cyprus El Abra Corporation (a subsidiary of Freeport-McMoRan Inc.), the partner in SCM El Abra, CODELCO acts through a subsidiary, as agent. CODELCO does not sell copper to Nordeutsche Affinerie Group, its partner in Deutsche Giessradht GmbH.

Pursuant to Article 147 of the Corporations Law, CODELCO may only enter into operations with related parties if its intent is to benefit the corporate interest, if its price, terms and conditions are consistent with those prevailing in the market when approved, and if it follows certain requirements and procedures established by the law.

According to Article 146 of the Corporations Law, as amended, "operations with related parties" of CODELCO include any and all negotiations, acts, contracts or operations in which the Company must take part, as well as:

(i) one or more related persons to the Company, pursuant to the definition contained in Article 100 of Law 18,045 (the "Securities Market Law," as amended);

(ii) a board member, manager, a main executive or a liquidator of CODELCO, acting directly or on behalf of any persons other than the Company, or their respective spouses or relatives up to the second degree (consanguinity or affinity);

(iii) a corporation or partnership in which one of the persons mentioned in (ii) above are direct or indirect owners of 10% or more of its capital, board members, managers or main executives;

(iv) those persons specifically established under CODELCO's bylaws or reasonably identified by the Directors' Committee, as applicable, even if the transaction with such persons (a) is not of a relevant amount, (b) is conducted on a regular basis (as per the regularity policy determined by the Board of Directors of CODELCO) or (c) is entered into with a subsidiary of CODELCO in which the Company holds a direct or indirect ownership interest of at least 95%; and

(v) any company in which a board member, manager or main executive of CODELCO has served as a board member, manager, main executive or liquidator, during the last 18 months.

Article 100 of the Securities Market Law provides that the following persons constitute a related party: (i) the other entities of the business conglomerate to which a company belongs; (ii) parents, subsidiaries and equity-method investors and investees of a company; (iii) all directors, managers, officers and liquidators of a company, and their spouses or blood relatives to the second degree, or any entity controlled, directly or indirectly, by any of the abovementioned individuals; (iv) any person that, by their own actions or with other persons under a joint action agreement, may appoint at least one member of the management of a company or controls 10% or more of the capital or voting capital of a stock company; and (v) other entities or persons deemed a related party by the CMF.

The rules, requirements and procedures to approve operations with related parties apply both to the operations of CODELCO as well as to those of its subsidiaries, regardless of their legal nature, except for some exemptions set forth in Article 147 of the Corporations Law in which related-party transaction may be executed without the requirements referred to above, with the prior approval of the Board of Directors.

The breach of any of the restrictions on related party transactions will not affect the validity of the transaction. However, CODELCO or the President of Chile may demand from the breaching party, the reimbursement for an amount equivalent to the benefits gained by the breaching party resulting from the transaction. Additionally, CODELCO or the President of Chile may claim damages. Finally, the breaching party bears the burden of proof that the transaction was carried out according to the law.

CODELCO's policy for transactions with related parties is defined and governed by a specific internal regulation created pursuant to general policies established by the Board of Directors and in connection with the guidance provided by Decree Law 1,350 and the Corporations Law. CODELCO's internal regulation prescribes the manner in which transactions between CODELCO and related entities must be carried out and provides for sanctions if the requirements of the regulation are not met.

FOREIGN INVESTMENT AND EXCHANGE CONTROLS IN CHILE

As a general matter, the Central Bank of Chile is, among other things, responsible for monetary policies and for exchange controls in Chile. Most Chilean companies must inform the Central Bank of any international issue of bonds and if the proceeds of the issuance are not left abroad, should be brought into Chile through a bank or other participant in the Formal Exchange Market. Article 23 of Decree Law 1,350 provides that CODELCO has an obligation to return the total proceeds of its exports to Chile, but has no obligation to convert such proceeds to Chilean pesos beyond its peso requirements. These proceeds from its exports are deposited at the Central Bank of Chile, and withdrawals against such foreign exchange deposits are made to cover CODELCO's expenses. As a result, CODELCO does not require foreign exchange approval in connection with the issuance or placement of, or payments upon the notes. See "Regulatory Framework—Payment of Obligations."

DESCRIPTION OF NOTES

The notes will be issued pursuant to an indenture, dated as of February 5, 2019 (the "base indenture"), among CODELCO, The Bank of New York Mellon, as trustee, paying agent, transfer agent and registrar (the "trustee"), and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg paying agent (the "Luxembourg Agent"), as amended and supplemented by the Ninth Supplemental Indenture, to be dated as of December 14, 2020 (together with the base indenture, the "Indenture"), between CODELCO and the trustee.

The following description of certain provisions of the notes and of the indenture is subject to and is qualified in its entirety by reference to the provisions of the notes and the indenture, copies of which will be available for inspection at the office of the trustee at 240 Greenwich Street, Floor 7 East, New York, New York 10286. CODELCO urges you to read the indenture because it, and not this description, defines your rights as holders of the notes issued under the indenture.

General

The notes will be issued by CODELCO, and CODELCO will be liable therefor and obligated to perform all covenants and agreements to be performed by CODELCO pursuant to the notes and the indenture, including the obligations to pay principal, interest and Additional Amounts (as defined below under "Payment of Additional Amounts"), if any. The trustee under the indenture is The Bank of New York Mellon (the "trustee," which term shall include any successor trustee under the indenture).

The indenture provides for the issuance by CODELCO from time to time of notes in one or more series up to an aggregate principal amount of notes as from time to time may be authorized by CODELCO, subject to all required government authorizations. Notes having the same date of maturity and Interest Payment Dates (as defined below), payable in the same currency, bearing interest at the same rate and the terms of which are otherwise identical, are referred to as a "series."

The notes will bear interest at the applicable rate per annum set forth on the cover page of this offering memorandum from the date of issuance or from the most recent Interest Payment Date (as defined below) to which interest has been paid or provided for. Interest on the notes will be payable semi-annually in arrears on January 15 and July 15 of each year, commencing on July 15, 2021, or, if any such date is not a Business Day (as defined below), on the next succeeding Business Day (each an "Interest Payment Date") to the person or persons (each, a "Holder") in whose name such notes are registered in the Security Register (as defined below) at the close of business on December 31 and June 30, respectively, preceding such Interest Payment Dates (each a "Record Date"). Interest on the notes will be calculated on the basis of a 360-day year of twelve 30-day months. For the purposes hereof, the term "Business Day" means a day on which banks in The City of New York are not authorized or required by law or executive order to be closed.

Moneys paid by CODELCO to the trustee or any paying agent for the payment of principal of (and premium, if any) or interest on any of the notes and remaining unclaimed at the end of two years after the date on which such principal (and premium, if any) or interest shall have become due and payable (whether at maturity, upon call for redemption or otherwise) shall, together with interest made available for payment thereof, be repaid to CODELCO, whereupon all liability of the trustee or such paying agent with respect to such moneys shall cease.

The notes will mature on January 15, 2051. The notes will not be redeemable prior to maturity except as described below and in the event of certain developments affecting taxation, in that case at a price equal to the outstanding principal amount thereof, together with any Additional Amounts and accrued interest to the redemption date. On the maturity date of the notes, CODELCO will be required to pay 100% of the then outstanding principal amount of the notes plus accrued and unpaid interest thereon and Additional Amounts, if any.

Ranking

The notes will constitute direct, general, unsecured, unconditional and unsubordinated obligations of CODELCO. The notes rank and will rank without any preference among them and equally with all other unsecured and unsubordinated obligations of CODELCO, other than certain obligations granted preferential treatment pursuant to Chilean law. It is understood that this provision will not be construed so as to require CODELCO to make payments under the notes ratably with payments being made under any other obligations. The indenture contains no restriction on the amount of additional indebtedness which may be incurred by CODELCO or its subsidiaries; however, as set forth under "—Limitation on Liens" below, the indenture contains certain restrictions on the ability of CODELCO and its subsidiaries to incur secured indebtedness.

Registration, Form and Delivery

The trustee will initially act as paying agent, transfer agent and registrar for the notes. The notes will be issued upon the closing of this offering in definitive, fully registered form, without coupons, in denominations of U.S.$200,000 principal amount at maturity and multiples of U.S.$1,000 in excess thereof. The notes will be exchangeable, and transfers thereof will be registrable, at the office of the registrar for the notes. No charge will be made to holders of the notes in connection with any exchange or registration of transfer, but CODELCO may require payment of a sum sufficient to cover any tax or other governmental charge payable in that connection.

The trustee will maintain at its office in the City of New York, currently located at 240 Greenwich Street, Floor 7 East, New York, New York 10286, a security register (the "Security Register") with respect to the notes. The name and address of the registered Holder of each note and the amount of each note will be recorded in the applicable Security Register, and the trustee and CODELCO may treat the person in whose name the note is registered as the owner of such note for all purposes. For so long as the notes are represented by one or more Global Notes, the registered owner of a Global Note, in accordance with the terms of the indenture, may be treated at all times and for all purposes by CODELCO and the trustee as the sole owner with respect to such notes, with respect to all payments on the notes and for all other purposes under the terms of the notes and the indenture.

The notes are being offered and sold in connection with the initial offering thereof solely to "qualified institutional buyers," as that term is defined in Rule 144A under the Securities Act, pursuant to Rule 144A, and in offshore transactions to persons other than "U.S. persons," as defined in Regulation S under the Securities Act, in reliance on Regulation S. Following the initial offering of the notes, the notes may be resold to qualified institutional buyers pursuant to Rule 144A, non-U.S. persons in reliance on Regulation S and pursuant to Rule 144 under the Securities Act, as described under "Transfer Restrictions."

The Global Notes

Rule 144A Global Note

The notes offered and sold to qualified institutional buyers pursuant to Rule 144A will initially be issued in the form of one or more registered notes in global form, without interest coupons. The Rule 144A Global Notes will be deposited on the date of the closing of the sale of the notes with, or on behalf of, the Depository Trust Company, or DTC, and registered in the name of Cede & Co., as nominee of DTC, or will remain in the custody of the trustee pursuant to the FAST Balance Certificate Agreement between DTC and the trustee. Interests in the Rule 144A Global Note will be available for purchase only by qualified institutional buyers.

Regulation S Global Note

The notes offered and sold in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act will initially be issued in the form of one or more registered notes in global form, without interest coupons. The Regulation S Global Notes will be deposited upon issuance with, or on behalf of, a custodian for DTC in the manner described in the preceding paragraph.

Except as set forth below, the Rule 144A Global Note and the Regulation S Global Note, collectively referred to in this section as the "Global Notes," may be transferred, in whole and not in part, solely to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for notes in physical, certificated form (referred to as "certificated notes") except in the limited circumstances described below.

The notes will be subject to certain restrictions on transfer and will bear a restrictive legend as set forth under "Transfer Restrictions."

All interests in the Global Notes are subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream are subject to the procedures and requirements of such systems.

Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Such depositaries, in turn, will hold such interests in the Global Notes in customers' securities accounts in the depositaries' names on the books of DTC.

Exchanges Among the Global Notes

Prior to the 40th day after the later of the commencement of the offering of the notes and the date of the closing of the sale of the notes (the period through and including the 40th day, the "restricted period"), transfers by an owner of a beneficial interest in the Regulation S Global Note to a transferee who takes delivery of this interest through the corresponding Rule 144A Global Note will be made only in accordance with applicable procedures and upon receipt by the trustee of a written certification from the transferor of the beneficial interest in the form provided in the indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A. Such written certification will no longer be required after the expiration of the restricted period.

Transfers by an owner of a beneficial interest in the Rule 144A Global Note to a transferee who takes delivery of such interest through the corresponding Regulation S Global Note, whether before or after the expiration of the restricted period, will be made only upon receipt by the trustee of a certification from the transferor to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

Certain Book-Entry Procedures for the Global Notes

The descriptions of the operations and procedures of DTC, Euroclear and Clearstream set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. Neither CODELCO nor the initial purchasers take any responsibility for these operations or procedures, and investors are urged to contact the relevant system or its participants directly to discuss these matters.

DTC has advised CODELCO that it is (i) a limited purpose trust company organized under the laws of the State of New York, (ii) a "banking organization" within the meaning of the New York Banking Law, (iii) a member of the Federal Reserve System, (iv) a "clearing corporation" within the meaning of the Uniform Commercial Code, as amended, and (v) a "clearing agency" registered pursuant to Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC was created to hold securities for its participants and facilitates the clearance and settlement of securities transactions between participants through electronic book-entry changes to the accounts of its participants, thereby eliminating the need for physical transfer and delivery of certificates. DTC's participants include securities brokers and dealers (including the initial purchasers), banks and trust companies, clearing corporations and certain other organizations. Indirect access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies, or indirect participants that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Investors who are not participants may beneficially own securities held by or on behalf of DTC only through participants or indirect participants.

CODELCO expects that pursuant to procedures established by DTC (i) upon deposit of each Global Note, DTC will credit the accounts of participants designated by the initial purchasers with an interest in the Global Note and (ii) ownership of the notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the interests of participants) and the records of participants and the indirect participants (with respect to the interests of persons other than participants).

The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a Global Note to such persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in notes represented by a Global Note to pledge or transfer such interest to persons or entities that do not participate in DTC's system, or to otherwise take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by the Global Note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a Global Note will not be entitled to have notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes, and will not be considered the owners or holders thereof under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee thereunder. Accordingly, each holder owning a beneficial interest in a Global Note must rely on the procedures of DTC and, if such holder is not a participant or an indirect participant, on the procedures of the participant through which such holder owns its interest, to exercise any rights of a holder of notes under the indenture or such Global Note. CODELCO understands that under existing industry practice, in the event that CODELCO requests any action of holders of notes, or a holder that is an owner of a beneficial interest in a Global Note desires to take any action that DTC, as the holder of such Global Note, is entitled to take, DTC would authorize the participants to take such action and the participants would authorize holders owning through such participants to take such action or would otherwise act upon the instruction of such holders. Neither CODELCO nor the trustee will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to such notes.

Payments with respect to the principal of, premium, if any, and interest on any notes represented by a Global Note registered in the name of DTC or its nominee on the applicable Record Date will be payable by the trustee to or at the direction of DTC or its nominee in its capacity as the registered holder of the Global Note representing such notes under the indenture. Under the terms of the indenture, CODELCO and the trustee may treat the persons in whose names the notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving payment thereon and for any and all other purposes whatsoever. Accordingly, neither CODELCO nor the trustee has or will have any responsibility or liability for the payment of such amounts to owners of beneficial interests in a Global Note (including principal, premium, if any, and interest). Payments by the participants and the indirect participants to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary industry practice and will be the responsibility of the participants or the indirect participants and DTC.

Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes, cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary. However, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear or Clearstream as a result of sales of interest in a global security by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. Neither CODELCO nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Certificated Notes

With respect to the notes, if (i) CODELCO notifies the trustee in writing that DTC is no longer willing or able to act as a depositary or DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days of such notice or cessation; (ii) CODELCO, at its option, notifies the trustee in writing that it elects to cause the issuance of notes in definitive form under the indenture; or (iii) upon the occurrence of certain other events as provided in the indenture, then, upon surrender by DTC of the Global Notes, certificated notes will be issued to each person that DTC identifies as the beneficial owner of the notes represented by the Global Notes. Upon any such issuance, the trustee is required to register such certificated notes in the name of such person or persons (or the nominee of any thereof) and cause the same to be delivered thereto.

Neither CODELCO nor the trustee shall be liable for any delay by DTC or any participant or indirect participant in identifying the beneficial owners of the related notes and CODELCO and the trustee may conclusively rely on, and shall be protected in relying on, instructions from DTC for all purposes (including with respect to the registration and delivery, and the respective principal amounts, of the notes to be issued).

Covenants

CODELCO has agreed to restrictions on its activities for the benefit of holders of the notes. The following restrictions will apply to the notes:

Consolidation, Merger, Conveyance, Sale or Lease

Nothing contained in the indenture prevents CODELCO from consolidating with or merging into another corporation or conveying, transferring or leasing its properties and assets substantially as an entirety to any person, *provided* that: (i) the corporation formed by such consolidation or into which CODELCO is merged or the person which acquires by conveyance or transfer, or which leases, the properties and assets of CODELCO substantially as an entirety is a corporation organized and existing under the laws of Chile and expressly assumes, by supplemental indenture, the due and punctual payment of the principal of and interest and Additional Amounts, if any, on all outstanding notes and the performance of every covenant in the indenture on the part of CODELCO to be performed or observed; (ii) immediately after giving effect to such transaction no Event of Default (as defined below), and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and (iii) CODELCO has delivered to the trustee an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture complies with the foregoing provisions relating to such transaction.

Limitation on Liens

Nothing contained in the indenture restricts or prevents CODELCO or any Restricted Subsidiary (as defined below) from incurring any additional indebtedness; *provided* that neither CODELCO nor any Restricted

Subsidiary will (i) issue, assume or guarantee any indebtedness for money borrowed ("Debt") if such Debt is secured by a lien upon, or (ii) directly or indirectly secure any outstanding Debt by a lien upon, any Principal Property (as defined below) or upon any shares of stock of, or indebtedness of, any Restricted Subsidiary, now owned or hereafter acquired, without effectively providing that the notes shall be secured equally and ratably with such Debt, except that the foregoing restrictions shall not apply to (i) liens on any Principal Property acquired, constructed or improved after the date of issuance of the notes to secure or provide for the payment of the purchase price or cost of construction or improvements (including costs such as increased costs due to escalation, interest during construction and similar costs) thereof incurred after the date of the issuance of the notes, or existing liens on property acquired, *provided* such liens shall not apply to any property theretofore owned by CODELCO or any Restricted Subsidiary other than theretofore unimproved real property, (ii) liens on any Principal Property or shares of stock or indebtedness acquired from a corporation merged with or into CODELCO or a Restricted Subsidiary, (iii) liens to secure Debt of a Restricted Subsidiary to CODELCO or another Subsidiary, (iv) the sale or other transfer of any interest in property of the character commonly referred to as a "production payment," (v) liens over any property at the time of acquisition of such property by CODELCO or any of its Restricted Subsidiaries which lien was not (or is not) created in connection with such acquisition, (vi) liens in existence on the date of the offering of the notes, (vii) liens on deposits to secure, or any lien otherwise securing, the performance of bids, statutory obligations, surety bonds, appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business, (viii) liens created on any property to secure Debt incurred in connection with the financing of such property, the repayment of which Debt is to be made from the revenues arising out of, or other proceeds of realization from, such property, with recourse to those revenues and proceeds and other property used in connection with, or forming the subject matter of, such property, but without recourse to any other property of CODELCO or any Restricted Subsidiary and (ix) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any lien referred to in the foregoing clauses (i) to (iii) or (v), (vi) and (viii), inclusive of any Debt secured thereby, *provided* that the principal amount of Debt so secured thereby shall not exceed the principal amount of Debt so secured at the time of such extension, renewal or replacement and that such extension, renewal or replacement lien shall be limited to all or part of the property which secured the lien extended, renewed or replaced (plus improvements on or additions to such property). Notwithstanding the foregoing, CODELCO and one or more Restricted Subsidiaries may issue, assume or guarantee Debt secured by liens which would otherwise be subject to the foregoing restrictions in an aggregate principal amount which, together with the aggregate outstanding principal amount of all other Debt of CODELCO and its Restricted Subsidiaries that would otherwise be subject to the foregoing restrictions (not including Debt permitted to be secured under clauses (i) through (ix) above) and the aggregate value of the sale-and-lease-back transactions described under "—Limitation on Sale-and-Lease-Back Transactions" below (other than sale-and-lease-back transactions the proceeds of which have been applied as provided in clause (b) under "—Limitation on Sale-and-Lease-Back Transactions" below), does not at the time of issuance, assumption or guarantee thereof exceed 20% of Consolidated Net Tangible Assets. "Consolidated Net Tangible Assets" is defined as the total of all assets (including reevaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of CODELCO and its Subsidiaries as of the then most recent date filed by CODELCO with the CMF, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such reevaluations), less the aggregate of the current liabilities of CODELCO and its Subsidiaries appearing on such balance sheet. The term "Principal Property" means any mineral property, concentrator, smelter, refinery or rod mill located within Chile, of CODELCO or any Subsidiary except any such property, plant or facility which the Board of Directors by resolution declares is not of material importance to the total business conducted by CODELCO and its Subsidiaries as an entity. The term "Subsidiary" means any corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by CODELCO and of which CODELCO has the power to direct the management. The term "Restricted Subsidiary" means (i) any Subsidiary which owns, directly or indirectly, any Principal Property and (ii) any Subsidiary which owns, directly or indirectly, any stock or debt of a Restricted Subsidiary.

Limitation on Sale-and-Lease-Back Transactions

The indenture provides that neither CODELCO nor any Restricted Subsidiary will enter into any arrangement with any person (other than CODELCO or a Restricted Subsidiary), or to which any such person is a party, providing for the leasing to CODELCO or a Restricted Subsidiary for a period of more than three years of any property or assets which has been or is to be sold or transferred by CODELCO or such Restricted Subsidiary to such person or to any person (other than CODELCO or a Restricted Subsidiary) to which funds have been or are to be advanced by such person on the security of the leased property or assets unless either (i) CODELCO or such Restricted Subsidiary would be entitled, pursuant to the provisions described under "—Limitation on Liens" above, to incur Debt in a principal amount equal to or exceeding the value of such sale-and-lease-back transaction, secured by a lien on the property or assets to be leased, without equally and ratably securing the notes, or (ii) CODELCO, during or immediately after the expiration of six months after the effective date of such transaction (whether made by CODELCO or a Restricted Subsidiary), applies to the voluntary retirement of indebtedness of CODELCO (including the notes) maturing by its terms more than one year after the original creation thereof ("Funded Debt") an amount equal to the value of such transaction, less an amount equal to the sum of (a) the principal amount of notes delivered, within six months after the effective date of such arrangement, to the trustee for retirement and cancellation and (b) the principal amount of other Funded Debt voluntarily retired by CODELCO within such six-month period, in each case excluding retirements of notes and other Funded Debt as a result of conversions or pursuant to mandatory sinking fund or mandatory prepayment provisions or by payment at maturity.

Periodic Reports

CODELCO will furnish, to the noteholders and to prospective purchasers of notes, upon request to the trustee, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the notes are not freely transferable under the Securities Act.

Events of Default

An Event of Default with respect to the notes is defined in the indenture as being any of the following (each an "Event of Default"): (i) default for 30 days in payment of any interest on the notes; (ii) default in payment of principal of the notes; (iii) default in the performance, or breach, of any covenant or warranty or obligation of CODELCO in the indenture and continuance of such default or breach for a period of 60 days after written notice is given to CODELCO by the trustee or to CODELCO and the trustee by the holders of at least 33 1/3% in aggregate principal amount of the notes; (iv) default under any bond, debenture, note or other evidence of indebtedness for money borrowed, or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by CODELCO or any Subsidiary, whether such indebtedness now exists or shall hereafter be created, in an aggregate principal amount exceeding U.S.$50 million (or its equivalent in any other currency or currencies) which default (x) shall constitute the failure to pay any portion of the principal of such indebtedness when due and payable, whether at maturity, upon redemption or acceleration or otherwise, or (y) shall have resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, in either case, if such default shall continue for more than 30 Business Days and within such 30 Business Days the time for payment of such amount has not been expressly extended (provided that if such default under such indenture or instrument shall be remedied or cured by CODELCO or waived by the holders of such indebtedness, then the event of default with respect to the notes shall be deemed likewise to have been remedied, cured or waived); and (v) certain events of bankruptcy or insolvency of CODELCO or any Significant Subsidiary. "Significant Subsidiary" is defined in the indenture as a Subsidiary, the total assets of which exceed 10% of the total assets of CODELCO and its subsidiaries on a consolidated basis as of the end of the most recently completed year. The trustee shall not be charged with knowledge of any Event of Default with respect to the notes unless a written notice of such default or Event of Default shall have been given to an officer of the trustee who has direct responsibility for the administration of the indenture and the notes by CODELCO or any holder of notes.

The indenture provides that (i) if an Event of Default (other than an Event of Default described in clause (v) above) shall have occurred and be continuing with respect to the notes, either the trustee or the holders of not less than $33^1/_3$% of the total principal amount of the notes of such series then outstanding may declare the principal of all such outstanding notes and the interest accrued thereon, if any, to be due and payable immediately and (ii) if an Event of Default described in clause (v) above shall have occurred, the principal of all such outstanding notes and the interest accrued thereon, if any, shall become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder of such notes. The indenture provides that the notes owned by CODELCO or any of its affiliates shall be deemed not to be outstanding for certain purposes, including declaring the acceleration of the maturity of the notes. Upon the satisfaction by CODELCO of certain conditions, including (i) the payment of all fees and expenses of the trustee, (ii) CODELCO's deposit with the trustee of a sum sufficient to pay all outstanding amounts then due on the applicable notes (other than principal due by virtue of the acceleration) together with interest on such amounts through the date of the deposit and (iii) all Events of Default (other than non-payment of principal that became due by virtue of the acceleration upon the event of default) have been cured or waived, the declaration described in clause (i) of this paragraph may be annulled by the holders of a majority of the total principal amount of the applicable notes then outstanding. Past defaults, other than non-payment of principal, interest and compliance with certain covenants, may be waived by the holders of a majority of the total principal amount of the applicable notes outstanding.

The trustee must give to the holders of the notes notice of all uncured defaults known to it with respect to the notes within 30 days after a Responsible Officer of the trustee has received written notification of such a default (unless such default shall have been cured); *provided, however,* that, except in the case of default in the payment of principal, interest or Additional Amounts, the trustee shall be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interest of the holders of the notes. "Responsible Officer" is defined in the indenture as any officer of the trustee with direct responsibility for the administration of the indenture and, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

No holder of notes may institute any proceeding, judicial or otherwise, under the indenture unless (i) such holder shall have given the trustee written notice of a continuing Event of Default with respect to the notes of that series, (ii) the holders of not less than $33^1/_3$% of the total principal amount of the notes of that series then outstanding shall have made written request to the trustee to institute proceedings in respect of the Event of Default, (iii) such holder or holders shall have offered the trustee such reasonable indemnity as the trustee may require, (iv) the trustee shall have failed to institute an action for 60 days thereafter and (v) no inconsistent direction shall have been given to the trustee during such 60-day period by the holders of a majority of the total principal amount of the notes of such series. Such limitations, however, do not apply to any suit instituted by a holder of a note for enforcement of payment of the principal or interest on the notes on or after the respective stated maturity expressed in such notes.

The indenture provides that, subject to the duty of the trustee during default to act with the required standard of care, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any holders of the notes, unless such holders shall have offered to the trustee reasonable indemnity.

CODELCO is required to furnish to the trustee annually a statement as to the performance by CODELCO of certain of its obligations under the indenture and as to any default in such performance.

Payment of Additional Amounts

All payments of principal and stated interest under the notes by CODELCO will be made without deduction or withholding for or on account of any present or future taxes, assessments, duties or governmental charges of whatever nature imposed or levied by or on behalf of Chile or any political subdivision or territory or possession thereof or therein (the "Taxing Jurisdiction") unless the withholding or deduction of such taxes, assessments, duties or governmental charges is required by law or regulation or by the official interpretation thereof. In that event, CODELCO will pay to each Holder of a note such additional amounts ("Additional Amounts") as may be necessary in order that each net payment on such note after such deduction or withholding will not be less than the amount provided for in such note to be then due and payable; *provided, however*, that the foregoing obligation to pay Additional Amounts will not apply to:

> (i) any tax, assessment, duty or other governmental charge that would not have been so deducted or withheld but for (i) the existence of any present or former connection between the Holder or the beneficial owner of the note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Holder or beneficial owner, if such Holder or beneficial owner is an estate, trust, partnership or corporation) and the Taxing Jurisdiction imposing such tax, assessment, duty or other governmental charge (including, without limitation, such Holder or beneficial owner (or such fiduciary, settler, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein) other than the mere receipt of payments in respect of a note or the holding or ownership of a note or beneficial interest therein; or (ii) the presentation of a note

(where presentation is required) for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(ii) any estate, inheritance, gift, sales, transfer, personal property, capital gains, excise or similar tax, assessment, duty or other governmental charge;

(iii) any tax, assessment, duty or other governmental charge that is payable other than by withholding from payments of (or in respect of) principal of, or any interest on, the notes;

(iv) any tax, assessment, duty or other governmental charge that would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the Holder or beneficial owner of the note, if compliance is required by statute or by regulation of the Taxing Jurisdiction as a precondition to relief or exemption from all or part of such tax, assessment, duty or other governmental charge, or to a reduction in the applicable tax rate, and proper notice has been sent to the Holder or beneficial owner; or

(v) any combination of items (i), (ii), (iii), and (iv) above.

Nor shall Additional Amounts be paid with respect to any payment of the principal of or any interest on any note to any Holder or beneficial owner that is a fiduciary or partnership or other than the sole beneficial owner of such note to the extent such payment would be required by the laws of the Taxing Jurisdiction to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had it been a Holder of such note.

If CODELCO pays Additional Amounts in respect of the Chilean withholding tax on payments of interest or premium, if any, made by CODELCO in respect of the notes to a Foreign Holder (as defined in "Taxation") assessed at a rate of 4%, and a refund is provided with respect to such withholding tax, CODELCO shall have the right to receive and be entitled to such funds from the relevant Taxing Jurisdiction.

Redemption

CODELCO will not be permitted to redeem the notes before their stated maturity, except as set forth below. The notes will not be entitled to the benefit of any sinking fund—meaning that CODELCO will not deposit money on a regular basis into any separate account to repay your notes. In addition, you will not be entitled to require CODELCO to repurchase your notes from you before the stated maturity.

Optional Redemption

We may redeem on one or more occasions some or all of the notes before they mature.

The notes will be redeemable, in whole or in part, at our option at any time and from time to time, prior to July 15, 2050 (six months prior to the scheduled maturity of the notes) (the "Par Call Date") at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon as if redeemed on the Par Call Date (exclusive of any interest accrued and unpaid to the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30 day months) at the applicable Treasury Rate plus 25 basis points, plus, in either case, accrued and unpaid interest, if any, to the date of redemption.

The notes will be redeemable, in whole or in part, at our option at any time from time to time, commencing on the Par Call Date, at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest, if any, to the redemption date.

Notes called for redemption become due on the date fixed for redemption (the "Redemption Date"). Notices of redemption will be mailed by first-class mail at least 30 but not more than 60 days before the

Redemption Date to each holder of notes to be redeemed at its registered address. For so long as the notes are listed on the Luxembourg Stock Exchange and the rules of the Euro MTF market so require, the Company will cause notices of redemption to be announced through the Luxembourg Stock Exchange. The notice of redemption for the notes will state the amount to be redeemed. On and after the Redemption Date, interest ceases to accrue on any notes that are redeemed. If less than all the notes are redeemed at any time, the trustee will select notes by lot or on a pro rata basis or by any other method that the trustee deems fair and appropriate.

For purposes of determining the optional redemption price, the following definitions are applicable:

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the Par Call Date with respect to the notes.

"Comparable Treasury Price" means, with respect to any redemption date, (i) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker is unable to obtain at least five such Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations obtained by the Independent Investment Banker.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Issuer from time to time to act as the "Independent Investment Banker."

"Reference Treasury Dealer" means BofA Securities, Inc., J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Scotia Capital (USA) Inc., or their respective affiliates or successors which are primary U.S. Government securities dealers in New York City ("Primary Treasury Dealers"), and two other nationally recognized investment banking firms that are Primary Treasury Dealers selected from time to time by the Issuer; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, the Issuer shall substitute therefor another nationally recognized investment banking firm that is a Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding that redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third business day immediately preceding that redemption date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

Tax Redemption

The notes may be redeemed at the election of CODELCO, in whole, but not in part, by the giving of notice as provided in "—Notices" below (which notice shall be irrevocable), at a price equal to the outstanding principal amount thereof, together with any Additional Amounts and accrued and unpaid interest to the redemption date, if, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder, including a holding by a court of competent jurisdiction) of the Taxing Jurisdiction, or any change in the official application, administration or interpretation of such laws, regulations or rulings in such Taxing Jurisdiction, CODELCO has or will become obligated to pay Additional Amounts on the applicable notes in excess of the Additional Amounts that would be payable were payments of interest on the notes subject to 4% withholding ("Excess Additional Amounts"), and if such change or amendment is announced or becomes effective on or after the date of the agreement to purchase the notes and such obligation cannot be avoided by CODELCO taking measures it considers reasonable and that are available to it (for this purpose, reasonable measures shall not include any change in CODELCO's or any successor's jurisdiction of incorporation or organization or location of its principal executive or registered office); *provided, however*, that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which CODELCO would be obligated to pay such Excess Additional Amounts, were a payment in respect of the notes then due. Prior to the giving of notice of redemption of such notes, CODELCO will deliver to the trustee an officers' certificate and a written opinion of recognized Chilean counsel independent of CODELCO to the effect that all governmental approvals necessary for CODELCO to effect such redemption, if any, have been or at the time of redemption will be obtained and in full force and effect and that CODELCO is entitled to effect such a redemption, and setting forth in reasonable detail the circumstances giving rise to such right of redemption. See "Taxation—Chilean Taxation."

Notices

For so long as the notes are outstanding in global form, notices to be given to holders will be given to the depositary, in accordance with its applicable procedures as in effect from time to time. If notes are issued in individual definitive form, notice to holders of the notes will be given by mail to the addresses of such holders as they appear in the security register. In addition, so long as the notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, notices will also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice will be deemed to have been delivered on the date of first publication.

Replacement of Notes

In case of mutilated, destroyed, lost or stolen notes, application for replacement thereof may be made to the trustee or CODELCO. Any such note shall be replaced by the trustee in compliance with such procedures, and on such terms as to evidence and indemnification, as the trustee or CODELCO may require and subject to any applicable law or regulation. All such costs as may be incurred in connection with the replacement of any notes shall be borne by the applicant. Mutilated notes must be surrendered before new ones will be issued.

Modification of the Indenture

CODELCO and the trustee may, without the consent of the holders of notes, amend, waive or supplement the indenture or the notes for certain specified purposes, including among other things: (i) to evidence CODELCO's succession by another corporation, and the assumption by such party of CODELCO's obligations; (ii) to add to CODELCO's covenants or surrender any of its rights or powers for the benefit of all or any series of notes; (iii) to cure any ambiguity, defect or inconsistency in the indenture; (iv) to provide for the issuance of any new series of securities, and/or add to the rights of any holders of any series of notes; (v) to provide for the appointment of a successor trustee; (vi) to add any additional Events of Default for the benefit of any or all series; (vii) to provide for the issuance of securities in bearer form; and (viii) to make any other change to the indenture as shall not adversely affect the interests of any holder of the notes.

In addition, with certain exceptions, the indenture and the notes may be modified by CODELCO and the trustee with the consent of the holders of a majority in aggregate principal amount of the notes of the series affected thereby then outstanding, but no such modification may be made without the consent of the holder of each outstanding note affected by the modification which would:

(i) change the maturity of any principal of, or any premium on, or any installment of interest on, any note, or reduce the principal amount thereof or the rate of interest or any premium (or Additional Amounts, if any) payable thereon, or change the method of computing the amount of principal thereof or interest or premium (or Additional Amounts, if any) payable thereon on any date, or change any place of payment where, or the coin or currency in which, the principal or interest (including Additional Amounts) on any note are payable, or impair the right of holders to institute suit for the enforcement of any such payment on or after the date when due;

(ii) reduce the percentage in aggregate principal amount of outstanding notes of such series, where the consent of holders is required for any such modification or for any waiver of compliance with certain provisions of the indenture or certain defaults thereunder and their consequences provided for in the indenture; or

(iii) modify provisions relating to waiver of certain defaults, waiver of certain covenants and the provisions summarized in this paragraph, including provisions governing the amendment of the indenture, except to increase any such percentage or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding note affected by the modification.

The indenture provides that the notes owned by CODELCO or any of its affiliates shall be deemed not to be outstanding for, among other purposes, consent to any such modification.

Defeasance and Covenant Defeasance

CODELCO, at its option, at any time upon the satisfaction of certain conditions described below, may elect to be discharged from its obligations with respect to the notes. In general, upon a defeasance, CODELCO shall be deemed to have paid and discharged the entire indebtedness represented by the notes and to have satisfied all of its obligations under the notes, except for: (i) the rights of holders of notes to receive, solely from the trust fund established for such purposes, payments in respect of the principal of, and interest, and Additional Amounts, if any, on the notes when such payments are due; (ii) certain provisions relating to ownership, registration and transfer of the notes; (iii) the covenant relating to the maintenance of an office or agency in New York City, and (iv) certain provisions relating to the rights, powers, trusts, duties and immunities of the trustee.

In addition, CODELCO, at its option, at any time, upon the satisfaction of certain conditions described below, may discharge its obligation to comply with the covenants specified above under "—Consolidation, Merger, Conveyance, Sale or Lease," "—Limitation on Liens" and "—Limitation on Sale-and-Lease-Back Transactions." In order to cause a defeasance or covenant defeasance with respect to the notes, CODELCO will be required to (i) deposit funds or obligations issued by the United States in an amount sufficient to provide for the timely payment of principal, interest and all other amounts due under the notes with the trustee, and (ii) satisfy certain other conditions, including delivery to the trustee of an opinion of independent tax counsel of recognized standing to the effect that beneficial owners of notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. Such opinion of counsel in the case of defeasance must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable U.S. federal income tax law occurring after the date of the indenture.

Governing Law; Submission to Jurisdiction; Sovereign Immunity

The indenture provides that it and the notes will be governed by, and will be construed and interpreted in accordance with, the law of the State of New York. The indenture provides that CODELCO will maintain at all times during the life of the notes an office or agent in the Borough of Manhattan, The City of New York, upon whom process may be served in any action arising out of or based on the notes which may be instituted in the Supreme Court of the State of New York or the United States District Court for the Southern District of New York, in either case in the Borough of Manhattan, The City of New York, by any holder of a note, and CODELCO will expressly accept the jurisdiction of any such court.

To the extent that CODELCO may be entitled, in any jurisdiction in which judicial proceedings may at any time be commenced with respect to the notes, to claim for itself or its revenues or assets 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 under the notes, and to the extent that in any such jurisdiction there may be attributed to CODELCO such an immunity (whether or not claimed), CODELCO will irrevocably agree not to claim and will irrevocably waive such immunity to the maximum extent permitted by law.

Article 226 of the Mining Code of Chile prohibits the attachment and judicial sale of a debtor's mining concessions and installations and other goods permanently dedicated to exploration or extraction of minerals relating to those mining concessions, except with respect to mortgages. However, a debtor may consent to such attachment and sale, *provided* that the consent is given in the same judicial proceeding in which the attachment and sale is sought. The general waiver of immunity by CODELCO in the notes will not be effective with respect to immunity under Article 226. In addition, pursuant to the Constitution, mining concessions corresponding to mining deposits exploited by CODELCO upon its creation in 1976 cannot be subject to attachment or to any act of disposition by CODELCO.

Further Issues of Notes

Without the consent of the holders, CODELCO may create and issue additional notes with terms and conditions that are the same (or the same except as to scheduled interest payments prior to the time of issue of the additional notes) as the terms and conditions of the notes. CODELCO may consolidate the additional notes to form a single series with the notes; *provided*, however, that unless such additional notes are issued under a separate CUSIP number, such additional notes must be part of the same "issue" as the outstanding series of notes for U.S. federal income tax purposes, issued pursuant to a "qualified reopening" as the outstanding series of notes for U.S. federal income tax purposes, or issued with no more than a *de minimis* amount of original issue discount.

TAXATION

General

The following is a summary of certain Chilean tax and U.S. federal income tax considerations (and certain EU related tax consequences) relating to the purchase, ownership and disposition of notes. The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the notes, and, except to the extent certain EU-related tax consequences are described below, it does not describe any tax consequences arising under the laws of any national, state, or local taxing jurisdiction other than the United States and Chile.

This summary is based on the tax laws of Chile and the United States as in effect on the date of this offering memorandum, as well as regulations, rulings and decisions of Chile and the United States available on or before such date and now in effect. All of the foregoing is subject to change, which may apply retroactively and could affect the continued validity of this summary.

Prospective purchasers of the notes should consult their own tax advisors as to the Chilean, United States or other tax consequences of the purchase, ownership and disposition of the notes, taking into account the application of the tax considerations discussed below to their particular situation, as well as the application of state, local, foreign or other tax laws.

On February 4, 2010, Chile and the United States entered into a tax treaty (the "Treaty"), which has been ratified by the Chilean Congress, but must be ratified by the competent authorities of the United States before it can enter into effect, and which may apply to income generated in Chile or the United States by a resident of either country. Investors should consult their own advisors regarding the application of the Treaty to their particular circumstances and the date on which a particular Treaty provision will enter into effect.

Chilean Taxation

The following is a general summary of the material consequences under Chilean tax law, as currently in effect, of an investment in the notes made by a "Foreign Holder." For purposes of this summary, the term "Foreign Holder" means (i) an individual not resident or domiciled in Chile or (ii) a legal entity that is not incorporated under the laws of Chile, unless the notes are assigned to a branch or a permanent establishment of such entity in Chile. For purposes of Chilean taxation, (a) an individual is a resident of Chile if such individual has remained in Chile, uninterruptedly or not, for a period or periods that in total exceed 183 days within a twelve month period, and (b) an individual is domiciled in Chile if such individual resides in Chile with the intention of remaining in Chile (the intention will be determined according to the circumstances).

Under Chile's Income Tax Law, payments of interest or premium, if any, made by CODELCO in respect of the notes to a Foreign Holder will generally be subject to a Chilean withholding tax assessed at a rate of 4% (the "Chilean Interest Withholding Tax").

The Income Tax Law provides that a Foreign Holder is subject to income tax on Chilean source income. Chilean source income is defined by the Income Tax Law as income arising from goods located in Chile or activities performed in Chile, regardless of the domicile or residence of the taxpayer. The Income Tax Law establishes that capital gains derived from the sale of bonds issued by a Chilean taxpayer in Chile are considered Chilean source income. Hence, as the notes are not issued in Chile, capital gains arising from the sale or other dispositions by a Foreign Holder of the notes will not be deemed as Chilean source income.

As described above, CODELCO has agreed, subject to specific exceptions and limitations, to pay to the holders of notes Additional Amounts in respect of the Chilean Interest Withholding Tax in order that any interest or premium the Foreign Holder receives, net of the Chilean Interest Withholding Tax, equals the amount which would have been received by such Foreign Holder in the absence of such withholding. See "Description of Notes—Payment of Additional Amounts."

A Foreign Holder will not be liable for estate, gift, inheritance or similar taxes with respect to its holdings unless the notes held by a Foreign Holder are either located in Chile at the time of such Foreign Holder's death, or, if the notes are not located in Chile at the time of a Foreign Holder's death, if such notes were purchased or acquired with monies obtained from Chilean sources.

The issuance of the notes is subject to a stamp tax, which will be payable by CODELCO. If the stamp tax is not paid when due, Chile's Tax Law imposes penalties (fines, interests and readjustments), which will also be payable by CODELCO. In addition, until such tax (and any penalty) is paid, Chilean courts would not enforce any action brought with respect to the notes. We have agreed to pay promptly such tax when due.

United States Taxation

This summary of U.S. federal income tax considerations deals with U.S. Holders (as defined below) that will hold CODELCO notes as capital assets and whose functional currency is the U.S. dollar. It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular investor's decision to purchase notes and generally does not address the tax treatment of U.S. Holders that may be subject to special tax rules, such as certain banks, tax-exempt entities, partnerships (or entities classified as partnerships for U.S. federal income tax purposes) or partners therein, insurance companies, dealers in securities, nonresident alien individuals present in the United States for 183 days or more during a taxable year, or persons that will hold notes as part of an integrated investment (including a "straddle") consisting of the notes and one or more other positions, nor does it address the tax treatment of U.S. Holders that do not acquire notes as part of the initial distribution at the notes' "issue price," which will equal the first price to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the notes is sold for money.

As used in this section "—United States Taxation," the term "U.S. Holder" means a beneficial owner of a note that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise will be subject to U.S. federal income taxation on a net income basis in respect of the notes.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof, administrative pronouncements, judicial decisions, and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this offering memorandum may affect the tax consequences described herein. Investors should consult their own tax advisors in determining the tax consequences to them of purchasing, owning, and disposing of the notes, including the application in their particular circumstances of the U.S. federal income tax considerations discussed below, as well as the application of state, local, foreign, other tax laws or the Medicare tax on net investment income and possible changes in tax laws.

U.S. Holders that use an accrual method of accounting for tax purposes ("accrual method holders") generally are required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements (the "book/tax conformity rule"). The application of the book/tax conformity rule thus may require the accrual of income earlier than would be the case under the general tax rules described below. It is not entirely clear to what types of income the book/tax conformity rule applies, or, in some cases, how the rule is to be applied if it is applicable. However, proposed regulations generally would exclude, among other items, original issue discount and market discount (in either case, whether or not *de minimis*) from the applicability of the book/tax conformity rule. Although the proposed regulations generally will not be effective until taxable years beginning after the date on which they are issued in final form, taxpayers generally are permitted to elect to rely on their provisions currently. Accrual method holders should consult with their tax advisors regarding the potential applicability of the book/tax conformity rule to their particular situation.

Special considerations may be relevant to prospective purchasers who are holders of Tender Notes who participate in the Tender Offers. Such prospective purchasers should consult their own tax advisers concerning the U.S. federal income tax consequences to them of the acquisition of Notes hereby and the sale of their Tender Notes pursuant to the Tender Offers being characterized as an exchange.

Taxation of Interest and Additional Amounts. The gross amount of interest and Additional Amounts (including any Chilean Interest Withholding Tax withheld from interest payments and any Additional Amounts in respect thereof) will be taxable to a U.S. Holder as ordinary interest income in respect of the notes at the time it accrues or is actually or constructively received in accordance with the holder's method of accounting for U.S.

federal income tax purposes. It is expected, and this discussion assumes, that the notes will be issued without original issue discount ("OID") for U.S. federal income tax purposes. In general, however, if the notes are issued with OID at or above a *de minimis* threshold, a U.S. Holder will be required to include OID in gross income, as ordinary income, under a "constant-yield-method" before the receipt of cash attributable to such income, regardless of the U.S. holder's regular method of accounting for U.S. federal income tax purposes.

Subject to generally applicable restrictions and conditions, Chilean Interest Withholding Tax withheld from payments of interest on the notes, or from Additional Amounts, at the appropriate rate applicable to the U.S. Holder will be treated as a foreign income tax eligible (i) for credit against a U.S. Holder's U.S. federal income tax liability, or (ii) at the election of such U.S. Holder, for deduction in computing such U.S. Holder's taxable income provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. Interest and Additional Amounts will constitute income from sources without the United States for foreign tax credit purposes. Such income generally will constitute "passive category income" or, in the case of certain U.S. Holders, "general category income."

The calculation of foreign tax credits and, in the case of a U.S. Holder that elects to deduct foreign taxes, the availability of such deduction, involves the application of rules that depend on a U.S. Holder's particular circumstances. U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits and the treatment of Additional Amounts.

Taxation of Dispositions. A U.S. Holder will generally recognize taxable gain or loss upon the sale, exchange, redemption or other taxable disposition of the notes in an amount equal to the difference between the amount realized upon such sale, exchange, redemption or other disposition (less any accrued interest and, in the case of a redemption, any Additional Amounts with respect to accrued interest, which will be taxable in the manner described above under "—Taxation of Interest and Additional Amounts") and such U.S. Holder's adjusted tax basis in those notes. A U.S. Holder's adjusted tax basis in a note will generally equal such U.S. Holder's initial investment in the note. Such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the notes are held for more than one year. Certain non-corporate U.S. Holders (including individuals) may be eligible for a preferential rate in respect of long-term capital gain. The deduction of capital losses is subject to limitations.

Capital gain or loss recognized by a U.S. Holder generally will be U.S. source gain or loss. Consequently, if any such gain would be subject to Chilean withholding tax, a U.S. Holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. U.S. Holders should consult their own tax advisors as to the foreign tax credit implications of a disposition of the notes.

Foreign Asset Reporting. Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 on the last day of the taxable year or U.S.$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the notes, including the application of the rules to their particular circumstances.

Information Reporting and Backup Withholding. Payments of interest and Additional Amounts on the notes and sales or redemption proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding unless (i) the holder is an exempt recipient that, if required, establishes its exemption or (ii) in the case of backup withholding, the holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

Any amounts withheld under the backup withholding rules from a payment to a holder will be refunded (or credited against such holder's U.S. federal income tax liability, if any), provided the required information is properly furnished to the U.S. Internal Revenue Service on a timely basis.

The Proposed Financial Transaction Tax

The European Commission has published a proposal (the "Commission's Proposal") for a Directive for a common financial transaction tax ("FTT") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the notes in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT remains subject to negotiation between the participating Member States and the legality of the proposal is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw.

Prospective holders of the notes are advised to seek their own professional advice in relation to the FTT.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of the purchase agreement among CODELCO, BofA Securities, Inc., J.P. Morgan Securities LLC, Mizuho Securities USA LLC and Scotia Capital (USA) Inc., the initial purchasers have severally agreed to purchase from the Company the following respective principal amounts of notes listed opposite their name below at the initial offering prices set forth on the cover page of this offering memorandum, less commissions:

Initial Purchasers	Principal Amount of Notes
BofA Securities, Inc.	U.S.$125,000,000
J.P. Morgan Securities LLC	U.S.$125,000,000
Mizuho Securities USA LLC	U.S.$125,000,000
Scotia Capital (USA) Inc.	U.S.$125,000,000
Total	U.S.$500,000,000

The purchase agreement provides that the obligations of the several initial purchasers to purchase the notes offered hereby are subject to certain conditions precedent and that the initial purchasers will purchase all of the notes offered by this offering memorandum if any of these notes are purchased. The initial purchasers may use any of their affiliates to offer and sell any of the notes.

After the initial offering, the initial purchasers may change the offering price and other selling terms.

CODELCO has agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, and to contribute to payments the initial purchasers may be required to make in respect of any of these liabilities.

The notes have not been registered under the Securities Act. Each initial purchaser has agreed that it will offer or sell the notes only (i) in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act or (ii) in offshore transactions in reliance on Regulation S under the Securities Act. The notes being offered and sold pursuant to Regulation S may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, unless the notes are registered under the Securities Act or an exemption from, the registration requirements thereof is available. Resales of the notes are restricted as described under "Transfer Restrictions."

Until forty (40) days after the later of the commencement of the offering and the closing date, any offer or sale of notes within the United States by a broker-dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act, unless such offer or sale is made pursuant to Rule 144A under the Securities Act or another available exemption from the registration requirements thereof. Terms used above have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

CODELCO has agreed, that for a period of 30 days from the date of the purchase agreement, CODELCO will not, without prior consent of the initial purchasers, 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 CODELCO or any affiliate of CODELCO or any person in privity with CODELCO or any of its affiliates), directly or indirectly, or announce any public or broadly marketed offering of, any U.S. dollar-denominated debt securities issued or guaranteed by CODELCO in the international capital markets (other than the notes).

The notes are a new issue of securities without an established trading market. We intend to apply to list the notes on the Official List of the Luxembourg Stock Exchange; however, the notes have not yet been listed. The notes are expected to trade on the Euro MTF market of the Luxembourg Stock Exchange. See "General Information—Listing." The initial purchasers may make a market in the notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes or that an active market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

In connection with the offering of the notes, the initial purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. If the initial purchasers engage in stabilizing or syndicate covering transactions, they may discontinue them at any time without notice.

The initial purchasers and their affiliates have performed and may in the future perform certain commercial banking, investment banking or advisory services for us from time to time for which they have received customary fees and expenses. The initial purchasers may, from time to time, continue to engage in transactions with and perform services for us in the ordinary course of their business. Certain affiliates of Scotia Capital (USA) Inc. are lenders to us under various credit facilities currently totaling U.S.$601 million as of September 30, 2020. The initial purchasers are acting as dealer managers in the Tender Offers and may receive compensation for any Tender Notes tendered.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the initial purchasers or their affiliates that have a lending relationship with us routinely hedge, and certain other of those initial purchasers or their affiliates that have a lending relationship with us may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, such initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to customer that they acquire, long and/or short positions in such securities and instruments.

Delivery of the notes is expected on or about December 14, 2020 which will be the fifth business day following the date of pricing of the notes (this settlement cycle being referred to as "T+5"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the delivery of the notes will be required, by virtue of the fact that the notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade notes prior to their date of delivery hereunder should consult their own advisor.

Notice to Prospective Investors in the European Economic Area ("EEA") and the United Kingdom

The notes are not intended to be offered, sold or otherwise made available to and will not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes:

a retail investor means a person who is one (or more) of:

(i) a retail client as defined in point (11) of Article 4(1) of Directive (EU) 2014/65 (as amended, "MiFID II"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA or in the UK, has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Notice to Prospective Investors in Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Hong Kong

The notes may not be offered or sold in Hong Kong by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that ordinance; and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that ordinance.

Notice to Prospective Investors in Italy

The offer of the notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (Italian Securities and Exchange Commission, or the "CONSOB") pursuant to Italian securities legislation and, accordingly, the notes may not be offered, sold or distributed to the public in the Republic of Italy ("Italy") nor may copies of this offering memorandum or of any other document relating to the notes be distributed in Italy, except:

(i) to *investitori qualificati* (qualified investors), as defined in Article 2, paragraph (e) of the Prospectus Regulation as implemented by Article 34-ter of CONSOB Regulation N° 11971 of May 14, 1999, as amended from time to time, (the "Issuers Regulation"); or

(ii) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Italian Legislative Decree N° 58 of February 24, 1998, as amended from time to time, (the "Financial Services Act") and Article 34-ter of the Issuers Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the notes or distribution of copies of this offering memorandum or any other document relating to the notes in Italy under (i) or (ii) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation N° 16190 of 29 October 2007, as amended from time to time, and Legislative Decree N° 385 of September 1, 1993, as amended from time to time (the "Banking Act");

(ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by the Bank of Italy, CONSOB or other Italian authority.

Any investor purchasing the notes in this offering is solely responsible for ensuring that any offer or resale of the notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations.

Notice to Prospective Investors in Japan

The notes have not been and will not be registered under the Financial Instruments and Exchange Act, and the notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except as pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, of such notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA, except:

(i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A), or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Section 309(B)(1)(c) of the SFA. The Company has determined that the Securities are (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Switzerland

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the notes described herein. The notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this offering memorandum nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in Chile

The notes may not be offered or sold in Chile, directly or indirectly, by means of a "Public Offer" (as defined under Law 18,045 and regulations from the CMF). Chilean institutional investors (such as banks, pension funds and insurance companies) are required to comply with specific restrictions relating to the purchase of the notes. Pursuant to Chilean law, a public offering of securities is an offering that is addressed to the general public or to certain specific categories or groups thereof. Considering that the definition of public offering is quite broad, even an offering addressed to a small group of investors may be considered to be addressed to a certain specific category or group of the public and therefore be considered public under applicable law. On June 27, 2012, the CMF issued *Norma de Carácter General* N° 336 (General Rule N° 336, hereinafter "NCG 336"), which is intended to govern the private offering of securities in Chile. NCG 336 provides that the offering of securities that meet the conditions described therein shall not be considered public offerings in Chile and shall be exempted from complying with the general rules applicable to public offerings.

Notice to Prospective Investors in China

The notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (the "PRC") (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

Notice to Prospective Investors in the Dubai International Financial Centre

This offering memorandum relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("DFSA"). This offering memorandum is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this offering memorandum nor taken steps to verify the information set forth herein and has no responsibility for this offering memorandum. The notes to which this offering memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this offering memorandum, you should consult an authorized financial advisor.

Notice to Prospective Investors in Taiwan

The notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and the notes may not be sold, issued or offered within Taiwan through a public offering or in a circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan requiring registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the notes in Taiwan.

Notice to Prospective Investors in the Republic of Korea

The notes have not been and will not be offered, delivered or sold directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations.

TRANSFER RESTRICTIONS

The notes have not been and will not be registered under the Securities Act or with any securities regulatory authority in any jurisdiction and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except that notes may be offered or sold to (i) Qualified Institutional Buyers ("QIBs") in reliance upon the exemption from the registration requirement of the Securities Act provided by Rule 144A and (ii) persons other than U.S. persons as such term is defined in Regulation S under the Securities Act ("Foreign Purchasers") in offshore transactions in reliance upon Regulation S.

Each purchaser of the notes that is not a Foreign Purchaser will be deemed to:

(i) represent that it is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB and is aware that the sale to it is being made in reliance on Rule 144A;

(ii) acknowledge that the notes have not been and will not be registered under the Securities Act or with any securities regulatory authority in any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(iii) agree that if it should resell or otherwise transfer the securities, it will do so only pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, in each case in accordance with all applicable securities laws of the states of the United States or any other applicable jurisdiction;

(iv) agree that it will deliver to each person to whom it transfers notes notice of any restrictions on transfer of such notes;

(v) agree that it is not an "affiliate" (within the meaning of Rule 144 under the Securities Act) of the Bank; and

(vi) acknowledge that CODELCO, the trustee, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account. If any of the acknowledgements, representations or agreements it is deemed to have been made by the purchase of notes is no longer accurate, it will promptly notify CODELCO and the initial purchasers.

Each 144A Global Note will bear the following legend:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY STATE SECURITIES LAW. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT OR (B) IT IS A NON-U.S. PERSON OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k)(2)(i) OF RULE 902 UNDER) REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT, PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE NOTES EVIDENCED HEREBY UNDER RULE 144(d) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER SUCH NOTES

EXCEPT IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND ONLY (A) TO THE ISSUER OR A SUBSIDIARY THEREOF, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (C) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION (IF APPLICABLE). PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (E) ABOVE, THE COMPANY RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THIS NOTE IS SUBJECT TO THE RESTRICTIONS ON TRANSFER SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF. THIS LEGEND WILL BE REMOVED ONLY AT THE OPTION OF THE ISSUER.

Each purchaser of notes that is a Foreign Purchaser will be deemed to:

(i) represent that it is purchasing the notes for its own account or an account for which it exercises sole investment discretion and that it and any such account is a Foreign Purchaser that is outside the United States and acknowledge that the notes have not been and will not be registered under the Securities Act or with any securities regulatory authority in any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below; and

(ii) agree that if it should resell or otherwise transfer the notes prior to the expiration of a restricted period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the notes), it will do so only (a)(1) outside the United States in compliance with Rule 904 under the Securities Act or (2) to a QIB in compliance with Rule 144A, and (b) in accordance with all applicable securities laws of the states of the United States or any other applicable jurisdiction.

Each Regulation S Global Note will bear the following legend:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AGENCY IN ANY JURISDICTION, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS SECURITY IS SUBJECT TO THE RESTRICTIONS ON TRANSFER SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF. PRIOR TO THE EXPIRATION OF A RESTRICTED PERIOD ENDING ON JANUARY 23, 2021 OR SUCH LATER DATE AS THE COMPANY MAY NOTIFY TO THE TRUSTEE, THIS SECURITY, OR ANY BENEFICIAL INTEREST HEREIN, MAY NOT BE RESOLD OR OTHERWISE TRANSFERRED EXCEPT (A)(1) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT OR (2) TO A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT IN COMPLIANCE WITH RULE 144A, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION.

The transfer or exchange of a beneficial interest in a Regulation S Global Note for a beneficial interest in a corresponding 144A Global Note prior to the expiration of the restricted period will be made only in accordance with applicable procedures upon receipt by the trustee of a duly completed certificate from the transferor to the effect that such transfer is being made in accordance with Rule 144A under the Securities Act. Such written certification will no longer be required after the expiration of the restricted period. The transfer or exchange of a beneficial interests in a Rule 144A Global Note for a corresponding beneficial interest in a Regulation S Global Note, whether before or after the expiration of the restricted period, will be made only upon receipt by the trustee of a written certification from the transferor to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

For so long as the notes are listed on the Luxembourg Stock Exchange, if the notes are ever issued in certificated form:

- Certificated Notes will be delivered by the trustee as described in this offering memorandum and at the offices of the paying agent; and

- holders of notes in certificated form will be able to transfer or exchange their notes at the offices of the transfer agent.

Any resale or other transfer, or attempted resale of other transfer, made other than in compliance with the above stated restrictions shall not be recognized by us.

For further discussion of the requirements (including the presentation of transfer certificates) under the indenture to effect exchanges or transfers of interests in Global Notes, see "Description of Notes—Registration, Form and Delivery—Certain Book-Entry Procedures for the Global Notes."

We have prepared this offering memorandum solely for use in connection with the offer and sale of the notes outside the United States, for the private placement of the notes in the United States and for the listing on the Luxembourg Stock Exchange. We and the initial purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the amount of notes offered pursuant to Rule 144A under the Securities Act. This offering memorandum does not constitute an offer to any person in the United States other than any QIB under the Securities Act to whom an offer has been made directly by the initial purchasers or an affiliate of the initial purchasers.

Each purchaser of notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells notes or possesses or distributes this offering memorandum or any part of it and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or resales, and neither the Company nor the initial purchasers shall have any responsibility therefor.

VALIDITY OF THE NOTES

The validity of the notes will be passed upon for CODELCO by Cleary Gottlieb Steen & Hamilton LLP, New York, New York, United States counsel for CODELCO, and by Carey y Cía. Ltda., Chilean counsel to CODELCO, and for the initial purchasers by Davis Polk & Wardwell LLP, United States counsel for the initial purchasers, and by Philippi, Prietocarrizosa, Ferrero DU & Uría SpA, Chilean counsel for the initial purchasers. Cleary Gottlieb Steen & Hamilton LLP may rely without independent investigation as to all matters of Chilean law on Carey y Cía. Ltda., and Davis Polk & Wardwell LLP may rely without independent investigation as to all matters of Chilean law on Philippi, Prietocarrizosa, Ferrero DU & Uría SpA.

INDEPENDENT AUDITORS

The financial statements of CODELCO and its subsidiaries as of and for the years ended December 31, 2019 and 2018 and as of and for the years ended December 31, 2018 and 2017, included in this offering memorandum, have been audited by Deloitte Auditores y Consultores Ltda., independent auditors, as stated in their reports appearing herein (which reports express unmodified opinions and include, respectively, an explanatory paragraph referring to the convenience translation of the financial statements into English).

GLOSSARY OF CERTAIN MINING TERMS

Andesite: A fine-grained volcanic rock, usually dark grey in color, with an average composition of 50-60% sulphur dioxide.

Anode Copper: Blister copper that has undergone further refinement to remove impurities. In an anode furnace, the blister copper is blown with air and a hydrocarbon redundant to upgrade its purity to approximately 99.5% copper. It is then cast into keystone-shaped slabs that are shipped to an electrolytic refinery.

Anodic Slime: A product with a high content of precious metals that settles on the bottom of an electrolytic cell in the copper refinery during the production of copper cathodes. The product is called anode, or anodic, slime due to its muddy appearance. Anode slimes have a high commercial value based on their precious metals content (silver, gold, platinum and palladium).

Blister Copper: Copper that has been cast after passing through a converter. Blister copper is approximately 99.0% copper and takes its name from the "blisters" that form on the surface during cooling.

Breccia: A rock conglomerate made up of highly angular coarse fragments.

Calcopyrite: A combination of copper and iron sulfide with a metallic yellow-gold color, containing 34.7% copper, 30% iron and 26% sulfur.

Cathode: Copper produced by an electrochemical refining process that has been melted and cast into cakes, billets, wire bars or rods usually weighing approximately 90kg.

Concentration: The process by which crushed and ground ore is separated into metal concentrates and reject material through processes such as flotation. Concentrates are shipped to a smelter for further processing.

Concentrator: A plant where concentration takes place.

Converter: A plant that conducts a principal phase of the smelting process, blowing oxygen-enriched air through, molten metal, causing oxidation and the removal of sulfur and other impurities. In the case of copper, the product of this process is blister copper.

Copper Concentrate: A product of the concentrator usually containing 25% to 30% copper. It is the raw feed material for smelting.

Copper Grade: The concentration of copper in a given volume of rock, usually expressed as a percentage.

Dacite: A fine-grained volcanic rock similar in composition to andesite but containing a greater abundance of quartz crystals that are frequently visible to the naked eye.

Development: Activities related to the building of infrastructure and the stripping and opening of mineral deposits, commencing when economically recoverable reserves can reasonably be estimated to exist and generally continuing until commercial production begins.

Diorite: A dark, coarsely crystalline igneous rock, similar in composition to granite that is composed principally of silica, alumina, calcium and iron.

Electrolytic Refining: Electrochemical refining of copper anodes. Copper anodes are placed between layers of refined copper sheets in a tank through which an acid copper sulfate solution is circulated. A low voltage current is introduced, causing the transfer of copper from the anodes to the pure copper sheets, and producing 99.98% copper cathodes. Impurities, often containing precious metals, settle to the bottom of the tank.

Electrowinning: The process of directly recovering copper from solution by the action of electric currents.

Exploration: Activities associated with ascertaining the existence, location, extent or quality of a mineral deposit.

Fine Copper: 99.99% pure copper obtained through metallurgical processes.

Flotation: A process of copper concentrate production in which mineral particles attach themselves to the bubbles in an oily froth and rise to the surface, where they are skimmed off. This process is used primarily for the concentration of sulfide ores.

Flux: A high grade silica, which reacts with iron oxides formed during smelting and converting stages to create a molten slag.

Geological Resources (measured, indicated and inferred): Concentrations or occurrences of materials in such form, quantity (tonnage and ore grade) and quality, based on specific geological evidence and knowledge, which allows for the calculation of the amount, ore grade and quality of the material with some level of confidence.

Grade A Copper: Electrolytic copper, in the form of cathodes, that (i) is at least 99.99% pure, (ii) meets the LME's highest standards for copper quality, and (iii) is named in the LME-approved list of brands of Grade A copper.

Indicated Resources (geological or mineral resources): Resources about which CODELCO's knowledge is substantial but less extensive than its knowledge of measured resources.

Inferred Resources (geological or mineral resources): Resources about which CODELCO's knowledge is only indirect.

Intrusion: A geologic processes in which magmatic material flows to the earth's surface through pre-existing rocks.

Leached Capping: An abundant mass of iron oxide concentrated in the upper zones of a porphyry copper deposit.

Leaching: The process of extracting a soluble metallic compound from an ore by selectively dissolving it in a suitable solvent.

Matte: A high density liquid that is produced during the concentrate fusion stage of the pyro-metallurgical process.

Matte Sulfide: A high density liquid containing copper and iron sulfides that is produced of the concentrate fusion stage of the pyro-metallurgical process.

Measured Resources (geological or mineral resources): Resources about which CODELCO's knowledge is both extensive and direct.

Milling: A treatment process in which ore is ground into a fine powder.

Mine: Mines are the source of mineral-bearing material found near the surface or deep in the ground.

Mineral Deposit: A mineralized underground body that has been probed by a sufficient number of closely-spaced drill holes and/or underground sampling measurements to support an estimate of sufficient tonnage and ore grade to warrant further exploration or development. Mineral deposits or mineralized materials do not qualify as commercially minable ore reserves (*i.e.*, proved reserves or probable reserves), as prescribed under standards of the U.S. Bureau of Mines Circular 831 of 1980, until a final and comprehensive economic, technical, and legal feasibility study based upon the test results has been concluded.

Mineral Resources (measured, indicated and inferred): Geological resources about which CODELCO has achieved increased knowledge and which enable CODELCO to generate a long-term mining plan for the exploitation of such resources.

Mineralization: A deposit of rock containing one or more minerals for which the economics of recovery have not yet been established.

Molybdenum: A metallic element, grayish in color, that resembles chromium and tungsten in many properties, and is used especially in strengthening and hardening steel.

Ore: A mineral or aggregate of minerals from which metal can be economically mined or extracted.

Ore Grade: The average amount of metal expressed as a percentage or in ounces per metric ton.

Ore Deposit: Category including all geological resources, mineral resources and ore reserves.

Ore Reserves: The economically mineable part of a mineral resource.

Ounces: Unit of weight. A troy ounce equals 31,103 grams or 1.097 avoirdupois ounces.

Outokumpu Flash Furnace: Pyro-metallurgical technology used to smelt copper concentrate.

Overburden: The alluvium and rock that must be removed in order to expose an ore deposit.

Oxide Ore: Metalliferous minerals altered by weathering, surface waters, and their conversion, partly or wholly, into oxides, carbonates, or sulfates.

Pierce Smith Converter: Horizontal furnace to remove impurities from white metal by oxidation.

Porphyry: Rock with siliceous minerals and fine-medium grained size.

Porphyry-type Ore Body: Deposit of porphyric rocks with economic mineralization.

Probable Ore Reserves: Ore reserves about which CODELCO's knowledge is substantial but less extensive than its knowledge of proved ore reserves.

Proved Ore Reserves: Ore reserves about which CODELCO's knowledge is both extensive and direct. Quantities of proved ore reserves are computed from dimensions revealed in outcrops, trenches, workings or drill holes, and grade and quality are computed from the results of detailed sampling. Sites for inspection, sampling and measurement of proved ore reserves are spaced so closely together, and the geologic character of the ore is so well defined, that its size, shape, depth and mineral content are well established.

Reclamation: The process of restoring mined land to a condition established by applicable law. Reclamation standards vary widely, but usually address issues of ground and surface water, topsoil, final slope gradients, overburden and revegetation.

Refining: The purification of crude metallic substances.

Reverberatory Furnace: A furnace with a shallow hearth and a ceiling that reflects flames toward the hearth or radiates heat toward the surface of the charge.

Rod Mill: A large rotating cylinder in which metal rods are used for grinding ore.

Slag: A residue of the smelting process containing iron and other impurities, which the Company disposes of with its other industrial solid waste.

Smelting: A pyro-metallurgical process in which metal is separated by fusion from those impurities with which it may be chemically combined or physically mixed.

Solvent Extraction: A method of separating one or more substances from a chemical solution by treatment with a suitable organic solvent.

Subvertical: Amount of waste material removed during mining per metric ton of ore extracted in a near-vertical spatial orientation.

Sulfide Ore: Ore characterized by the inclusion of metal in the crystal structure of a sulfide mineral.

Tabular: Having a near-rectangular geometric configuration close to a rectangular shape.

Tailings: Finely ground rock from which valuable minerals have been extracted by concentration.

Teniente Converter: A horizontal rotary furnace into which matte, concentrates and flux are placed, and through which oxygen-rich air is blown to provide sufficient heat to smelt the concentrates. Off-gases are captured and transported to the acid plant.

Teniente Modified Converter: An advanced pyro-metallurgical technology used to smelt copper concentrate.

Ton: A unit of weight. One metric ton equals 2,204.6 pounds. One short ton equals 2,000 pounds. Unless otherwise specified in this document, "tons" refers to metric tons.

Tourmaline: A dark-green hydrosilicate that exists in altered rock zones in some ore deposits.

GENERAL INFORMATION

Authorization

The Ministry of Finance of Chile authorized CODELCO to commence negotiations to issue bonds abroad through Resolution N° 2741 dated November 26, 2020. The Ministry of Finance of Chile authorized the issuance of the notes by Resolution N° 2796 dated December 4, 2020.

CODELCO's Board of Directors authorized the issuance of the notes in its ordinary session of October 29, 2020 by means of Reserved Agreement N° 31/2020. CODELCO has obtained all other consents and authorizations necessary under Chilean law for the issuance of the notes.

Litigation

CODELCO is not involved in any litigation or arbitration proceeding which is material in the context of the issuance of the notes. CODELCO is not aware of any material litigation or arbitration proceeding that is pending or threatened.

Clearing

CODELCO has applied to have the notes accepted into DTC's book-entry settlement system. The notes have been accepted for clearance through the clearing systems of Euroclear System and Clearstream Banking, S.A. The securities codes for the notes are:

	CUSIP Number	ISIN Number	Common Code
Rule 144A Global Note	21987B BD9	US21987BBD91	227311053
Regulation S Global Note.....................	P3143N BM5	USP3143NBM58	227311070

Listing

We intend to apply to list the notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market of the Luxembourg Stock Exchange in accordance with its rules and regulations. The notes are not yet listed. If any European or national legislation is adopted and is implemented or takes effect in Luxembourg in a manner that would impose requirements on us that CODELCO, in its discretion determines are impracticable or unduly burdensome, CODELCO may de-list the notes. In these circumstances, there can be no assurance that CODELCO would obtain an alternative admission to listing, trading and/or quotation for the notes by another listing authority, exchange and/or system within or outside the EU. For information regarding the notice requirements associated with any delisting decision, see "Description of Notes—Notices."

CODELCO has initially appointed The Bank of New York Mellon SA/NV, Luxembourg Branch to serve as its Luxembourg listing agent. You can contact the Luxembourg listing agent at the addresses listed on the inside back cover of this offering memorandum. CODELCO will maintain a paying agent so long as the notes are listed on the Luxembourg Stock Exchange. Any change in the paying agent will be communicated to the Luxembourg Stock Exchange and through publication in a daily newspaper in Luxembourg.

As long as the notes are listed on the Luxembourg Stock Exchange, you may receive free of charge copies of the following documents at the offices of the listing agent or the paying agent on any business day:

- this offering memorandum;
- the indenture attaching the forms of the notes;
- CODELCO's statutory documents;
- English translations of the official letter authorizing the incurrence of indebtedness as issued by the Ministry of Finance; and

- the most recent annual report, including the Consolidated Financial Statements, of CODELCO.

Copies of the indenture may be physically inspected during usual business hours on any weekday (excluding Saturday, Sundays and public holidays) at the offices of the trustee at 240 Greenwich Street, Floor 7 East, New York, New York 10286.

The notes have been issued in registered, book-entry form through the facilities of DTC, and will be issued in certificated form only under the limited circumstances described in this offering memorandum.

Financial Condition

There has been no material adverse change in CODELCO's financial condition and prospects since the date of the last audited financial statements.

CORPORACION NACIONAL
DEL COBRE DE CHILE

Unaudited interim consolidated financial statements
As of September 30, 2020 and for the nine-month and
three-month periods ended September 30, 2020 and 2019

CODELCO – CHILE

Unaudited interim consolidated financial statements as of September 30, 2020 and for the nine-month and three-month periods ended September 30, 2020 and 2019

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

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CONSOLIDATED FINANCIAL STATEMENTS

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of September 30, 2020 (Unaudited) and December 31, 2019
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	9/30/2020	12/31/2019
Assets			
Current Assets			
Cash and cash equivalents	1	3,453,889	1,303,105
Other current financial assets	11	203,857	172,951
Other current non-financial assets		42,206	20,969
Trade and other current receivables	2	2,333,987	2,588,268
Accounts receivable from related parties, current	3	21,523	20,874
Inventories	4	2,028,282	1,921,135
Current tax assets	6	55,039	22,719
Total current assets		**8,138,783**	**6,050,021**
Non-current assets			
Other non-current financial assets	11	66,869	91,800
Other non-current non-financial assets		3,237	4,561
Non-current receivables	2	91,160	98,544
Accounts receivable from related parties, non-current	3	13,194	15,594
Non-current inventories	4	568,836	585,681
Investments accounted for using equity method	9	3,470,552	3,483,523
Intangible assets other than goodwill		46,104	47,837
Property, plant and equipment	7	29,390,808	29,268,012
Investment property		981	981
Right-of-use assets	8	396,775	432,152
Non-current tax assets	6	173,013	222,169
Deferred tax assets	5	46,157	43,736
Total non-current assets		**34,267,686**	**34,294,590**
Total Assets		**42,406,469**	**40,344,611**

The accompanying notes are an integral part of these interim consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of September 30, 2020 (Unaudited) and December 31, 2019
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	9/30/2020	12/31/2019
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	12	948,687	1,250,590
Current lease liabilities	8	126,236	127,761
Trade and other current payables	15	1,115,272	1,420,915
Accounts payable to related parties, current	3	159,387	137,234
Other current provisions	16	506,300	502,172
Current tax liabilities	6	4,139	13,857
Current provisions for employee benefits	17	324,238	435,565
Other current non-financial liabilities		33,534	34,863
Total current liabilities		**3,217,793**	**3,922,957**
Non-current liabilities			
Other non-current financial liabilities	12	18,861,309	16,233,113
Non-current lease liabilities	8	269,157	305,110
Non-current payables		443	8,346
Other non-current provisions	16	2,084,288	2,090,487
Deferred tax liabilities	5	5,141,451	4,860,881
Non-current provisions for employee benefits	17	1,152,540	1,283,357
Other non-current non-financial liabilities		2,666	5,693
Total non-current liabilities		**27,511,854**	**24,786,987**
Total liabilities		**30,729,647**	**28,709,944**
Equity			
Issued capital		5,619,423	5,619,423
Accumulated deficit		(134,156)	(196,260)
Other reserves	18	5,272,097	5,291,747
Equity attributable to owners of the parent		**10,757,364**	**10,714,910**
Non-controlling interests	18	919,458	919,757
Total equity		**11,676,822**	**11,634,667**
Total liabilities and equity		**42,406,469**	**40,344,611**

The accompanying notes are an integral part of these interim consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) – BY FUNCTION
For the nine month and three month periods ended September 30, 2020 and 2019 (Unaudited)
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	1/1/2020 9/30/2020	1/1/2019 9/30/2019	7/1/2020 9/30/2020	7/1/2019 9/30/2019
Revenue	19	9,228,639	8,808,184	3,989,782	2,891,435
Cost of sales		(7,310,693)	(7,256,283)	(2,797,494)	(2,594,371)
Gross profit		**1,917,946**	**1,551,901**	**1,192,288**	**297,064**
Other Income, by function	21.a	75,253	206,981	12,145	116,268
Net (reversal) provision under IFRS 9		(934)	1,176	594	588
Distribution costs		(6,995)	(12,647)	(1,945)	(4,863)
Administrative expenses		(262,416)	(303,025)	(84,053)	(99,579)
Other expenses	21.b	(969,845)	(1,328,133)	(376,973)	(342,807)
Other gains		18,264	17,038	3,546	3,924
Income (loss) from operating activities		**771,273**	**133,291**	**745,602**	**(29,405)**
Finance income		35,412	22,504	6,879	4,836
Finance costs	22	(520,374)	(360,104)	(182,375)	(99,965)
Share of profit of associates and joint ventures accounted for using equity method	9	9,713	11,863	22,230	6,630
Foreign exchange difference	24	136,947	114,946	(126,318)	175,128
Income (loss) for the period before tax		**432,971**	**(77,500)**	**466,018**	**57,224**
Income tax expense	5	(361,048)	(20,499)	(347,729)	(54,989)
Net income (loss) for the period		**71,923**	**(97,999)**	**118,289**	**2,235**
Net income (loss) attributable to owners of parent		64,656	(105,530)	111,793	(957)
Net income attributable to non-controlling interests	18.b	7,267	7,531	6,496	3,192
Net income (loss) for the period		**71,923**	**(97,999)**	**118,289**	**2,235**

The accompanying notes are an integral part of these interim consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME (LOSS)
CONTINUED

For the nine month and three month periods ended September 30, 2020 and 2019 (Unaudited)
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	1/1/2020 9/30/2020	1/1/2019 9/30/2019	7/1/2020 9/30/2020	7/1/2019 9/30/2019
Net income (loss) for the period		71,923	(97,999)	118,289	2,235
Components of other comprehensive income that will not be reclassified to profit or loss, before tax:					
Loss on remeasurement of defined benefit plans, before tax		(2,288)	(10,882)	(73)	(7,021)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified to profit or loss before tax		-	2,364	-	2,364
Other comprehensive loss that will not be reclassified to profit or loss before tax		**(2,288)**	**(8,518)**	**(73)**	**(4,657)**
Components of other comprehensive income that will be reclassified to profit or loss, before tax:					
Gain (loss) on exchange difference on translation, before tax		2,834	(1,990)	1,607	(1,867)
(Loss) gain on cash flow hedges, before tax		(61,841)	(40,540)	39,975	22,528
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method		(58)	11	(56)	4
Other comprehensive (loss) income that will be reclassified to profit or loss before tax		**(59,065)**	**(42,519)**	**41,526**	**20,665**
Other comprehensive (loss) income, before tax		**(61,353)**	**(51,037)**	**41,453**	**16,008**
Income tax effect of components of other comprehensive income which will be reclassified to profit or loss					
Income tax effect relating to benefit plans in other comprehensive income	5	1,506	7,349	41	4,784
Income tax effect of components of other comprehensive income which will be reclassified to profit or loss					
Income tax effect related to cash flow hedges in other comprehensive income	5	40,197	26,351	(25,983)	(14,643)
Total other comprehensive (loss) income		**(19,650)**	**(17,337)**	**15,511**	**6,149**
Total comprehensive income (loss)		**52,273**	**(115,336)**	**133,800**	**8,384**
Comprehensive income (loss) attributable to:					
Comprehensive income (loss) attributable to owners of the parent		45,006	(122,867)	127,304	5,192
Comprehensive income attributable to non-controlling interests	18.b	7,267	7,531	6,496	3,192
Total comprehensive income (loss)		**52,273**	**(115,336)**	**133,800**	**8,384**

The accompanying notes are an integral part of these interim consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD
For the nine month periods ended September 30, 2020 and 2019 (Unaudited)
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	1/1/2020 9/30/2020	1/1/2019 9/30/2019
Cash flows provided by operating activities:			
Receipts from sales of goods and rendering of services		9,442,138	9,437,523
Other cash receipts from operating activities	25	1,443,227	1,436,936
Payments to suppliers for goods and services		(5,665,521)	(6,070,326)
Payments to and on behalf of employees		(1,129,790)	(1,423,993)
Other cash payments from operating activities	25	(1,680,968)	(976,755)
Dividends received		22,715	84,372
Income taxes paid		(24,978)	(60,209)
Cash flows provided by operating activities		2,406,823	2,427,548
Cash flows used in investing activities:			
Other payments to acquire equity or debt instruments of other entities		(176)	(240)
Other charges for the sale of interests in joint ventures and associates	9	-	193,480
Purchase of property, plant and equipment		(1,839,218)	(3,067,395)
Interest received		33,719	19,191
Other cash (outflow) inflow		(19,584)	209,244
Cash flows used in investing activities		(1,825,259)	(2,645,720)
Cash flows provided by financing activities:			
Proceeds from borrowings long term		3,496,000	3,779,309
Proceeds from borrowings short term		-	465,000
Total proceeds from borrowings		3,496,000	4,244,309
Repayment of borrowings		(1,117,874)	(1,843,960)
Payments of finance lease liabilities		(100,744)	(110,677)
Interest paid		(625,486)	(530,465)
Other cash (outflow) inflow		(57,470)	197,995
Cash flows provided by financing activities		1,594,426	1,957,202
Increase in cash and cash equivalents before effects of exchange difference		2,175,990	1,739,030
Effect of exchange rate changes on cash and cash equivalents		(25,206)	(913)
Increase in cash and cash equivalents		2,150,784	1,738,117
Cash and cash equivalents at beginning of period	1	1,303,105	1,229,125
Cash and cash equivalents at end of period	1	3,453,889	2,967,242

The accompanying notes are an integral part of these interim consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine month period ended September 30, 2020 and 2019 (Unaudited)
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

September 30,2020	Issued capital	Reserve on exchange differences on translation	Reserve of cash flow hedges	Reserve of remeasurement of defined benefit plans Note 17	Other miscellaneous reserves	Total other reserves Note 18	Accumulated deficit	Equity attributable to owners of the parent	Non-controlling interests Note 18	Total Equity
Initial balance as of 1/1/2020	**5,619,423**	**(6,672)**	**19,506**	**(305,770)**	**5,584,683**	**5,291,747**	**(196,260)**	**10,714,910**	**919,757**	**11,634,667**
Changes in equity:										
Net income							64,656	64,656	7,267	71,923
Other comprehensive income (loss)		2,834	(21,644)	(782)	(58)	(19,650)		(19,650)	-	(19,650)
Comprehensive income								45,006	7,267	**52,273**
Dividends							-	-		-
Capital contributions	-	-	-	-	-	-	-	-	-	-
Increase (decrease) through transfers and other changes	-	-	-	-	-	-	(2,552)	(2,552)	(7,566)	(10,118)
Total changes in equity	**-**	**2,834**	**(21,644)**	**(782)**	**(58)**	**(19,650)**	**62,104**	**42,454**	**(299)**	**42,155**
Final balance as of 9/30/2020	**5,619,423**	**(3,838)**	**(2,138)**	**(306,552)**	**5,584,625**	**5,272,097**	**(134,156)**	**10,757,364**	**919,458**	**11,676,822**

September 30,2019	Issued capital	Reserve on exchange difference on translation	Reserve of cash flow hedges	Reserve of remeasurement of defined benefit plans Note 17	Other miscellaneous reserves	Total other reserves Note 18	Accumulated deficit	Equity attributable to owners of the parent	Non-controlling interests Note 18	Total Equity
Initial balance as of 1/1/2019	**5,219,423**	**(6,863)**	**47,792**	**(274,480)**	**5,587,710**	**5,354,159**	**(198,917)**	**10,374,665**	**969,204**	**11,343,869**
Changes in equity:										
Net income (loss)							(105,530)	(105,530)	7,531	(97,999)
Other comprehensive income (loss)		(1,990)	(14,189)	(3,533)	2,375	(17,337)		(17,337)	-	(17,337)
Comprehensive income (loss)								(122,867)	7,531	(115,336)
Dividends							-	-		-
Capital contributions	400,000	-	-	-	-	-	-	400,000	-	400,000
Increase (decrease) through transfers and other changes	-	-	(247)	-	(2,116)	(2,363)	(418)	(2,781)	(55,683)	(58,464)
Total changes in equity	**400,000**	**(1,990)**	**(14,436)**	**(3,533)**	**259**	**(19,700)**	**(105,948)**	**274,352**	**(48,152)**	**226,200**
Final balance as of 9/30/2019	**5,619,423**	**(8,853)**	**33,356**	**(278,013)**	**5,587,969**	**5,334,459**	**(304,865)**	**10,649,017**	**921,052**	**11,570,069**

The accompanying notes are an integral part of these interim consolidated financial statements.

I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile (hereinafter referred to as "Codelco" or the "Corporation"), is, in Management´s opinion, the largest copper producer in the world. Codelco's most important product is refined copper, primarily in the form of cathodes. The Corporation also produces copper concentrates, blister and anode copper and by-products such as molybdenum, anode slime and sulfuric acid.

The Corporation trades its products based on a policy aimed to sell refined copper to manufacturers or producers of semi-manufactured products.

These products contribute to diverse fields of community development, particularly those intended to improve areas such as public health, energy efficiency, and sustainable development, among others.

The Corporation is registered under Securities Registry No. 785 of the Chilean Commission for the Financial Market (the "CMF") and is subject to its supervision. According to Article No. 10 of Law No. 20392 (related to the new Corporate Governance of Codelco), such supervision shall be on the same terms as publicly traded companies, notwithstanding the provisions in Decree Law (D.L.) No.1349 of 1976, which created the Comisión Chilena del Cobre ("Chilean Copper Commission").

Codelco's head office is located in Santiago, Chile, at 1270 Huérfanos Street, telephone number (56-2) 26903000.

Codelco was incorporated through D.L. No. 1350 of 1976, which is the statutory decree applicable to the Corporation. In accordance with the statutory decree, Codelco is a government-owned mining, industrial and commercial company, which is a separate legal entity with its own equity. Codelco Chile currently carries out its mining business through its Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina, El Teniente and Ventanas divisions.

The Corporation also carries out similar activities in other mining deposits in association with third parties.

In accordance with letter e) of Article 10 of Law No. 20392, Codelco is governed by its organic standards set forth in Decree Law No. 1350 (D.L. No. 1350) and that of its by-laws, and in matters not covered by them and, insofar as they are compatible and do not contradict the provisions of such standards, by the rules that govern publicly traded companies and the common laws as applicable to them.

In accordance with D.L. No. 1350 Section IV related to the Company's Exchange and Budget Regulations. Codelco's financial activities are conducted following an annual budgeting program that is composed of an Operations Budget, an Investment Budget and a Debt Amortization Budget.

The tax system applicable to Codelco's taxable income is in accordance with Article 26 of D. L. No.1350 which refers to Decree Law No. 824 on Income Tax of 1974 and Decree Law No. 2398 (Article 2) of 1978, as applicable. The Corporation's taxable income is also subject to a Specific Mining Tax in accordance with Law No. 20026 of 2005.

According to Law No. 13196, the return on foreign currency of the Corporation's foreign sales (real income), of its copper production, including its by-products, is taxed at 10% and method of payment and the duration of this obligation for Codelco, are specified in note 21 letter c) of this report.

The subsidiaries whose financial statements are included in these unaudited consolidated financial statements correspond to companies located in Chile and abroad, which are detailed in Note II.2.d.

The associates located in Chile and abroad, are detailed in the Explanatory Notes Section III of Note 9.

2. Basis of Presentation of the Consolidated Financial Statements

The Corporation's consolidated statements of financial position as of September 30, 2020 (unaudited) and December 31, 2019 and the unaudited consolidated statements of comprehensive income for the nine month and three month periods ended September 30, 2020 and 2019, changes in equity and of cash flows for the nine month periods ended September 30, 2020 and 2019, have been prepared in accordance with International Accounting Standards (IAS) No. 34. Interim Financial Reporting, as incorporated in International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These unaudited interim consolidated financial statements include all information and disclosures required in annual financial statements.

These unaudited interim consolidated financial statements have been prepared from accounting records maintained by the Corporation.

The unaudited interim consolidated financial statements of the Corporation are presented in thousands of United States dollar ("U.S. dollar").

Responsibility for the Information and Use of Estimates

The Board of Directors of the Corporation has been informed of the information included in these unaudited interim consolidated financial statements and expressly declared its responsibility for the consistent and reliable nature of the information included in such financial statements as of September 30, 2020 and for the nine-month and three-month periods ended September 30, 2020 and 2019, which financial statements fully comply with IFRS as issued by the IASB. These unaudited interim consolidated financial statements as of September 30, 2020 and for the nine- and three-month periods ended September 30, 2020 and 2019 were approved by the Board of Directors at a meeting held on October 29, 2020.

Accounting Principles

These unaudited interim consolidated financial statements reflect the financial position of Codelco and its subsidiaries as of September 30, 2020 and December 31, 2019, and the results of their operations, changes in equity and cash flows for the nine month and three month periods ended September 30, 2020 and 2019, and their related notes, all prepared in accordance with IAS 34, Interim Financial Reporting, in consideration of the presentation instructions of the Commission for the Financial Markets, where not in conflict with IFRS.

For the convenience of the English readers, these consolidated financial statements and their accompanying notes have been translated from Spanish into English.

II. SIGNIFICANT ACCOUNTING POLICIES

1. Significant Judgments and Key Estimates

In preparing these unaudited interim consolidated financial statements, the use of certain critical accounting estimates and assumptions that affect the amounts of assets and liabilities recognized as of the date of the financial statements and the amounts of revenue and expenses recognized during the reporting period is required. Such preparation also requires the Corporation's Management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

a) **Useful economic lives and residual values of property, plant and equipment -** The useful lives and residual values of property, plant and equipment that are used for calculating depreciation are determined based on technical studies prepared by internal specialists. The technical studies consider specific factors related to the use of assets.

   When there are indicators that could lead to changes in the estimates of the useful lives of such assets, these changes are made by using technical estimates to determine the impact of any change.

b) **Ore reserves -** The measurements of ore reserves are based on estimates of the ore resources that are legally and economically exploitable, and reflect the technical and environmental considerations of the Corporation regarding the amount of resources that could be exploited and sold at prices exceeding the total cost associated with the extraction and processing.

   The Corporation applies judgment in determining the ore reserves, and as such, possible changes in these estimates might significantly impact the estimates of net revenues over time. In addition, these changes might lead to modifications in usage estimates, which might have an effect on depreciation and amortization expense, calculation of stripping cost adjustments, determination of impairment losses, expected future disbursements related to decommissioning and restoration obligations, long term defined benefits plans' accounting and the accounting for financial derivative instruments.

The Corporation estimates its reserves and mineral resources based on the information certified by the Competent Persons internal and external of the Corporation, who are defined and regulated according to Law No. 20235. These estimates correspond to the application of the Certification Code of Ore Reserves, Resources and Exploration, issued by the Mining Committee which was instituted through the aforementioned law.
Notwithstanding the foregoing, the Corporation periodically reviews its estimation models, supported by experts who, in some divisions, also certify the reserves determined from these models.

c) **Impairment of non-financial assets -** The Corporation reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss. In testing impairment, the assets are grouped into cash generating units ("CGUs") to which the assets belong, where applicable. The recoverable amount of these CGUs is calculated as the present value of the expected future cash flows from such assets, considering a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of the assets is lower than their carrying amount, an impairment loss is recognized.

The Corporation defines the CGUs and also estimates the timing and cash flows that such CGUs will generate. Subsequent changes in the grouping of the CGU, or changes in the assumptions supporting the estimates of cash flows or the discount rate, may impact the carrying amounts of the corresponding assets.

Estimates of assumptions influencing the calculation of cash flows, such as the price of copper or treatment charges and refining charges, among others, are determined based on studies conducted by the Corporation using uniform criteria over different periods. Any changes to these criteria may impact the estimated recoverable amount of the assets.

The Corporation has assessed and defined that the CGUs are determined at the level of each of its current operating divisions (see Segment footnote).

Impairment testing also is performed at subsidiaries and associates.

d) **Provisions for decommissioning and site restoration costs -** The Corporation is obliged to incur decommissioning and site restoration costs when such site restoration or decommissioning is required due to a legal or constructive obligation. Costs are estimated on the basis of a formal closure plan and are reassessed annually or as of the date such obligations become known. The initial estimate of decommissioning and site restoration costs is recognized as property, plant and equipment in accordance with IAS 16, and simultaneously a liability in accordance with IAS 37, is recorded.

For these purposes, a defined list of mine sites, facilities and other equipment are studied under this process, considering the engineering level profile, the cubic meters of assets that will be subject to removal and restoration, weighted by a structure of market prices of goods and services, reflecting the best current knowledge related to carrying out such activities, as well as techniques and more efficient construction procedures to date. In the process of valuation of these activities, the assumptions of the exchange rate for tradable goods and services is made, as well as a discount rate, which considers the time value of money and the risks associated with the liabilities, which is determined based, where applicable, on the currency in which disbursements are expected to be made.

The liability amounts recognized at the end of each reporting date represent management's best estimate of the present value of the future decommissioning and site restoration costs. Changes to estimated future costs that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate are added to, or deducted from, the cost of the related asset in the current period (as well as the associated liability). The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

If the adjustment results in an addition to the cost of the asset, Codelco considers whether this is an indicator that the new carrying amount of the asset may not be fully recoverable. If it is considered such an indicator, Codelco tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss in accordance with IAS 36.

The decommissioning costs are initially recorded at the moment when a plant or other assets are installed. Such costs are capitalized as part of property, plant and equipment and discounted to their present value. These decommissioning costs are charged to net income over the life of the mine, through depreciation of the corresponding asset. Depreciation expense is included in cost of sales, while the unwinding of the discount in the provision is included in finance costs.

e) **Provisions for employee benefits –** Provisions for employee benefits related to severance payments and health benefits for services rendered by the employees are determined based on actuarial calculations using the projected unit credit method, and are recognized in other comprehensive income or profit or loss (depending on the accounting standards applicable).on accrual bases.

The Corporation uses assumptions to determine the best estimate of future obligations related to these benefits. Such estimates, as well as assumptions, are determined by management using the assistance of external actuaries. These assumptions include demographic assumptions, discount rate and expected salary increases and rotation levels, among other factors.

f) **Accruals for open invoices -** The Corporation uses information on future copper prices, through which it recognizes adjustments to its revenues and trade receivables, due to the conditions in provisional pricing arrangements. These adjustments are updated on a monthly basis, See Notes 2 r) "Revenue from contracts with customers" of Note 2 "Significant accounting policies" below.

g) **Fair value of derivatives and other financial instruments -** Management may use its judgment to choose an adequate and proper valuation method for financial instruments that are not quoted in an active market. In the case of derivative financial instruments, assumptions are based on observable market inputs, adjusted depending on factors specific to the instruments among others.

h) Lawsuits and contingencies - The Corporation assesses the probability of lawsuits and contingency losses on an ongoing basis according to estimates performed by its legal advisors. For cases in which management and the Corporation's legal advisors believe that a loss is not probable of occurring or where probable, may not be estimated reliably, no provisions are recognized. When it is considered more likely than not that a loss is probable and it may be reliably estimated, a provision is recognized.

i) Application of IFRS 16 includes the following:

- Estimation of the lease term;
- Determine if it is reasonably certain that an extension or termination option will be exercised;
- Determination of the appropriate rate to discount lease payments.

j) Revenue recognition –The Corporation determines appropriate revenue recognition for its contracts with customers by analyzing the type, terms and conditions of each contract or agreement with a customer.

As part of the analysis, the management must make judgments about whether an agreement or contract is legally enforceable, and whether the agreement includes separate performance obligations. In addition, estimates are required in order to allocate the total price of the transaction to each performance obligation based on the stand-alone selling price of the promised goods or services underlying each performance obligation. (The Corporation applies the constraint on variable consideration as defined in IFRS 15, if applicable).

Although the abovementioned estimates have been made based on the best information available as of the date of issuance of these consolidated financial statements, it is possible that new developments could lead the Corporation to modify these estimates in the future. Such modifications, if applicable, would be adjusted prospectively, as required by IAS 8 "*Accounting Policies, Changes in Accounting Estimates and Errors*."

2. Significant accounting policies

a) Period covered - The accompanying interim consolidated financial statements of Corporación Nacional del Cobre de Chile include the following statements:

- Consolidated statements of financial position as of September 30, 2020 (unaudited) and December 31, 2019.
- Unaudited interim consolidated statements of comprehensive income for the nine month and three month periods ended September 30, 2020 and 2019.
- Unaudited interim consolidated statements of changes in equity for the nine month periods ended September 30, 2020 and 2019.
- Unaudited interim consolidated statements of cash flows for the nine month periods ended September 30, 2020 and 2019.

b) Basis of preparation - The unaudited interim consolidated financial statements of the Corporation as of September 30, 2020 and for the nine-month periods ended September 30, 2020 and 2019, have been prepared in accordance with the instructions from the Commission for the Financial Market which fully comply with IFRS as issued by the IASB.

The consolidated statement of financial position as of December 31, 2019, and the consolidated statement of income, the consolidated statement of changes in equity and consolidated statement of cash flows for the nine-month and three-month periods ended September 30, 2019 (unaudited), which are included for comparative purposes, have been prepared in accordance with IFRS issued by the IASB, on a basis consistent with the criteria used for the same periods ended September 30, 2020, except for the adoption of the new IFRS standards and interpretations adopted by the Corporation as of and for the nine-month periods ended September 30, 2020, which are disclosed in note II.3.

These consolidated financial statements have been prepared based on the accounting records kept by the Corporation.

c) Functional Currency - The functional currency of Codelco is the U.S. dollar, which is the currency of the primary economic environment in which the Corporation operates and the currency in which it receives its revenues.

The functional currency of subsidiaries, associates and joint ventures, is the currency of the primary economic environment in which those entities operate and the currency in which they receive their revenues. For those subsidiaries and associates that are an extension of the operations of Codelco (entities that are not self-sustaining and whose main transactions are with Codelco); the functional currency is also the U.S. dollar.

The presentation currency of Codelco's consolidated financial statements is the U.S. dollar.

d) Basis of consolidation - The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continue to be consolidated until the date such control ceases. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement from the date the Corporation gains control until the date when the Corporation ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Corporation, using consistent accounting policies.

All assets, liabilities, equity, income, expenses and cash flows related to transactions between consolidated companies are fully eliminated on consolidation. Non-controlling interests in equity and in the comprehensive income of the consolidated subsidiaries are presented, respectively, under the line items “Total Equity: Non-controlling interests” in the consolidated statement of financial position and “Net income attributable to non-controlling interests” and “Comprehensive income attributable to non-controlling interests” in the consolidated statement of comprehensive income.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The companies included in the consolidation are as follows:

Taxpayer ID Number	Company	Country	Currency	9/30/2020			12/31/2019
				% Ownership			% Ownership
				Direct	Indirect	Total	Total
Foreign	Chile Copper Limited	England	GBP	100.00	-	100.00	100.00
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.00	100.00	100.00
Foreign	Codelco Group Inc.	United States of America	US$	100.00	-	100.00	100.00
Foreign	Codelco International Limited	Bermuda	US$	100.00	-	100.00	100.00
Foreign	Codelco Kupferhandel GmbH	Germany	EUR	100.00	-	100.00	100.00
Foreign	Codelco Metals Inc.	United States of America	US$	-	100.00	100.00	100.00
Foreign	Codelco Services Limited	England	GBP	-	100.00	100.00	100.00
Foreign	Codelco Shanghai Company Limited	China	RMB	100.00	-	100.00	100.00
Foreign	Codelco USA Inc.	United States of America	US$	-	100.00	100.00	100.00
Foreign	Codelco Canada	Canada	US$	0.97	99.03	100.00	100.00
Foreign	Ecometales Limited	Channel Islands	US$	-	100.00	100.00	100.00
Foreign	Exploraciones Mineras Andinas Ecuador EMSAEC S.A.	Ecuador	US$	-	100.00	100.00	100.00
Foreign	Cobrex Prospeccao Mineral	Brazil	BRL	-	51.00	51.00	51.00
78.860.780-6	Compañía Contractual Minera los Andes	Chile	US$	99.97	0.03	100.00	100.00
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.69	-	96.69	96.69
88.497.100-4	Clínica San Lorenzo Limitada	Chile	CLP	99.90	0.10	100.00	100.00
96.817.780-K	Ejecutora Proyecto Hospital del Cobre Calama S.A.	Chile	US$	99.99	0.01	100.00	100.00
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	US$	99.99	0.01	100.00	100.00
96.991.180-9	Codelco Tec SpA	Chile	US$	99.91	0.09	100.00	100.00
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	US$	99.90	0.10	100.00	100.00
99.573.600-4	Clínica Río Blanco S.A.	Chile	CLP	99.00	1.00	100.00	100.00
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.00	1.00	100.00	100.00
77.773.260-9	Inversiones Copperfield SpA	Chile	US$	100.00	-	100.00	100.00
76.043.396-9	Innovaciones en Cobre S.A.	Chile	US$	0.05	99.95	100.00	100.00
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	US$	99.95	0.05	100.00	100.00
76.173.357-5	Inversiones Gacrux SpA	Chile	US$	100.00	-	100.00	100.00
76.231.838-5	Inversiones Mineras Nueva Acrux SpA	Chile	US$	-	67.80	67.80	67.80
76.237.866-3	Inversiones Mineras Los Leones SpA	Chile	US$	100.00	-	100.00	100.00
76.173.783-K	Inversiones Mineras Becrux SpA	Chile	US$	-	67.80	67.80	67.80
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	US$	-	100.00	100.00	100.00
76.255.061-K	Central Eléctrica Luz Minera SpA	Chile	US$	100.00	-	100.00	100.00
70.905.700-6	Fusat	Chile	CLP	-	-	-	-
76.334.370-7	Isalud Isapre de Codelco Ltda.	Chile	CLP	59.26	40.73	99.99	99.99
78.394.040-K	Centro de Servicios Médicos Porvenir Ltda.	Chile	CLP	-	99.00	99.00	99.00
77.928.390-9	Inmobiliaria e Inversiones Rio Cipreces Ltda.	Chile	CLP	-	99.90	99.90	99.90
77.270.020-2	Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	CLP	-	99.00	99.00	99.00
76.754.301-8	Salar de Maricunga SpA	Chile	CLP	100.00	-	100.00	100.00

On July 15, 2019, according to Bermuda Registration Certificate No. 28890, the merger between Codelco Technologies and Codelco International was reported, the latter being the absorbing company of Codelco Technologies, through which transaction it acquired 9.99 % of subsidiary Codelco Brasil Mineracao and 100% of Ecometales Limited.

On December 2, 2019, by public deed, a merger by incorporation was approved for the following subsidiaries, all of them providing health insurance: , Institución de Salud Previsional Chuquicamata Ltda., San Lorenzo Institución de Salud Previsional Ltda., Institución de Salud Previsional Río Blanco Ltda., and Institución de Salud Previsional Fusat Ltda., being the latter the absorbing and surviving company. In addition, a modification to the statutes was approved in relation to a change in the company name, capital increase, and ownership of the share capital.

For the purposes of these unaudited interim consolidated financial statements, subsidiaries, associates, acquisitions and disposals are defined as follows:

- **Subsidiaries -** A subsidiary is an entity over which the Corporation has control. Control is exercised if, and only if, the following conditions are met: the Corporation has i) power to direct the relevant activities of the subsidiaries unilaterally; ii) exposure or rights to variable returns from these entities; and iii) the ability to use its power to influence the amount of these returns.
  The Corporation reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

  The unaudited interim consolidated financial statements include all assets, liabilities, revenues, expenses and cash flows of Codelco and its subsidiaries, after eliminating all inter-company balances and transactions.

  The value of the participation of non-controlling shareholders in equity, net income and comprehensive income of subsidiaries are presented, respectively, in the headings "Non-controlling interests" of the consolidated statement of financial position; "Net income attributable to non-controlling interests"; and “Comprehensive income attributable to non-controlling interests” in the statements of comprehensive income.

- **Associates -** An associate is an entity over which Codelco has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

  Codelco’s interest ownership in associates is recognized in the consolidated financial statements under the equity method. Under this method, the initial investment is recognized at cost and adjusted thereafter to recognize changes in Codelco’s share of the comprehensive income of the associate, less any impairment losses or other changes to the investment in net assets of the associate.

  Appropriate adjustments to the Codelco’s share of the associate’s profit or loss after acquisition are made in order to account for depreciation of the depreciable assets and related deferred tax balances based on their fair values at the acquisition date.

- **Acquisitions and Disposals -** The results of businesses acquired are incorporated in the consolidated financial statements from the date when control is obtained; the results of businesses sold during the period are included in the consolidated financial statements up to the effective date of disposal. Gains or losses on disposal is the difference between the sale proceeds (net of expenses) and the carrying amount of the net assets attributable to the ownership interest that has been sold (and, where applicable, the associated cumulative translation adjustment).

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

If control is lost over a subsidiary, the retained ownership interest in the investment will be recognized at its fair value.

At the acquisition date of an investment in a subsidiary, associate or joint venture, any excess of the cost of the investment (consideration transferred) plus the amount of the non-controlling interest in the acquiree plus the fair value of any previously held equity interest in the acquiree, where applicable, over Codelco's share of the net fair value of the identifiable assets and acquired liabilities is recognized as goodwill. Any excess of Codelco´s share of the net fair value of the identifiable assets and acquired liabilities over the consideration transferred, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

e) Foreign currency transactions and reporting currency conversion- Transactions in currencies other than the Corporation's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency transactions denominated in foreign currencies are converted at the rates prevailing at that date. Exchange differences on such transactions are recognized in profit or loss in the period in which they arise and are included in line item "Foreign exchange differences" in the consolidated statement of comprehensive income.

At the end of each reporting period, assets and liabilities denominated in Unidades de Fomento (UF or inflation index-linked units of account) are translated into U.S. dollars at the closing exchange rates at that date (09/30/2020: US$36.42; 12/31/2019: US$37.81; 09/30/2019: US$38.52). The expenses and revenues in Chilean pesos have been expressed in dollars at the observed exchange rate, corresponding to the date of the accounting recording of each operation.

The financial statements of subsidiaries, associates and jointly controlled entities, whose functional currency is other than the presentation currency of Codelco, are translated as follows for purposes of consolidation:

- Assets and liabilities are translated using the prevailing exchange rate on the closing date of the financial statements.
- Income and expenses for each statement of comprehensive income are translated at average exchange rates for the period.
- All resulting exchange differences are recognized in other comprehensive income and accumulated in equity under the heading "Reserve on exchange differences on translation."

The exchange rates used in each reporting period were as follows:

Relation	Closing exchange ratios		
	9/30/2020	12/31/2019	9/30/2019
US$ / CLP	0.00127	0.00134	0.00137
US$ / GBP	1.29032	1.31320	1.22820
US$ / BRL	0.17768	0.24910	0.24045
US$ / EUR	1.17123	1.12133	1.09016
US$ / AUD	0.71649	0.70018	0.67508
US$ / HKD	0.12903	0.12844	0.12757

f) Offsetting balances and transactions - In general, assets and liabilities, income and expenses, are not offset in the financial statements, unless required or permitted by an IFRS or when offsetting reflects the substance of the transaction as well as when it is the intention of the Corporation to settle a transaction net.

Income or expenses arising from transactions which, for contractual or legal reasons, permit the possibility of offsetting and which the Corporation intends to liquidate for their net value or realize the assets and settle the liabilities simultaneously, are stated net in the statement of comprehensive income.

g) Property, plant and equipment and depreciation – Items of property, plant and equipment are initially recognized at cost. Subsequent to initial recognition, they are measured at cost, less any accumulated depreciation and any accumulated impairment losses.

Extension, modernization or improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life of the assets are capitalized as increasing the cost of the corresponding assets.

The assets included in property, plant and equipment are depreciated, as a general rule, using the units of production method, when the activity performed by the asset is directly attributable to the mine production process. All other assets included in property, plant and equipment are depreciated using the straight-line method.

The assets included in property, plant and equipment and certain intangibles (software) are depreciated over their economic useful lives, as described below:

Category	Useful Life
Land	Not depreciated
Land on mine site	Units of production
Buildings	Straight-line over 20-50 years
Buildings in underground mine levels	Units of production level
Vehicles	Straight-line over 3-7 years
Plant and equipment	Units of production
Smelters	Units of production
Refineries	Units of production
Mining rights	Units of production
Support equipment	Units of production
Intangibles – Software	Straight-line over 8 years
Open pit and underground mine development	Units of production

Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and any change in estimates is recognized prospectively.

Additionally, depreciation methods and estimated useful lives of assets, especially plants, facilities and infrastructure may be revised at the end of each year or during the year according to changes in the structure of reserves of the Corporation and productive long-term plans updated as of that date.

This review may be made at any time if the conditions of ore reserves change significantly as a result of new known information, confirmed and officially released by the Corporation.

Gains or losses on the sale of disposal of an asset are calculated as the difference between the net disposal proceeds received and the carrying amount of the asset, and are included in profit or loss when the asset is derecognized.

Construction in progress includes the amounts invested in the construction of property, plant and equipment and in mining development projects. Construction in progress is transferred to assets in operation once the testing period has ended and when they are ready for use; at that point, depreciation begins to be recognized.

Borrowing costs that are directly attributable to the acquisition or construction of assets that require a substantial period of time before they are ready for use or sale are capitalized as part of the cost of the corresponding items of property, plant and equipment.

The ore deposits owned by the Corporation are recorded in the accounting records at US$1.

Notwithstanding the above, those reserves and resources acquired as part of acquisition of entities accounted for as business combinations, are recognized at their fair value.

h) Intangible assets - The Corporation initially recognizes these assets at acquisition cost. Subsequent to initial recognition, intangible assets are amortized in a systematic way over their economic useful life, except for those assets with indefinite useful life, which are not amortized. Indefinitely-lived intangible assets are tested for impairment at least annually, and whenever there is an indication that these assets may be impaired. Definitely-lived intangible assets are tested for impairment when an indicator of impairment has been identified. At the end of each reporting period, these assets are measured at their cost less any accumulated amortization (when applicable) and any accumulated impairment losses.

The main intangible assets are described as follows:

Research and Technological Development and Innovation Expenditures: The expenditures for the development of Technology and Innovation Projects are recognized as intangible assets at their cost and are considered to have indefinite useful lives.

Development expenses for technology and innovation projects are recognized as intangible assets at cost, if and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will available for use or sale;
- The intention to complete the intangible asset is to use or sell it;

- The ability to use or sell the intangible asset;
- That the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Research expenses for technology and innovation projects are recognized in profit or loss when incurred.

i) Impairment of property, plant and equipment and intangible assets – The carrying amounts of property, plant and equipment and intangible assets with finite useful lives are reviewed to determine whether there is an indication that those assets have suffered an impairment loss. If any such indicator exists, the Corporation estimates the asset's recoverable amount to determine the extent of the impairment loss which is then recorded.

For intangible assets with indefinite useful lives, their recoverable amounts are annually estimated at the end of each reporting period.

When an asset does not generate cash flows that are independent from other assets, Codelco determines the recoverable amount of the CGU to which the asset belongs.

The Corporation has defined each of its divisions as a cash generating unit.

Recoverable amount of an asset is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. On the other hand, the fair value less cost of disposal is usually determined for operational assets considering the Life of Mine ("LOM"), based on a model of discounted cash flows, while the assets not included in LOM as resources and potential resources to exploit are measured by using a market model of multiples for comparable transactions.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, an impairment loss is recognized immediately in profit or loss, reducing the carrying amount to its recoverable amount. If an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years.

The estimates of future cash flow for a CGU are based on future production forecasts, future prices of basic products and future production costs. Under IAS 36 "*Impairment of Assets",* there are certain restrictions for future cash flows estimates related to future restructurings and future cost efficiencies. When calculating value in use, it is also necessary to base the calculations on the spot exchange rate at the date of calculation.

j) Expenditures for exploration and evaluation of mineral resources, mine development and mining operations - The Corporation has defined an accounting policy for each of these expenditures.

Development expenses for deposits under exploitation whose purpose is to maintain production levels are recognized in profit or loss when incurred.

Exploration and evaluation costs such as: drillings of deposits, including expenses necessary to locate new mineralized areas and engineering studies to determine their potential for commercial exploitation are recognized in profit or loss, normally at the pre-feasibility stage.

Pre-operating and mine development expenses (normally after feasibility engineering is reached) incurred during the execution of a project and until its start-up are capitalized and amortized in relation to the future production of the mine. These costs include stripping of waste material, constructing the mine's infrastructure and other works carried out prior to the production phase.

Finally, costs for defining of new areas or deposit areas in exploitation and of mining operations (PP&E) are recognized in property, plant and equipment and are amortized through profit or loss over the period during which the benefits are obtained.

k) Stripping costs - Costs incurred in removing mine waste materials (overburden) in open pits that are in production, that provide access to mineral deposits, are recognized in property, plant and equipment, when the following criteria set out in IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine are met:

- It is probable that the future economic benefits associated with the stripping activity will flow to the entity.
- It is possible to identify the components of an ore body for which access has been improved as a result of the stripping activity.
- The costs relating to that stripping activity can be measured reliably.

The stripping costs are amortized based on the production units of production extracted from the ore body related to the specific stripping activity which generated this amount.

l) Income taxes and deferred taxes - Codelco and its Chilean subsidiaries recognize annually income taxes based on the net taxable income determined as per the standards established in the Income Tax Law and Article 2 of D.L. 2398, as well as, the specific tax on mining referred to in Law 20026 of 2005. Its foreign subsidiaries recognize income taxes according to the tax regulations in each country.

In addition, Codelco's taxable income in each period is subject to the tax regime established in Article 26 of D.L. No. 1350, which states that tax payments will be made on March, June, September and December of each year, based on a provisional tax calculation.

Deferred taxes on temporary differences and other events that generate differences between the accounting and tax bases of assets and liabilities are recognized in accordance with IAS 12 "*Income taxes*."

Deferred taxes are also recognized for undistributed profits of subsidiaries and associates, originated by withholding tax rates on remittances of dividends paid out by such companies to the Corporation.

Income tax expense is recognized based on the best estimate of the weighted average annual effective income tax rate expected for the full financial year in interim periods.

m) Inventories - Inventories are measured at cost, when such does not exceed net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale (i,e,, marketing, sales and distribution expenses). Costs of inventories are determined according to the following methods:

- Finished products and products in process: These inventories are measured at their average production cost determined using the absorption costing method, including labor, depreciation of fixed assets, amortization of intangibles and indirect costs of each period. Inventories of products in process are classified in current and non-current, according to the normal cycle of operation.

- Materials in warehouse: These inventories are measured at their acquisition cost. The Corporation estimates an allowance for obsolescence considering the turnover rate of slow-moving materials in the warehouse.

- Materials in transit: These inventories are measured at cost incurred at the end of reporting period. Any difference as a result of an estimate of net realizable value of the inventories lower than it carrying amount is recognized in profit or loss.

n) Dividends – In accordance with Article 6 of D.L. 1350, the Corporation has a mandatory obligation to distribute its net income as presented in the financial statements. The payment obligation is recognized on an accrual basis.

o) Employee benefits - Codelco recognizes a provision for employee benefits when there is a present obligation (legal or constructive) as a result of services rendered by its employees.

The employment contracts stipulate, subject to compliance with certain conditions, the payment of an employee severance indemnity when an employment contract ends. In general, this corresponds to one monthly salary per year of service and considers the components of the final remuneration which are contractually defined as the basis for the indemnity. This employee benefit has been classified as a defined benefit plan.

Codelco has also agreed to post-employment medical care benefits for certain retirees, which are paid based on a fixed percentage covered by this agreement. This employee benefit has been classified as a defined benefit plan.

These plans continue to be unfunded as of September 30, 2020.

The employee severance indemnity and the post-employment medical plan obligations are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. The defined benefit plan obligations recognized in the statement of financial position represent the present value of the accrued obligations. Actuarial gains and losses are recognized immediately in other comprehensive income and will not be reclassified to profit or loss.

The Corporation's management uses assumptions to determine the best estimate of these benefits. The assumptions include an annual discount rate, expected increases in salaries and turnover rate, among other factors.

In accordance with its operating optimization programs to reduce costs and increase labor productivity by incorporating new current technologies and/or better management practices, the Corporation has established employee retirement programs by amending certain employment contracts or collective union agreements to include benefits encouraging employees to early retire. Accordingly, these arrangements are accounted for as early retirement benefits and required accruals are established based on the accrued obligation at current value. In case of employee retirement programs which involve multi-year periods, the accrued obligations are updated using a discount rate determined based on financial instruments denominated in the same currency and similar maturities that will be used to pay the obligations.

p) Provisions for decommissioning and site restoration costs - The Corporation is obliged to incur decommissioning and site restoration costs when such site restoration or decommissioning is required due to a legal or constructive obligation. Costs are estimated on the basis of a formal closure plan and cost estimates are annually reviewed.

A provision is recognized for decommissioning and site restoration costs. The amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The provision is initially recognized with a corresponding increase in the carrying amount of the related assets.

The provision for decommissioning and site restoration costs is accreted over time to reflect the unwinding of the discount with the accretion expense included in finance costs in the statement of income. The carrying amount of the related asset is depreciated over its useful life.

Changes in the measurement of the decommissioning and site restoration provision that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are added to, or deducted from, the cost of the related assets in the period when changes occurred. The amount deducted from the cost of the related assets cannot exceed it carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

If the adjustment results in an addition to the cost of an asset, the Corporation considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If such an indicator exists, the Corporation tests the asset for impairment by estimating its recoverable amount, and recognizes an impairment loss, if any.

The effects of the updating of the liability, due to the effect of the discount rate and / or passage of time, is recorded as a financial expense.

q) Leases -The Corporation evaluates its contracts at initial application to determine whether they contain a lease. The Corporation recognizes an asset for right of use and a corresponding liability for lease with respect to all lease agreements in which Codelco is the lessee, except for short-term leases (defined as a lease with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Corporation recognizes lease payments as an operating cost on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which the economic benefits of the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, the Corporation uses the incremental borrowing rate.

The incremental rate for loans used by Codelco is determined by estimating the interest rate that the Corporation would have to pay for borrowing the necessary funds to obtain an asset of an equivalent nature similar in value to the right-of-use asset of the respective lease, in a similar economic environment over a similar term.

Lease payments included in the measurement of the lease liability mainly include fixed payments, variable payments that depend on an index or a rate and the exercise price of a purchase option. Variable payments that do not depend on an index or a rate are excluded.

The lease liability is subsequently measured as follows: the carrying amount increased to reflect the interest on the lease liability (using the effective rate method) and the carrying amount is reduced to reflect the lease payments made.

The Corporation revalues the lease liability as to the discount rate (and makes the corresponding adjustments to the asset for respective right of use) when:

- There is a change in the term of the lease or;
- There is a change in the assessment of an option to purchase the underlying asset or;
- There is a change in an index or rate which generates a change in cash flows.

The right-of-use assets include the amount of the initial measurement of the lease liability, the lease payments made before or until the start date less the lease incentives received and any initial direct costs incurred. The assets for right to use are subsequently measured at cost less accumulated depreciation and accumulated losses due to impairment.

When the Corporation incurs a cost obligation to dismantle or remove a leased asset, restore the location in which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured in accordance with IAS 37. Costs are included in the corresponding asset for right of use, unless those costs are incurred to produce inventories.

The right-of-use assets are depreciated during the shorter period between the term of the lease and the useful life of the underlying asset. If a lease transfers the ownership of the underlying asset or the cost of the asset for right of use reflects that the Corporation expects to exercise its option to purchase, the right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation is made from the start date of the lease.

The Corporation applies IAS 36 to determine if an asset for right of use is impaired and recognizes any impairment loss identified, as described in the accounting policy for "Property, plant and equipment".

r) Revenue from Contracts with Customers - Revenue is recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to customers.

- **Sale of mineral goods and / or by-products:** Contracts with customers for the sale of mineral goods and / or by-products include the performance obligation for the delivery of the physical goods and the associated transportation service, at the place agreed with the customers. The Corporation recognizes revenue from the sale of goods when the performance obligation is satisfied according to the shipment or dispatch of the products, in accordance with the agreed conditions, such revenue being subject to variations related to the content and / or sale price at the date of its liquidation. Notwithstanding the foregoing, there are some contracts where the performance obligation is satisfied when there is receipt of the product (FOB ship point) instead of the buyer's corresponding destination, thus recognizing revenue at the time of said transfer. When services of transport of goods are provided, the Corporation recognizes revenue when the service obligation is satisfied.

  Sales that have discounts associated with volume subject to compliance with goals are recognized net, estimating the probability that the volume target will be reached.

  Sales contracts include a provisional price at the shipment date. The final price is generally based on the London Metals Exchange ("LME") price. Revenue from sales of copper is measured using estimates of the future spread of metal prices on the LME and/or the spot price at the date of shipment, with subsequent adjustments made upon final pricing recognized as revenue. The terms of sales contracts with customers contain provisional pricing arrangements whereby the selling price for metal concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (the "quotation period"). Consequently, the final price is set at the dates indicated in the contracts. Adjustments to provisional sale prices occur based on movements in quoted market prices on the LME up to the date of final pricing. The period between provisional invoicing and final pricing is typically between one and nine months. Changes in fair value over the quotation period and until final pricing are estimated by reference to forward market prices for applicable metals.

  In terms of hedge accounting established by IFRS 9, the Corporation has opted to continue applying the hedge accounting requirements of IAS 39 instead of the requirements of the new standard. Therefore, there were no generated effects either at the level of account balances or at the level of disclosures.

As indicated in the note related to hedging policies in the market of metal derivatives, the Corporation enters into operations in the market of metal derivatives. Gains and losses from those which are fair value hedges contracts are recognized as revenues.

- **Rendering of services:** Additionally, the Corporation recognizes revenue for rendering services, which are mainly related to the processing of minerals bought from third parties. Revenue from rendering of services is recognized when the amounts can be measured reliably and when the services have been provided.

s) Derivative contracts - Codelco uses derivative financial instruments to reduce the risk of fluctuations in sales prices of its products and of exchange rates.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in equity under the item "Cash flow hedge reserve." The gain or loss relating to the ineffective portion is immediately recognized in profit or loss and included in the "Finance cost" or "Finance income" line items. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the effect for the fluctuation in the recognized hedged item.

A hedge relationship is considered highly effective when changes in fair value or in cash flows of the underlying item directly attributable to the hedged risk are offset by changes in fair value or cash flows of the hedging instrument, with an effectiveness ranging from 80% to 125%. Changes in fair value accumulated in other comprehensive income are subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Upon discontinuation of hedge accounting and depending on the circumstances, the cumulative gain or loss on the hedging instrument remains in equity until the hedged transaction occurs or, if the hedged transaction is not expected to occur, the amount accumulated in other comprehensive income is reclassified to profit or loss.

The total fair value of hedging derivatives is classified as "non-current financial asset or liability", if the remaining maturity of the hedged item is greater than 12 months, and as "current financial asset or liability", if the remaining maturity of the hedged item is less than 12 months.

The derivative contracts held by the Corporation have been entered into to apply the risk hedging policies and are accounted for as indicated below:

- ***Hedging policies for exchange rate risk:*** The Corporation enters into exchange rate derivatives to hedge exchange rate variations between the U.S. dollar and the currencies of transactions the Corporation undertakes. In accordance with the policies established by the Board of Directors, these hedge transactions are only entered into when there are recognized assets or liabilities, forecasts of highly probable transactions or firm commitments. The Corporation does not enter into derivative transactions for non-hedging purposes.

- ***Hedging policies for metal market prices risk:*** In accordance with the policies established by the Board of Directors, the Corporation entered into derivative contracts to reduce the inherent risks in the fluctuations of metal prices.

  The hedging policies seek to cover expected cash flows from the sale of products by fixing the sale prices for a portion of future production. When the sales agreements are fulfilled and the derivative contracts are settled, the results from sales and derivative transactions are offset in profit or loss in revenue.

  Hedging transactions carried out by the Corporation in the metal derivatives market are not undertaken for speculative purposes.

- ***Embedded derivatives:*** The Corporation has established a procedure that allows for evaluation of the existence of embedded derivatives in financial and non-financial contracts. Where there is an embedded derivative, and the host contract is not a financial instrument and the characteristics and risks of the embedded derivative are not closely related to the host contract, the derivative is required to be recognized separately.

t) Financial information by segment – The Corporation has defined its Divisions as its operating segments in accordance with the requirements of IFRS 8, Operating Segments. The mining deposits in operation, where the Corporation conducts its extractive and processing activities are managed by the following Divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina and El Teniente, In addition, the smelting and refining activities are managed at the Ventanas Division. All these Divisions have a separate operational management, which reports to the Chief Executive Officer, through the North and South Central Vice-President of Operations, respectively. Income and expenses of the Head Office are allocated to the defined operating segments.

u)Presentation of Financial Statements - The Corporation presents (i) its statements of financial position classified as "current and non-current", (ii) profit or loss or loss and other comprehensive income in one statement and the classification of expenses within profit or loss by function, and (iii) its statement of cash flows using the direct method.

v) Current and non-current financial assets - The Corporation determines the classification of its financial assets at the time of initial recognition. The classification depends on the business model in which the investments are managed and the contractual characteristics of their cash flows.

The Corporation's financial assets are classified into the following categories:

- ***Fair value through profit or loss*:**

  Initial recognition: This category includes those financial assets not qualifying under the categories of Fair Value through Other Comprehensive Income or Amortized Cost. These instruments are initially recognized at fair value.

  Subsequent recognition: Their subsequent recognition is at fair value, recording in the consolidated statement of comprehensive income, in the line "Other gains (losses)" any changes in fair value.

- ***Amortized cost*:**

  Initial recognition: This category includes those instruments with respect to which the objective of the business model of the Corporation is to hold the financial instrument to collect contractual cash flows and such cash flows consist of solely payments of principal and interest. This category includes certain Trade and other current receivables, and the loans included in other non-current financial assets.

  Subsequent recognition: These instruments are subsequently measured at amortized cost using the effective interest method. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any impairment allowance.

  Interest income is recognized in profit or loss and is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "Foreign exchange difference" line item.

- ***At fair value through other comprehensive income:***

  Initial measurement: Financial assets that meet the criteria "Solely payments of principal and interest" (SPPI) are classified in this category and must be maintained within a business model both to collect the cash flows and to sell the financial assets. These instruments are initially recognized at fair value.

  Subsequent recognition: Their subsequent valuation is at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in income. Other net gains and losses are recognized in other comprehensive income. On derecognition, the gains and losses accumulated in other comprehensive income for debt instruments are reclassified to income. Codelco did not irrevocably choose to designate any of its investment assets at fair value with effect on other comprehensive income.

w) Financial liabilities - Financial liabilities are initially recognized at fair value net of transaction costs. Subsequent to their initial recognition, the valuation of the financial liabilities will depend on their classification, within which the following categories are distinguished:

- **Financial liabilities at fair value through profit or loss:** This category includes financial liabilities defined as held for trading.

  Changes in fair value associated with own credit risk are recorded in other comprehensive income unless doing so creates an accounting mismatch.

- **Financial liabilities at amortized cost:** This category includes all financial liabilities other than those measured at fair value through profit or loss.

  The Corporation includes in this category bonds, obligations and other current payables.

  These financial liabilities are measured using the effective interest rate method, recognizing interest expense based on the effective rate.

  The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

  Trade and other current payables are financial liabilities that do not explicitly accrue interest and are recognized at their nominal value, which approximates its fair value.

  Financial liabilities are derecognized when the liabilities are paid or expire.

x) Impairment of financial assets - The Corporation measures the loss allowance at an amount equal to lifetime expected credit losses for certain of its trade receivables. For these, it uses the simplified approach as required under IFRS 9. The Corporation considers a trade receivable to be in default at 90 days.

The provision matrix is based on an entity's historical credit loss experience over the expected life of such trade receivables and is adjusted for forward-looking estimates taking into account the most relevant macroeconomic factors that affect bad debts.

Other accounts receivable and other financial assets are reviewed using reasonable and sustainable information that is available without cost or disproportionate effort in accordance with IFRS 9 to determine the credit risk of the respective financial assets.

y) Cash and cash equivalents and statement of cash flows prepared using the direct method - The statement of cash flows reflects changes in cash and cash equivalents that took place during the period, determined under the direct method. For the purposes of preparing the statement of cash flows, the Corporation has defined the following:

- **Cash flows:** inflows and outflows of cash or cash equivalents, which are defined as highly liquid investments maturing in less than three months with a low risk of changes in value.
- **Operating activities** are the principal revenue-producing activities of the Corporation and other activities that are not investing or financing activities.

- **Investing activities** are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

- **Financing activities** are activities that result in changes in the size and composition of net equity and borrowings of the Corporation.

Bank overdrafts are classified as external resources in current liabilities.

z) Law No. 13196 – Law No. 13196 requires the payment of a 10% special export tax on receivables of the sales proceeds that Codelco receives and transfers to Chile from the export of copper and related by-products produced by Codelco. The Chilean Central Bank deducts 10% of the amounts that Codelco transferred to its Chilean bank account. The amount recognized for this concept is presented in the statement of income within the line item "Other expenses." (Note 21 letter c)).

aa) Cost of sales - Cost of sales is determined according to the absorption costing method, including the direct and indirect costs, depreciation, amortization and any other expenses directly attributable to the production process.

ab) Classification of current and non-current balances - In the consolidated statement of financial position, the balances are classified according to their maturities, that is, as current for those with a maturity equal to or less than twelve months and as non-current for those with a greater maturity. Where there are obligations whose maturity is less than twelve months, but whose long-term refinancing is insured upon a decision by the Corporation whose intention is to refinance, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

ac) Non-current assets or groups of assets for disposition classified as held for sale - The Corporation classifies as non-current assets or groups of assets for disposal, classified as held for sale, properties, plants and equipment, investments in associates and groups subject to expropriation (group of assets that are going to be disposed of together with their directly related liabilities), for which, at the closing date of the financial statements, their sale has been committed to or steps have been initiated and it is estimated that it will be carried out within the twelve months following said date. These assets or groups subject to disposal are valued at book value or the estimated sale value minus the costs necessary for sale, whichever is less, and are no longer amortized from the moment they are classified as non-current assets held for sale. Non-current assets or groups of assets for disposal classified as held for sale and the components of the groups subject to disposal classified as held for sale are presented in the consolidated statement of financial position on a line for each of the following concepts: "Non-current assets or groups of assets for disposition classified as held for sale" and/or "Non-current liabilities or groups of liabilities for disposition classified as held for sale."

3. New standards and interpretations adopted by the Corporation

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the Corporation's annual consolidated financial statements for the year ended December 31, 2019, except for the adoption of new standards, interpretations and amendments, effective from January 1, 2020, which are:

a) Definition of a Business (Amendments to IFRS 3)

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The application of these amendments has not had any material impact on the Corporation's consolidated financial statements.

b) Definition of Material (Amendments to IAS 1 and IAS 28)

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The application of these amendments has not had any material impact on the Corporation's consolidated financial statements.

c) Revised Conceptual Framework for Financial Reporting

On March 29, 2018, the IASB published its revised “Conceptual Framework for Financial Reporting” (the “Framework”). The Conceptual Framework is not a standard and none of the concepts override those in any standard or any requirements in a standard. The main purpose of the Framework is to guide the IASB when it develops International Financial Reporting Standards. The Framework can also be helpful for preparers of financial statements when there are no specific or similar standards that address a particular issue. The new Framework has an introduction, eight chapters and a glossary. Five of the chapters are new or have been revised substantially.

The new Framework:

- Introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces but does not change the distinction between a liability and an equity instrument.
- Removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement.
- Discusses historical cost and current value measures and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability.
- States that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability.
- Discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

In addition, the IASB published a separate document “Updating References to the Conceptual Framework” which contains consequential amendments to affected Standards so that they refer to the new Framework.

The application of these amendments has not had any material impact on the Corporation's consolidated financial statements.

d) Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The amendments deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. (IAS 39 is amended as well as IFRS 9 because entities have an accounting policy choice when first applying IFRS 9, which allows them to continue to apply the hedge accounting requirements of IAS 39). There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform.

The changes in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7): (i) modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform; (ii) are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform; (iii) are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and (iv) require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

The application of these amendments had no material impact on the consolidated financial statements of the Corporation, however it could affect the accounting of future transactions or agreements.

e) COVID 19-related Rent Concessions (amendments to IFRS 16)

The COVID-19 pandemic has led to some lessors providing relief to lessees by deferring or relieving them of amounts that would otherwise be payable. In some cases, this is through negotiation between the parties, but can be as a consequence of a government encouraging or requiring that the relief be provided. Such relief is taking place in many jurisdictions in which entities that apply IFRSs operate.

When there is a change in lease payments, the accounting consequences will depend on whether that change meets the definition of a lease modification, which IFRS 16 defines as “a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term)”.

It incorporates some clarifications regarding contract modifications in the context of the COVID-19 pandemic.

1. Provide exception to lessees, to assess whether the lease concession related to COVID-19 is a modification of the lease;
2. Allows lessees to apply the exception to account for a lease concession related to COVID-19 as if it were not a modification to the lease;
3. Requires lessees who apply the exception to disclose that fact; and
4. Requires lessees to apply said exception retrospectively under IAS 8, but does not require restatement of figures from previous periods.

The application of these amendments has not had any material impact on the Corporation's consolidated financial statements.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

f) Reclassifications:

The Company has made immaterial reclassifications to its statement of financial position as of December 31, 2019:

Reclassification in ThUS$	12/31/2019	Reclassification	12/31/2019 New Presentation
Non-current asset			
Property, Plant and equipment	29,700,164	(432,152)	29,268,012
Right-of-use assets	-	432,152	432,152
Current liabilities			
Other current financial liabilites	1,378,351	(127,761)	1,250,590
Current lease liabilities		127,761	127,761
Non-current liabilities			
Other non-current financial liabilites	16,538,223	(305,110)	16,233,113
Non-current lease liabilities		305,110	305,110

Certain changes to disclosure in certain notes have also been made which have been deemed immaterial by Management.

4. New accounting pronouncements

a) The following new standards, amendments and interpretations had been issued by the IASB, but their application is not yet mandatory:

New IFRS	Date of mandatory application	Summary
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023	Establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretional participating features and supersedes IFRS 4 *Insurance contracts.*

Amendments to IFRS	Date of mandatory application	Summary
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2023	The amendments aim to promote coherence in the applying the requirements by helping companies to determine whether, in the statement of financial position, debts and other liabilities with an uncertain settlement date must classified as current (expired or potentially expired in one year) or not current. It is important to note that they must be applied retrospectively and early application is permitted.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Reference to the Conceptual Framework (Amendments to IFRS 3)	Annual periods beginning on or after January 1, 2022.	Reference to Conceptual Framework 2018 instead of 1989. Additionally, for transactions within the scope of IAS 37 or IFRIC 21, an acquirer will apply IAS 37 or IFRIC 1 (instead of Conceptual Framework) to identify liabilities assumed in a business combination. Finally, a statement is added so that an acquirer does not recognize contingent assets acquired in a business combination.
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)	Annual periods beginning on or after January 1, 2022.	The income and costs from the sale of items produced while the asset is taken to the location and necessary condition of operation foreseen by the administration, are recognized in results.
Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37)	Annual periods beginning on or after January 1, 2022.	It is specified that the cost of fulfilling a contract includes "costs that are directly related to the contract", which are those that either may be incremental costs of fulfilling that contract or an allocation of other costs that are directly related to fulfill the contracts.
Extension of the temporary exemption from the application of IFRS 9 (amendments to IFRS 4)	Annual periods beginning on or after January 1, 2023.	The termination date for the temporary exemption established in IFRS 4 “Insurance Contracts” is modified on the application of IFRS 9. It may be as of January 1, 2023.
Reform to the Reference Interest Rate (IBOR) - Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	Annual periods beginning on or after January 1, 2021.	It introduces a practical guide to address the modifications proposed in the IBOR reform, indicating, among others, that hedge accounting is not discontinued due to the mere appearance of the reform in question.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Annual Improvements to IFRS Standards 2018-2020 (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	Annual periods beginning on or after January 1, 2022.	IFRS 1 First-time Adoption of IFRS: Allows an affiliate to apply paragraph D16 (a) to measure cumulative translation differences using the amounts reported by its parent, based on the date of transition to IFRS from its parent. IFRS 9 Financial Instruments: clarifies what fees are included when applying the “10 percent” test in paragraph B3.3.6. IFRS 16 Leases: removes from Illustrative Example 13, the illustration of the reimbursement of improvements to the leased asset made by the lessor. IAS 41 Agriculture: removes the requirement in paragraph 22 to exclude tax cash flows when measuring the fair value of a biological asset using the present value technique.

The Administration is evaluating the impact of the adoption of these new regulations and modifications.

III. EXPLANATORY NOTES

1. Cash and cash equivalents

The detail of cash and cash equivalents as of September 30, 2020 and December 31, 2019, is as follows:

Item	9/30/2020 ThUS$	12/31/2019 ThUS$
Cash on hand	167	261
Bank balances	834,834	262,336
Time deposits	2,605,459	972,125
Mutual Funds - Money Market	11,882	2,158
Repurchase agreements	1,547	66,225
Total cash and cash equivalents	**3,453,889**	**1,303,105**

Interest on time deposits is recognized on an accrual basis using the contractual interest rate of each of these instruments.

The Corporation does not hold any significant amounts of cash and cash equivalents that have a restriction on use.

Cash and cash equivalents meet the low credit risk exemption under IFRS 9.

2. Trade and other receivables

a) Accruals for open sales invoices

As mentioned in the Summary of Significant Accounting Policies Section, the Corporation adjusts its revenues and trade receivable balances, based on future copper prices through the recognition of an accrual for open sales invoices.

When future price of copper is lower than the provisional invoicing price, the accrual is presented in the statement of financial position as follows:

- For those customers that have due balances with the Corporation the accrual is presented as a deduction from the line item trade and other current receivables.
- For those customers that do not have due balances with the Corporation the accrual is presented in the line item trade and other current payables.

When the future copper price is higher than the provisional invoicing price, the accrual is added to the line item trade and other current receivables.

According to the foregoing, as of September 30, 2020, a positive amount is presented in the trade and other current receivable of ThUS$211,646 for as-yet finalized sales invoicing.

As of December 31, 2019, a positive provision of ThUS$98,045 was recorded in the trade debtors account and other accounts receivable for as-yet finalized sales invoicing.

b) Trade and other receivables

The following table sets forth trade and other receivables balances, with their corresponding allowances for doubtful accounts:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Items	Current		Non-Current	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables (1)	1,771,312	1,934,245	416	438
Allowance for doubtful accounts (3)	(8,313)	(7,530)	-	-
Subtotal trade receivables, net	**1,762,999**	**1,926,715**	**416**	**438**
Other receivables (2)	578,416	668,218	90,744	98,106
Allowance for doubtful accounts (3)	(7,428)	(6,665)	-	-
Subtotal other receivables, net	**570,988**	**661,553**	**90,744**	**98,106**
Total	**2,333,987**	**2,588,268**	**91,160**	**98,544**

(1) Trade receivables correspond to the sales of copper and its by-products, those that in general are sold in cash or through bank transfers.

(2) Other receivables mainly consist of the following items:

- Corporation's employee short-term loans and mortgage loans, both monthly deducted from the employee's salaries. Mortgage loans granted to the Corporation's employees for ThUS$35,431 are secured with collateral.
- Reimbursement receivables from insurance companies.
- Advance payments to suppliers and contractors.
- Accounts receivable for tolling services (Ventanas Smelter).
- VAT credit and other refundable taxes of ThUS$146,544 and ThUS$179,486 as of September 30, 2020 and December 31, 2019, respectively.

(3) The Corporation recognizes an allowance for doubtful accounts based on its expected credit loss model.

The reconciliation of changes in the allowance for doubtful accounts for the nine-month periods ended September 30, 2020 and for the year ended December 31, 2019, were as follows:

Items	9/30/2020	12/31/2019
	ThUS$	ThUS$
Opening balance	**14,195**	**42,657**
Net Increases	2,161	1,709
Write-offs/applications	(615)	(30,171)
Total movements	**1,546**	**(28,462)**
Closing balance	**15,741**	**14,195**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of September 30, 2020 and December 31, 2019, the balance of past due but not impaired trade receivables, is as follows:

Maturity	**9/30/2020** ThUS$	**12/31/2019** ThUS$
Less than 90 days	11,451	9,510
Between 90 days and 1 year	2,816	1,211
More than 1 year	9,929	9,530
Total trade receivables past-due but not impaired	**24,196**	**20,251**

3. Balance and transactions with related parties

a) Transactions with related persons

In accordance with Law on New Corporate Governance, the members of Codelco's Board are, in terms of transactions with related persons, subject to the provisions of Title XVI of Law on Corporations, which sets the requirements regarding transactions with related parties in publicly traded companies and their subsidiaries.

Notwithstanding the foregoing, pursuant to the provisions of the final paragraph of Article 147 b) of Title XVI, which contains exceptions to the approval process for transactions with related parties, the Corporation has established a general policy over customary transactions (which was communicated through a significant event notice to the CMF), that defines customary transactions as those carried out with its related parties in the normal course of business, which contributes to the social interest and are necessary to the normal development of Codelco's activities.

Likewise, consistent with the referred to above standard, the Corporation has implemented as part of its internal regulatory framework, a specific policy dealing with business between related persons and companies with Codelco's executives. Codelco's Corporate Policy No.18 ("CCP No. 18"), the latest version currently in force, was approved by the Chief Executive Officer and the Board of Directors.

Accordingly, Codelco without the authorization required in CCP No. 18 and of the Board of Directors, as required by Law or by the Corporation by-laws, shall not enter into any contracts or agreements involving one or more Directors, its Chief Executive Officer, the members of Division's Managing Committees, Vice-presidents, Legal Counsel, General Auditor, Division Chief Executive Officers, Advisors of Senior Management, employees who must make recommendations and/or have the authority to award tenders, assignments of purchases and/or contracting goods and services, and employees in management positions (up to fourth hierarchical level in the organization), including their spouses, children and other relatives up to second degree of relation, with a direct interest, represented by third parties or on behalf of another person. Likewise, CCP No. 18 requires administrators of Corporation's contracts to declare all related persons and disqualify himself/herself if any related persons are involved within the field of his/her job responsibilities.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

This prohibition also includes the companies in which such administrators are involved through ownership or management, either directly or through representation of other natural persons or legal entities, as well as those individuals who also have ownership or management in those companies. The Board of Directors has been informed and approved certain transactions as defined in CCP No. 18.

The most significant transactions with related persons and the amounts involved are detailed in the following table:

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2020 9/30/2020 Amount ThUS$	1/1/2019 9/30/2019 Amount ThUS$	7/1/2020 9/30/2020 Amount ThUS$	7/1/2019 9/30/2019 Amount ThUS$
ADM Planning Consultores Ltda	77.770.490-7	Chile	Employee´s relative	Services	881	-	-	-
Anglo American Sur S.A.	77.762.940-9	Chile	Associate	Supplies	5	16	5	-
B.Bosch S.A.	84.716.400-K	Chile	Employee´s relative	Supplies	-	3,618	-	-
Centro de Capacitación y Recreación Radomiro Tomic.	75.985.550-7	Chile	Other related	Services	-	62	-	-
Clariant (Chile) Ltda.	80.853.400-2	Chile	Employee´s relative	Supplies	38,873	-	38,873	-
Ecometales Limited agencia en Chile.	59.087.530-9	Chile	Subsidiary	Services	-	43,495	-	43,495
Flsmidth S.A.	89.664.200-6	Chile	Employee´s relative	Supplies	4,012	1,265	1,873	1,258
Fundación de Salud El Teniente.	70.905.700-6	Chile	Subsidiary	Services	22,030	-	22,030	-
Fundacion Educacional de Chuquicamata.	72.747.300-9	Chile	Founder member donor	Services	-	134	-	-
Fundación Orquesta Sinfónica Infantil de los Andes.	65.018.784-9	Chile	Founder member donor	Services	-	270	-	-
Highservice ingeniería y construcción ltda.	76.378.396-0	Chile	Employee´s relative	Services	13,984	680	13,984	-
Industrial Support Company Ltda	77.276.280-1	Chile	Employee´s relative	Services	-	22,691	-	-
Industrial y Comercial Artimatemb Ltda.	76.108.720-7	Chile	Employee´s relative	Services	-	20	-	-
Ingeniería de Protección SpA	89.722.200-0	Chile	Employee´s relative	Supplies	7	-	7	-
Institución de Salud Previsional Chuquicamata Ltda.	79.566.720-2	Chile	Subsidiary	Services	-	3,257	-	-
Komatsu Chile S.A.	96.843.130-7	Chile	Employee´s relative	Services and supplies	878	10,729	511	-
Linde Gas Chile S.A.	90.100.000-K	Chile	Employee´s relative	Supplies	23	124	8	48
Marsol S.A.	91.443.000-3	Chile	Employee´s relative	Supplies	-	94	-	10
Prestaciones de Servicios de la Salud Intersalud Ltda.	77.270.020-2	Chile	Subsidiary	Services	596	-	596	-
Servicios de Ingeniería IMA S.A.	76.523.610-K	Chile	Employee´s relative	Services	25	-	-	-
Soc. de Prod. y Serv. Solava Ltda	78.663.520-9	Chile	Employee´s relative	Supplies	-	57	-	-
Sociedad Contractual Minera El Abra.	96.701.340-4	Chile	Associate	Supplies	-	73	-	-
Sodimac S.A.	96.792.430-K	Chile	Employee´s relative	Supplies	-	1,644	-	1
Sonda S.A.	83.628.100-4	Chile	Employee´s relative	Services	50	221	14	-
Suez Medioambiente Chile S.A.	77.441.870-9	Chile	Employee´s relative	Supplies	4,261	57	-	-

b) Key Management of the Corporation

In accordance with the policy established by the Board of Directors and its related regulations, the transactions with the Directors, the Chief Executive Officer, Vice Presidents, Corporate Auditor, the members of the Divisional Management Committees and Divisional General Managers shall be approved by the Board of Directors.

During the nine month and three month periods ended September 30, 2020 and 2019 , the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Name	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2020 9/30/2020 Amount ThUS$	1/1/2019 9/30/2019 Amount ThUS$	7/1/2020 9/30/2020 Amount ThUS$	7/1/2019 9/30/2019 Amount ThUS$
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Directors's fees	72	89	22	29
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Directors's fees	57	71	17	23
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Payroll	86	102	26	21
Hernán de Solminihac Tampier	6.263.304-2	Chile	Director	Directors's fees	57	71	17	23
Ignacio Briones Rojas	12.232.813-9	Chile	Director	Directors's fees	-	71	-	23
Isidoro Palma Penco	4.754.025-9	Chile	Director	Directors's fees	57	71	17	23
Juan Benavides Feliú	5.633.221-9	Chile	Chairman of the board	Directors's fees	86	106	26	34
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Directors's fees	57	71	17	23
Paul Schiodtz Obilinovich	7.170.719-9	Chile	Director	Directors's fees	57	71	17	23
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Directors's fees	27	71	-	23
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	13	27	-	7
Rodrigo Cerda Norambuena	12.454.621-4	Chile	Director	Directors's fees	54	-	17	-

The Ministry of Finance through Supreme Decree No. 261, dated February 27, 2020, established the compensation for the Corporation’s Directors. The compensation to Board of Director members, is as follows:

a. The Directors of Codelco will receive a fixed monthly compensation of Ch$4,126,340 (four million one hundred and twenty six thousand, three hundred and forty Chilean pesos) for meeting attendance. The payment of the monthly compensation requires at least one meeting attendance each month.

b. The Chairman of the Board will receive a fixed monthly compensation of Ch$8,252,678 (eight million two hundred and fifty two thousand, six hundred and seventy eight Chilean pesos).

c. Each member of the Directors’ Committee, whether the one referred to in Article 50 bis) of Law No. 18046 or another established by the Corporation by-laws, will receive a fixed additional monthly compensation of Ch$1,375,445 for meeting attendance, regardless of the number of committees of which they are members. In addition, the Chairman of the Directors’ Committee will receive a fixed monthly compensation of Ch$2,750,893 for meeting attendance.

   By means of Ordinary Official Letter N ° 1611 of July 8, 2020, it is reported that due to the current situation that the country is going through, and in line with what was requested by Codelco and what was reported by the Director of the Budget, it has been considered conducive to decrease by a 20% the amount of directors' remuneration, exceptionally, for the period between July and December 2020, both included.

d. The compensation established in the legal text is effective for a period of two years, as from March 1, 2020, and will not be adjusted during said period.

   On the other hand, the short-term benefits of key management of the Corporation paid during the nine month period ended September 30, 2020 and 2019, were ThUS$9,094 and ThUS$9,696, respectively.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The methodology to determine the remuneration of key management was approved by the Board of Directors at a meeting held on January 29, 2003.

During the nine month period ended September 30, 2020 and 2019, severance indemnities were paid to key management of the Corporation for ThUS$177 and ThUS$1,660, respectively.

There were no payments to key management for other non-current benefits during the nine month period ended September 30, 2020 and 2019.

There are no share based payment plans granted to Directors or key management personnel of the Corporation.

c) Transactions with companies in which Codelco has ownership interest

The Corporation undertakes commercial and financial transactions that are necessary for its activities with its subsidiaries, associates and joint ventures ("related parties"). The financial transactions correspond mainly to loans granted (mercantile current accounts).

Commercial transactions with related companies mainly consist of purchases/sales of products or rendering of services carried out under market conditions and prices, which do not bear any interest or indexation.

As of the date of these financial statements, the Corporation has not recognized any allowance for doubtful accounts with respect to receivable balances from its related companies.

The detail of accounts receivable and payable between the Corporation and its related parties as of September 30, 2020 and December 31, 2019, is as follows:

Accounts receivable from related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					9/30/2020 ThUS$	12/31/2019 ThUS$	9/30/2020 ThUS$	12/31/2019 ThUS$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	15,669	16,677	-	-
76.063.022-5	Inca de Oro S.A.	Chile	Associate	US$	481	438	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	289	1,677	12,970	15,370
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	5,079	2,077	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	US$	5	5	224	224
Totals					**21,523**	**20,874**	**13,194**	**15,594**

Accounts payable to related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					9/30/2020 ThUS$	12/31/2019 ThUS$	9/30/2020 ThUS$	12/31/2019 ThUS$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	132,793	108,243	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	23,606	26,608	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	2,421	430	-	-
76.781.030-K	Kairos Mining S.A.	Chile	Associate	CLP	567	1,953	-	-
Totals					**159,387**	**137,234**	**-**	**-**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following table sets forth the transactions carried out between the Corporation and its related companies and their corresponding effects in profit or loss for the nine month and three month periods ended September 30, 2020 and 2019:

Taxpayer number	Entity	Nature of the transaction	Country	Index. Currency	1/1/2020 9/30/2020		1/1/2019 9/30/2019		7/1/2020 9/30/2020		7/1/2019 9/30/2019	
					Amount	Effects on net income (charges) / credits	Amount	Effects on net income (charges) / credits	Amount	Effects on net income (charges) / credits	Amount	Effects on net income (charges) / credits
					ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
96.801.450-1	Agua de la Falda S.A.	Sales of services	Chile	CLP	1	1	3	3	-	-	1	1
96.801.450-1	Agua de la Falda S.A.	contribution	Chile	US$	176	-	190		-	-	-	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	US$	22,715	-	84,372	-	-	-	-	-
77.762.940-9	Anglo American Sur S.A.	Sales of goods	Chile	US$	34,208	34,208	8,932	8,932	33,052	33,052	-	-
77.762.940-9	Anglo American Sur S.A.	Sales of services	Chile	CLP	12,885	12,885	4,279	4,279	6,625	6,625	-	-
77.762.940-9	Anglo American Sur S.A.	Purchase of products	Chile	US$	447,693	(447,693)	475,497	(475,497)	207,090	(207,090)	125,504	(125,504)
76.063.022-5	Inca de Oro S.A.	Sales of services	Chile	CLP	64	-	39	11	15	-	3	3
77.781.030-K	Kairos Mining	Services	Chile	CLP	7,979	(7,979)	16,487	(16,487)	2,833	(2,833)	5,465	(5,465)
77.781.030-K	Kairos Mining	Sales of services	Chile	CLP	2	2			2	2	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Interest loans	Chile	US$	773	773	770	770	263	263	260	260
76.255.054-7	Planta Recuperadora de Metales SpA	Services	Chile	US$	17,514	(17,514)	14,477	(14,477)	5,888	(5,888)	2,866	(2,866)
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of services	Chile	CLP	-	-	4,695	4,695	-	-	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of goods	Chile	CLP	51	51	37	37	22	22	23	23
76.255.054-7	Planta Recuperadora de Metales SpA	Loan recovery	Chile	US$	2,500	-	-	-	-	-	-	-
96.701.340-4	Soc. Contractual Minera El Abra	Purchase of products	Chile	US$	152,823	(152,823)	172,278	(172,278)	53,574	(53,574)	64,485	(64,485)
96.701.340-4	Soc. Contractual Minera El Abra	Sales of goods	Chile	US$	13,799	13,799	24,472	24,472	1,511	1,511	12,028	12,028
96.701.340-4	Soc. Contractual Minera El Abra	Other sales	Chile	US$	373	373	1,120	1,120	-	-	374	374
96.701.340-4	Soc. Contractual Minera El Abra	Perceived commissions	Chile	US$	74	74	71	71	49	49	28	28
96.701.340-4	Soc. Contractual Minera El Abra	other purchases	Chile	US$	-	-	39	(39)	-	-	-	

d) Additional information

The current account receivable from Planta Recuperadora de Metales SpA. corresponds to the loan agreement granted to build its plant, which was signed on July 7, 2014.

The purchase/sales of products transactions with Anglo American Sur S.A., are regular business activity transactions to buy/sell copper and other products. On the other hand, there are certain transactions related to the contract entered into with the subsidiary Inversiones Mineras Nueva Acrux SpA (whose non-controlling shareholder is Mitsui) and Anglo American Sur S.A., under which the latter agreed to sell a portion of its annual copper output to said subsidiary.

4. Inventories

The detail of inventories as of September 30, 2020 and December 31, 2019, is as follows:

Items	Current		Non-current	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
	ThUS$	ThUS$	ThUS$	ThUS$
Finished products	152,466	210,309	-	-
Subtotal finished products, net	**152,466**	**210,309**	**-**	**-**
Products in process	1,281,746	1,150,060	568,836	585,681
Subtotal products in process, net	**1,281,746**	**1,150,060**	**568,836**	**585,681**
Material in warehouse and other	772,670	723,264	-	-
Obsolescence allowance adjustment	(178,600)	(162,498)	-	-
Subtotal material in warehouse and other, net	**594,070**	**560,766**	**-**	**-**
Total Inventories	**2,028,282**	**1,921,135**	**568,836**	**585,681**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The amount of inventories of finished goods transferred to cost of sales for the nine month period ended September 30, 2020 and 2019 was ThUS$7,284,723 and ThUS$7,222,309, respectively.

For the nine month period ended September 30, 2020 and 2019, the Corporation has not reclassified inventories to Property, Plant and Equipment.

The reconciliation of changes in the allowance for obsolescence is detailed below:

Changes in Allowance for Obsolescence	9/30/2020 ThUS$	12/31/2019 ThUS$
Opening Balance	**(162,498)**	**(96,805)**
Period provision	(16,102)	(65,693)
Closing Balance	**(178,600)**	**(162,498)**

During the nine-month periods ended September 30, 2020 and 2019, the Corporation recognized write-off of damaged inventories of ThUS$963 and ThUS$7,178, respectively.

As of September 30, 2020, the inventory provision to reduce inventory to its net realizable provision was ThUS$23,730 with a credit effect for the period of January - September of 2020 of ThUS$14,414 (charge for the corresponding period of 2019 was ThUS$53,944). As of December 31, 2019, the inventory provision to reduce inventory to its net realizable provision was ThUS$38,144.

As of September 30, 2020 and 2019, there are no unrealized gains or losses recognized on the intercompany sales of inventories of finished products.

As of September 30, 2020 and 2019, there are no inventories pledged as security for liabilities.

5. Income taxes and deferred taxes

a) Composition of income tax expense:

Items	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Current income tax	(21,119)	(6,572)	(18,588)	(2,404)
Effect of Deferred Taxes	(336,172)	(12,310)	(319,472)	(52,563)
Adjustments to current tax from the prior period	(9,253)	-	(9,253)	-
Other	5,496	(1,617)	(416)	(22)
Total tax expense	**(361,048)**	**(20,499)**	**(347,729)**	**(54,989)**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b) Deferred tax assets and liabilities:

The following table details deferred tax assets and liabilities:

Deferred tax assets	9/30/2020 ThUS$	12/31/2019 ThUS$
Provisions	1,424,630	1,556,662
Rigth-of-use contracts	1,502	4,808
Tax loss carryforwards	980,262	613,340
Other	7,857	2,906
Total deferred tax assets	**2,414,251**	**2,177,716**

Deferred tax liabilities	9/30/2020 ThUS$	12/31/2019 ThUS$
Tax on mining activity	271,615	235,931
Property, plant and equipment variations	1,421,923	1,386,874
Post-employment benefit obligations	13,745	14,676
Accelerated depreciation for tax purposes	5,645,389	5,198,975
Fair value of mining properties acquired	108,518	108,518
Hedging derivatives – future contracts	11,831	14,889
Undistributed profits of subsidiaries	36,524	34,998
Total deferred tax liabilities	**7,509,545**	**6,994,861**

The following tables sets forth the deferred taxes as presented in the statement of financial position:

Deferred taxes	9/30/2020 ThUS$	12/31/2019 ThUS$
Non-current assets	46,157	43,736
Non-current liabilities	5,141,451	4,860,881
Net	**5,095,294**	**4,817,145**

c) The effects of deferred taxes recorded in other comprehensive income are as follows:

Deferred taxes on components of other comprehensive income	9/30/2020 ThUS$ Credit /(Debit)	9/30/2019 ThUS$ Credit /(Debit)
Cash flow hedge	40,197	26,351
Defined Benefit Plans	1,506	7,349
Total deferred tax effect on components of other comprehensive income	**41,703**	**33,700**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

d) The following table sets forth the reconciliation of the effective tax rate:

Reconciliation of tax rate	9/30/2020						
	Taxable Base			At the Tax rate			
	25.0%	40.0%	5%	25.0%	40.0%	5%	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Tax effect on the income (loss) before taxes	427,508	427,508	427,508	(106,877)	(171,003)	(21,375)	(299,255)
Tax effect on the income (loss) before taxes of subsidiaries	5,463	5,463	5,463	(1,366)	(2,185)	(273)	(3,824)
Tax effect consolidated profit (loss) before taxes	432,971	432,971	432,971	(108,243)	(173,188)	(21,648)	(303,079)
Permanent differences:							
First category income tax (25%)	9,921			(2,480)			(2,480)
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)		33,998			(13,599)		(13,599)
Specific tax on mining activities			627,967			(31,398)	(31,398)
Single Tax Art. 21 Inc. N°1							(1,238)
Differences tax prevous years							(9,254)
TOTAL TAX EXPENSE				**(110,723)**	**(186,787)**	**(53,046)**	**(361,048)**

Reconciliation of tax rate	9/30/2019						
	Taxable Base			At the Tax rate			
	25.0%	40.0%	5%	25.0%	40.0%	5%	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Tax effect on the income (loss) before taxes	(83,550)	(83,550)	(83,550)	20,888	33,420	4,178	58,486
Tax effect on the income (loss) before taxes of subsidiaries	6,050	6,050	6,050	(1,513)	(2,420)	(303)	(4,236)
Tax effect consolidated profit (loss) before taxes	(77,500)	(77,500)	(77,500)	19,375	31,000	3,875	54,250
Permanent differences:							
First category income tax (25%)	81,633			(20,408)			(20,408)
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)		46,318			(18,527)		(18,527)
Specific tax on mining activities			641,811			(32,091)	(32,091)
Single Tax Art. 21 Inc. N°1							(2,106)
Others							(1,617)
TOTAL TAX EXPENSE				**(1,033)**	**12,473**	**(28,216)**	**(20,499)**

Pursuant to Article 2 of the Decree Law 2398, Codelco is subject to an additional tax rate of 40% on income before taxes and dividends received in accordance with the law.

For the calculation of deferred taxes, the Corporation has applied a General Tax Regime, with first-rate tax rates for the 2020 and 2019 business years of 25%. As a state company, the Corporation is classified as those companies of article 14 letter G of the Income Tax Law, incorporated in the Tax Reform Law No. 21,210 of February 24, 2020, maintaining the General Regime of Taxation. Meanwhile, the national subsidiaries and associates, by default, have applied the Partially Integrated Taxation system with a rate of 27% for both years. Foreign subsidiaries and associates have applied the tax rates in force in their respective countries.

In relation to the specific tax on mining activities the tax rate applicable is 5% under Law No. 20469.

The Corporation, as a Taxpayer of first category, is liable to the single Tax of 40%, contained in the first paragraph of Article 21 of the Income Tax Law No. 824, in numbers i), ii) and iii) , the disbursements incurred in said numerals.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

6. Current and non-current tax assets and liabilities

The current tax balance is presented net of monthly provisional payments as an asset or liability in Current Taxes, as the case may be, determined as indicated in section II. Main accounting policies, 2.l):

Current Tax Assets	9/30/2020 ThUS$	12/31/2019 ThUS$
Taxes to be recovered	55,039	22,719
Total Current Tax Assets	**55,039**	**22,719**

Current Tax Liabilities	9/30/2020 ThUS$	12/31/2019 ThUS$
Monthly Provisional Payment Provision	1,121	10,672
Provision Tax	3,018	3,185
Total Current Tax Liabilities	**4,139**	**13,857**

Items	9/30/2020 ThUS$	12/31/2019 ThUS$
Non-Current Tax Assets	173,013	222,169
Total Non-Current Tax Assets	**173,013**	**222,169**

Non-current recoverable taxes correspond to advance tax payments made provisionally and which are probable of realization through utilization on future income tax returns. These non-current recoverable taxes are not expected to be realized in the current period. The Corporation has tax loss carryforwards of ThUS$1,429,467.

7. Property, Plant and Equipment

a) The items of property, plant and equipment as of September 30, 2020 and December 31, 2019, are as follows:

Property, Plant and Equipment, gross	9/30/2020 ThUS$	12/31/2019 ThUS$
Construction in progress	6,408,721	6,234,130
Land	373,081	173,316
Buildings	6,057,264	5,963,605
Plant and equipment	19,505,550	19,217,547
Fixtures and fittings	47,468	58,631
Motor vehicles	2,088,020	2,080,124
Land improvements	6,747,320	6,504,063
Mining operations	9,183,358	8,751,368
Mine development	4,899,185	4,546,765
Other assets	1,163,185	1,164,163
Total Property, Plant and Equipment, gross	**56,473,152**	**54,693,712**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Property, Plant and Equipment, accumulated depreciation	**9/30/2020** ThUS$	**12/31/2019** ThUS$
Construction in progress	-	-
Land	12,058	9,975
Buildings	3,289,634	3,152,227
Plant and equipment	11,065,262	10,618,524
Fixtures and fittings	41,784	47,431
Motor vehicles	1,550,022	1,480,020
Land improvements	3,662,675	3,482,960
Mining operations	5,965,896	5,253,285
Mine development	984,162	893,575
Other assets	510,851	487,703
Total Property, Plant and Equipment, accumulated depreciation	**27,082,344**	**25,425,700**

Property, Plant and Equipment, net	**9/30/2020** ThUS$	**12/31/2019** ThUS$
Construction in progress	6,408,721	6,234,130
Land	361,023	163,341
Buildings	2,767,630	2,811,378
Plant and equipment	8,440,288	8,599,023
Fixtures and fittings	5,684	11,200
Motor vehicles	537,998	600,104
Land improvements	3,084,645	3,021,103
Mining operations	3,217,462	3,498,083
Mine development	3,915,023	3,653,190
Other assets	652,334	676,460
Total Property, Plant and Equipment, net	**29,390,808**	**29,268,012**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b) Movement of Property, plant and equipment:

Movements ThUS$	Construction in progress	Land	Buildings	Plant and equipment	Fixed installations and accessories	Motor vehicles	Ground improvements	Mining operations	Development of mines	Other assets	Total
Reconciliation of changes in properties, plant and equipment											
Properties, plant and equipment at the beginning of the period. Opening Balance 1/1/2020	6,234,130	163,341	2,811,378	8,599,023	11,200	600,104	3,021,103	3,498,083	3,653,190	676,460	29,268,012
Changes in property, plant and equipment											
Increases other than those from business, property, plant and equipment combinations	1,465,390	-	-	7,246	1	1,509	4,977	304,810	-	15,138	1,799,071
Depreciation, property, plant and equipment	-	(3,224)	(138,080)	(444,159)	(1,826)	(73,497)	(179,715)	(722,728)	(80,470)	(30,133)	(1,673,832)
Increases (decreases) in transfers and other changes, properties, plant and equipment											
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(1,051,621)	202,977	58,692	236,397	1	10,459	227,829	34,876	280,180	210	-
Increases (decreases) by other changes, properties, plant and equipment	(238,332)	(2,071)	36,421	42,470	(3,688)	(77)	10,740	102,421	62,123	(9,341)	666
Increase (decrease) by transfers and other changes, properties, plant and equipment	**(1,289,953)**	**200,906**	**95,113**	**278,867**	**(3,687)**	**10,382**	**238,569**	**137,297**	**342,303**	**(9,131)**	**666**
Dispositions and withdrawals of service, property, plant and equipment											
Retirements, property, plant and equipment	(846)	-	(781)	(689)	(4)	(500)	(289)	-	-	-	(3,109)
Dispositions and withdrawals of service, property, plant and equipment	**(846)**	**-**	**(781)**	**(689)**	**(4)**	**(500)**	**(289)**	**-**	**-**	**-**	**(3,109)**
Increase (decrease) in properties, plant and equipment	**174,591**	**197,682**	**(43,748)**	**(158,735)**	**(5,516)**	**(62,106)**	**63,542**	**(280,621)**	**261,833**	**(24,126)**	**122,796**
Properties, plant and equipment at the end of the period. Closing balance 9/30/2020	**6,408,721**	**361,023**	**2,767,630**	**8,440,288**	**5,684**	**537,998**	**3,084,645**	**3,217,462**	**3,915,023**	**652,334**	**29,390,808**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Movements ThUS$	Construction in progress	Land	Buildings	Plant and equipment	Fixed installations and accessories	Motor vehicles	Ground improvements	Mining operations	Development of mines	Other assets	Total
Reconciliation of changes in properties, plant and equipment											
Properties, plant and equipment at the beginning of the period. Opening Balance 1/1/2019	8,808,652	164,962	2,354,393	5,768,793	14,929	684,009	2,352,556	2,486,324	3,313,044	807,336	26,754,998
Changes in property, plant and equipment											
Increases other than those from business, property, plant and equipment combinations	3,602,113	-	1,750	14,525	23	7,852	19,128	521,191	-	14,917	4,181,499
Depreciation, property, plant and equipment	-	(1,010)	(162,340)	(649,076)	(3,663)	(109,913)	(215,641)	(796,714)	(87,933)	(47,606)	(2,073,896)
Impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	-	-	-
Increases (decreases) in transfers and other changes, properties, plant and equipment											
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(6,173,762)	-	646,591	3,511,039	6	17,702	816,773	1,176,508	5,049	94	-
Increases (decreases) by other changes, properties, plant and equipment	4,389	(611)	(23,221)	(28,739)	(94)	1,874	48,561	110,774	423,030	(95,338)	440,625
Increase (decrease) by transfers and other changes, properties, plant and equipment	**(6,169,373)**	**(611)**	**623,370**	**3,482,300**	**(88)**	**19,576**	**865,334**	**1,287,282**	**428,079**	**(95,244)**	**440,625**
Dispositions and withdrawals of service, property, plant and equipment											
Retirements, property, plant and equipment	(7,262)	-	(5,795)	(17,519)	(1)	(1,420)	(274)	-	-	(2,943)	(35,214)
Dispositions and withdrawals of service, property, plant and equipment	**(7,262)**	**-**	**(5,795)**	**(17,519)**	**(1)**	**(1,420)**	**(274)**	**-**	**-**	**(2,943)**	**(35,214)**
Increase (decrease) in properties, plant and equipment	**(2,574,522)**	**(1,621)**	**456,985**	**2,830,230**	**(3,729)**	**(83,905)**	**668,547**	**1,011,759**	**340,146**	**(130,876)**	**2,513,014**
Properties, plant and equipment at the end of the period. Closing balance 12/31/2019	**6,234,130**	**163,341**	**2,811,378**	**8,599,023**	**11,200**	**600,104**	**3,021,103**	**3,498,083**	**3,653,190**	**676,460**	**29,268,012**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

c) The balance of construction in progress, is directly associated with the operating activities of the Corporation and relates to the acquisition of equipment for projects in construction and associated costs toward their completion.

d) The Corporation has signed insurance policies to cover the possible risks to which the various property, plant and equipment items are subject, as well as the possible claims that may arise for the period of its activities. Such policies sufficiently cover the risks to which they are subject in Management's opinion.

e) Borrowing costs capitalized for the nine-month period ended September 30, 2020 and 2019 were ThUS$155,750 and ThUS$269,215, respectively. The annual capitalization average rate for the nine-month periods ended September 30, 2020 and 2019 was 3.95% and 4.19%, respectively.

f) Expenses on exploration and drilling of deposits recognized in profit or loss and the cash outflows disbursed for the same concepts are presented in the following table:

Expenditure on exploration and drilling reservoirs	**1/1/2020 9/30/2020** ThUS$	**1/1/2019 9/30/2019** ThUS$
Recognized in profit	18,881	33,124
Cash outflows disbursed	22,165	31,189

g) The detail of "Other assets" under "Property, plant and equipment" is as follows:

Other assets, net	**9/30/2020** ThUS$	**12/31/2019** ThUS$
Mining properties from the purchase of Anglo American Sur S.A.	402,000	402,000
Maintenances and other major repairs	198,397	217,079
Other assets - Calama Plan	48,014	54,174
Other	3,923	3,207
Total other assets, net	**652,334**	**676,460**

h) The Corporation currently has no ownership restrictions relating to assets belonging to Property, plant and equipment, except for leased assets whose legal title corresponds to the lessor.

i) Codelco has not pledged any items of property, plant and equipment as collateral to third parties in order to enable the realization of its normal business activities or as a commitment to support payment obligations.

j) As of September 30, 2020 and 2019, property, plant and equipment assets did not show any indication of impairment or reversal of impairment recognized in prior years, therefore, no adjustments were made to the value of assets at that date.

k) The Corporation presents at December 31, 2019 a reclassification of property, plant and equipment to the item intangible assets other than goodwill which amounts to ThUS$2,090.

l) The expense for depreciation of the property, plant and equipment item for the nine-month period ended September 30, 2020 corresponds to ThUS$1,673,882.

8. Leases

8.1 Right-of-use assets

As of September 30, 2020 and December 31, 2019, the breakdown of the asset by right of use category is:

Items	**9/30/2020** ThUS$	**12/31/2019** ThUS$
Assets by right of use, gross	760,999	692,262
Assets by right of use, accumulated depreciation	364,224	260,110
Total Assets by right of use, net	**396,775**	**432,152**

The movements for the nine-month period ended September 30, 2020 and the year ended December 31, 2019 are as follows:

Reconciliation of changes in Assets by right of use (in thousands of US$)	**9/30/2020** MUS$	**12/31/2019** MUS$
Opening Balance	**432,152**	**-**
Application of IFRS 16	-	378,582
Increases	85,224	109,505
Depreciation	(111,514)	(143,369)
Increases (decreases) by other changes	(9,087)	87,434
Increase (decrease) in Assets by right of use	**(35,377)**	**432,152**
Closing balance	**396,775**	**432,152**

The depreciation expense for the nine-month period ended September 30, 2020 corresponds to ThUS$111,514.

The composition by asset class is as follows:

Assets by right of use	**9/30/2020** ThUS$	**12/31/2019** ThUS$
Buildings	13,860	18,286
Plant and equipment	233,468	298,463
Motor vehicles	8,775	11,504
Fixtures and fittings	134,256	97,952
Others assets - right of use	6,416	5,947
Total Assets by right of use	**396,775**	**432,152**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

8.2 Liabilities for current and non-current leases

As of September 30, 2020 and December 31, 2019, the payment commitments for leasing operations are summarized in the following table:

Leases	9/30/2020			12/31/2019		
	Gross ThUS$	Interest ThUS$	Present Value ThUS$	Gross ThUS$	Interest ThUS$	Present Value ThUS$
Less than 90 days	37,260	(3,477)	33,783	39,668	(4,557)	35,111
Between 90 days and 1 year	101,884	(9,431)	92,453	105,315	(12,665)	92,650
Between 1 and 2 years	99,516	(8,687)	90,829	107,218	(12,248)	94,970
Between 2 and 3 years	74,416	(6,324)	68,092	77,753	(9,881)	67,872
Between 3 and 4 years	40,030	(4,312)	35,718	60,078	(6,813)	53,265
Between 4 and 5 years	37,223	(3,863)	33,360	32,384	(4,780)	27,604
More than 5 years	50,845	(9,687)	41,158	70,857	(9,458)	61,399
Total	441,174	(45,781)	395,393	493,273	(60,402)	432,871

Leasing operations are generated by service contracts, mainly for facilities, buildings, plants and equipment.

The expense related to short-term leases, low-value assets and variable leases not included in the measurement of lease liabilities, for the period ended September 30, 2020 and 2019 is presented in the following table:

Lease expense	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$
Short-term leases	22,559	68,120
Low value leases	11,775	58,625
Variable lease payments not included in the initial measurement or remeasurement of liabilities (excluding, where applicable, changes in indices or rates)	1,096,782	949,584
TOTAL	**1,131,116**	**1,076,329**

9. Investments accounted for using the equity method

The following table sets forth the carrying amount and the share of profit (loss) of the investments accounted for using the equity method (all material associates' principal place of business is Chile):

Associates	Taxpayer Numbers	Funct. Currency	Equity Interest		Carrying Value		Net income (loss)		Net income (loss)	
			9/30/2020	12/31/2019	9/30/2020	12/31/2019	1/1/2020 9/30/2020	1/1/2019 9/30/2019	7/1/2020 9/30/2020	7/1/2019 9/30/2019
			%	%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Agua de la Falda S.A.	96.801.450-1	US$	42.26%	42.26%	4,866	4,864	(175)	(203)	(130)	(74)
Anglo American Sur S.A.	77.762.940-9	US$	29.5%	29.5%	2,846,280	2,850,171	18,825	19,308	18,927	8,866
Inca de Oro S.A.	73.063.022-5	US$	33.19%	33.19%	12,577	12,675	(95)	(55)	(95)	(55)
Kairos Mining S.A.	76.781.030-K	US$	40.00%	40.00%	33	82	(16)	-	-	-
Minera Purén SCM	76.028.880-2	US$	35.0%	35.0%	9,921	9,934	(13)	33	-	(15)
Planta Recuperadora de Metales SpA	76.255.054-7	US$	34.0%	34.0%	11,507	10,914	593	228	285	267
Sociedad Contractual Minera El Abra	96.701.340-4	US$	49.0%	49.0%	585,368	594,883	(9,406)	(13,368)	3,243	(3,170)
Sociedad GNL Mejillones S.A.	76.775.710-7	US$	0.0%	0.0%	-	-	-	5,920	-	811
TOTAL					**3,470,552**	**3,483,523**	**9,713**	**11,863**	**22,230**	**6,630**

a) Associates

Agua de la Falda S.A.

As of September 30, 2020, Codelco holds a 42.26% ownership interest in Agua de la Falda S.A., with the remaining 57.74% owned by Minera Meridian Limitada.

The corporate purpose of this company is to exploit deposits of gold and other minerals, in the third region of Chile.

Sociedad Contractual Minera El Abra

Sociedad Contractual Minera El Abra was incorporated in 1994. As of September 30, 2020, Codelco holds a 49% ownership interest, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

The company business activities involve the extraction, production and selling of copper cathodes.

Sociedad Contractual Minera Purén

As of September 30, 2020, Codelco holds a 35% ownership interest, with the remaining 65% owned by Compañía Minera Mantos de Oro.

This company's corporate purpose is to explore, identify, survey, investigate, develop and exploit mining deposits in order to extract, produce and process minerals.

Sociedad GNL Mejillones S.A.

The Corporation effected on August 6, 2019, the sale of its 37% stake in the company GNL Mejillones S.A. to the Ameris Capital AGF Investment fund, for an amount of US$193.5 million. (The remaining 63% corresponded to Suez Energy Andino S.A.).

The sale of the LNG Mejillones stake generated a profit of US$103 million before tax and a result after tax of US$36 million.

Inca de Oro S.A.

On June 1, 2009, Codelco's Board of Directors authorized the incorporation of a new company aimed to develop studies allowing the continuity of the Inca de Oro Project, which is a wholly-owned subsidiary of Codelco.

As of September 30, 2020, Codelco holds a 33.19% ownership interest in this company. (PanAust IDO Ltda. has 66.31%).

Planta Recuperadora de Metales SpA

On December 3, 2012, Planta Recuperadora Metales SpA was incorporated by Codelco, which held a 100% ownership interest of this company.

On July 7, 2014, Codelco reduced its ownership interest in Planta Recuperadora de Metales SpA to 51%, with the remaining 49% ownership interest held by LS-Nikko Copper Inc.

On October 14, 2015, Codelco reduced its ownership interest to 34% interest, with LS-Nikko Copper Inc, holding the remaining 66%.

As of September 30, 2020, LS-Nikko Copper Inc, is the controlling shareholder of this company based on the control elements set out in the shareholders' agreement.

The principal business activity of the company is the processing of intermediate products of the refining and processing of copper and other metals aiming to recover copper, other metals and other sub products, their transformation to commercial products and the selling and distribution of all classes of goods or inputs derived from such process.

Anglo American Sur S.A.

As September 30, 2020, the controlling shareholder of Anglo American Sur S.A. is Inversiones Anglo American Sur S.A. holding a 50.06% ownership interest, while the non-controlling interest is held by Inversiones Mineras Becrux SpA., which in turn is a subsidiary controlled by Codelco with a 67.8% ownership interest. Consequently, Codelco exercises significant influence in Anglo American Sur S.A. through its indirect ownership interest of 29.5%.

The principal activities of the Company are the exploration, extraction, exploitation, production, processing and trading of minerals, concentrates, precipitates, copper bars and all metallic and non-metallic minerals, all fossil substances and liquid and gaseous hydrocarbons. This includes the exploration, exploitation and use of all natural energy sources capable of industrial use and the products or by-products obtained, as well as any other related, connected or complementary activities on which the shareholders agree.

On August 24, 2012, Codelco recognized the acquisition of ownership interest in Anglo American Sur S.A. which resulted in the initial recognition of the cost of the investment for ThUS$6,490,000 that corresponded to the proportionate share (29.5%) of the net fair value of the identifiable assets and liabilities acquired.

In determining the share of the fair value of the identifiable assets and liabilities acquired, the Corporation considered the resources and mineral reserves that could be measured reliably.

As part of this updating process, and applying the valuation criteria indicated above, the fair value of the assets acquired and liabilities assumed of Anglo American Sur S.A. As of that date it amounted to

US $ 22,646 million, which in the proportion acquired by Inversiones Mineras Becrux SpA (29.5%) results in an investment at fair value of US $ 6,681 million at the acquisition date.

The allocation of the purchase price at fair value between the identifiable assets and liabilities was prepared by management using its best estimate and taking into account all relevant and available information at the acquisition date of Anglo American Sur S.A.

The Corporation used a discounted cash flows model to estimate cash flow projections, based on the life of mine. These projections were based on estimated production and future prices of minerals, operating costs and capital costs, among other estimates made at the date of acquisition. Additionally, proven and probable resources to explore were not included in the mine plan, therefore, they were valued separately using a market model. Such resources are included in item "Mineral Resources."

As of December 31, 2015, the Corporation identified indicators of impairment in the operating units of Anglo American Sur S.A. Consequently, and with the purpose of making the corresponding adjustments to the investment in this associate, the Corporation estimated its recoverable amount.

In determining the recoverable amount, the Corporation applied the methodology of fair value less costs of disposal. The recoverable amount of the operating units was determined based on the life of mine by using a discounted cash flow model whose main assumptions included ore reserves declared by the associate, copper price, supply costs, foreign exchange rates, discount rate and market information for the long-term asset valuation. The discount rate used was annual rate of 8% after taxes.

Furthermore, the proven reserves not included in the mining plan (LOM), as well as the probable reserves to explore, have been valued using a multiples market approach for comparable transactions. Such methodology is consistent with the methodologies used at the acquisition date, which is described in the previous paragraph.

The recoverable amount as estimated was less than the carrying amount of the identified assets of the associate, therefore, the Corporation recognized an impairment loss of ThUS$2,439,495, which was included within the line item "Share of profit or loss of associates and joint ventures accounted for using the equity method" in the consolidated statement of comprehensive income for the year ended December 31, 2015. The impairment loss was mainly attributable to the drop in copper prices during the year 2015.

Subsequent to recognition of the impairment, there have been no indicators requiring the recognition of further impairment losses on the recoverable amount of the investment held in Anglo American Sur S.A.

As of September 30, 2020 and 2019, there are no indicators of impairment nor reversal, therefore, there have been no adjustments recognized to the carrying amounts of the assets.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Kairos S.A.

Until before November 26, 2012, the Corporation held a 40% stake in conjunction with Honeywell Chile S.A. who was the majority shareholder with 60% of the capital stock of Kairos Mining S.A.

On November 26, 2012, the Corporation sold part of its stake to Honeywell Chile SA, which implies that Codelco maintained a 5% interest as of December 31, 2012, while the remaining 95% was held Honeywell Chile S.A. The result of this pre-tax operation was ThUS$13.

On June 6, 2019, Codelco purchased 350 shares of Kairos Mining from Honeywell Chile S.A., increasing its participation from 5% to 40%.

As of September 30, 2020, the control of the company lies in Honeywell Chile S.A. which owns 60% of the shares while Codelco owns the remaining 40%.

The purpose of the company is to provide automation and control services for industrial and mining activities and to provide technology and software licenses.

The following tables provide details of asset and liabilities of the associates as of September 30, 2020 and December 31, 2019, and their profit (loss) for the nine-month periods ended September 30, 2020 and 2019:

Assets and Liabilities	9/30/2020 ThUS$	12/31/2019 ThUS$
Current Assets	1,646,626	1,735,588
Non-current Assets	5,315,305	5,248,569
Current Liabilities	691,362	618,644
Non-current Liabilities	1,704,456	1,793,879

Net Income	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Revenue	1,805,879	2,106,920	749,342	621,364
Cost of sales	(1,734,426)	(2,034,084)	(669,618)	(569,191)
Profit for the period	71,453	72,836	79,724	52,173

Movements of Investment in Associates	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$
Opening balances	**3,483,523**	**3,568,293**
Contributions	176	240
Dividends	(22,715)	-
Result of the period	9,713	11,863
Sales	-	(90,329)
Other comprehensive income	(109)	(325)
Other	(36)	(888)
Final balance	**3,470,552**	**3,488,854**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following tables provide details of asset and liabilities of the principal associates as of September 30, 2020 and December 31, 2019, and their profit (loss) for the nine-month periods ended September 30, 2020 and 2019.

Anglo American Sur S.A.

Assets and liabilities	9/30/2020 ThUS$	12/31/2019 ThUS$
Current Assets	1,133,698	1,099,695
Non-current Assets	4,046,802	4,083,739
Current Liabilities	616,206	531,089
Non-current Liabilities	1,304,490	1,405,143

Net Income	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Revenue	1,471,675	1,733,940	629,951	525,502
Cost of sales	(1,382,072)	(1,633,982)	(557,132)	(484,130)
Profit for the period	89,603	99,958	72,819	41,372

Sociedad Contractual Minera El Abra

Assets and liabilities	9/30/2020 ThUS$	12/31/2019 ThUS$
Current Assets	460,810	590,850
Non-current Assets	1,115,606	1,007,012
Current Liabilities	64,209	79,422
Non-current Liabilities	317,579	304,394

Net Income	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Revenue	311,688	351,930	108,501	131,845
Cost of sales	(330,883)	(379,211)	(101,881)	(138,314)
Profit (loss) for the period	(19,195)	(27,281)	6,620	(6,469)

b) Additional information on unrealized profits (losses)

Codelco enters into transactions for the purchase and sale of copper with Sociedad Contractual Minera El Abra. As of September 30, 2020 and December 31, 2019, there were no unrealized profits (losses) recognized in the carrying amount of inventories of finished products.

The Corporation has recognized unrealized gains for the purchase of rights to use the LNG terminal from the El Abra Mining Contract Company for ThUS$3,920 as of September 30, 2020 and 2019.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

c) Share of profit or loss for the year

The share in profit or loss of the associate Anglo American Sur S.A. recognized for the nine-month period ended September 30, 2020 was profit of ThUS$26,433 (profit of ThUS$29,488 for the nine-month period ended September 30, 2019). In addition, the Corporation has made appropriate adjustments to its share of profit or loss in the associate for depreciation of the depreciable assets based on the fair values at the acquisition date, which resulted in an expense of ThUS$7,608 for the nine-month period ended September 30, 2020 (an expense of ThUS$10,180 for the nine month period ended September 30, 2019) recognized within line item “Share of profit or loss of associates and joint ventures accounted using the equity method” in the consolidated statement of comprehensive income.

10. Subsidiaries

The following tables set forth a detail of assets, liabilities and profit (loss) of the Corporation’s subsidiaries, prior to consolidation adjustments:

Assets and liabilities	9/30/2020 ThUS$	12/31/2019 ThUS$
Current assets	464,800	464,674
Non Current Assets	3,572,721	3,607,177
Current Liabilities	293,312	281,973
Non Current Liabilities	1,063,764	1,086,975

Profit (loss)	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Ordinary Income	729,476	857,593	302,003	254,066
Ordinary Expenses	(747,498)	(879,208)	(289,945)	(265,756)
(Loss) profit of period	(18,022)	(21,615)	12,058	(11,690)

11. Current and non-current financial assets

Current and non-current financial assets included in the statement of financial position are as follows:

	9/30/2020				
Classification in the statement of financial position	At fair value though profit and loss ThUS$	Amortized Cost ThUS$	Derivatives for hedging: Hedging derivatives ThUS$	Derivatives for hedging: Cross currency swap ThUS$	**Total financial assets** ThUS$
Cash and cash equivalents	11,882	3,442,007	-	-	**3,453,889**
Trade and other current receivables	699,646	1,634,341	-	-	**2,333,987**
Non – current receivables	-	91,160	-	-	**91,160**
Current receivables from related parties	-	21,523	-	-	**21,523**
Non – current receivables from related parties	-	13,194	-	-	**13,194**
Other current financial assets	-	203,581	276	-	**203,857**
Other non - current financial assets	-	5,527	-	61,342	**66,869**
TOTAL	**711,528**	**5,411,333**	**276**	**61,342**	**6,184,479**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of September 30, 2020, the balance of the caption "Other financial assets, current" includes ThUS$203,512 invested in term deposit instruments with a maturity of more than 90 days. As of December 31, 2019, the amount invested in this type of instrument was ThUS$171,429.

	12/31/2019				
Classification in the statement of financial position	At fair value though profit and loss	Amortized Cost	Derivatives for hedging		**Total financial assets**
			Hedging derivatives	Cross currency swap	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	2,158	1,300,947	-	-	**1,303,105**
Trade and other current receivables	723,619	1,864,649	-	-	**2,588,268**
Non – current receivables	-	98,544	-	-	**98,544**
Current receivables from related parties	-	20,874	-	-	**20,874**
Non – current receivables from related parties	-	15,594	-	-	**15,594**
Other current financial assets	-	171,636	1,315	-	**172,951**
Other non - current financial assets	-	8,691	525	82,584	**91,800**
TOTAL	**725,777**	**3,480,935**	**1,840**	**82,584**	**4,291,136**

- **Fair value through profit or loss:** As of September 30, 2020, this category mainly includes receivables from provisional invoicing sales. Section II.2.r.

- **Amortized cost:** It corresponds to financial assets held within a business model whose objective is to hold financial assets to collect contractual cash flows that are solely payments of principal and interest on the principal outstanding. These assets are not quoted in an active market.

  The effects on profit or loss recognized for these assets are mainly from financial income and exchange differences from balances denominated in currencies other than the functional currency.

  No material impairments were recognized in trade and other receivables.

- **Derivatives for Hedging**: Corresponds to the balance for changes in the fair value of derivative contracts to cover existing transactions (cash flow hedges) and that affect the profit or loss when transactions are settled or when, to the extent required by accounting standards, a compensation effect is charged (credited) to the income statement. The detail of derivative hedging transactions is included in the Note 27.

  As of September 30, 2020 and December 31, 2019, there were no reclassifications between the different categories of financial instruments, under the accounting standards at the respective dates.

12. Other financial liabilities

Current and non-current interest-bearing borrowings consists of loans from financial institutions and bond issuance obligations, which are measured at amortized cost using the effective interest rate method.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following tables set forth other current/non-current financial liabilities:

Items	9/30/2020					
	Current			Non-current		
	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial institutions	390,953	-	390,953	2,124,583	-	2,124,583
Bonds issued	550,405	-	550,405	16,502,721	-	16,502,721
Hedging derivatives	-	7,329	7,329	-	179,828	179,828
Other financial liabilities	-	-	-	54,177	-	54,177
Total	**941,358**	**7,329**	**948,687**	**18,681,481**	**179,828**	**18,861,309**

Items	12/31/2019					
	Current			Non-current		
	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial institutions	666,144	-	666,144	2,408,267	-	2,408,267
Bonds issued	572,587	-	572,587	13,617,358	-	13,617,358
Hedging derivatives	-	11,496	11,496	-	148,987	148,987
Other financial liabilities	363	-	363	58,501	-	58,501
Total	**1,239,094**	**11,496**	**1,250,590**	**16,084,126**	**148,987**	**16,233,113**

- **Loans from financial institutions:**

The loans obtained by the Corporation aim to finance production operations.

In addition to the credits mentioned in the previous paragraph, Codelco, through the subsidiary company Inversiones Gacrux SpA., has a credit agreement with Oriente Copper Netherlands B.V. since 2012 (a subsidiary of Mitsui & Co. Ltd.), which was subscribed to with the aim of allocating this financing to the acquisition of the shareholding of Anglo American Sur SA, by the subsidiary company Inversiones Mineras Becrux SpA. (Subsidiary of Inversiones Gacrux SpA.). This loan has no associated personal guarantees and its rate is fixed at 3.25% per year and has a duration of 20 years, being payable in 40 semiannual installments of principal and interest on unpaid balances.

As of September 30, 2020, the outstanding balance of the credit agreements is ThUS$579,674

- ***Bond issued:***

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF 6,900,000 of a single series labeled “Series B”, which consists of 6,900 bonds for UF 1,000 each. These bonds are payable in a single installment on April 1, 2025, at an annual interest rate of 4% and semi-annual interest payments.

On September 21, 2005, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$500,000. These bonds are payable in a single installment on September 21, 2035, at an annual interest rate of 5.6250% and semi-annual interest payments.

On October 19, 2006, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$500,000. These bonds are payable in a single installment on October 24, 2036, at an annual interest rate of 6.15% and semi-annual interest payments.

On January 20, 2009, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$600,000. These bonds are payable in a single installment on January 15, 2019, at an annual interest rate of 7.5% and semi-annual interest payments. On August 3, 2017, principal was paid for an amount of ThUS$333,155.

On November 4, 2010, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$1,000,000. These bonds are payable in a single installment on November 4, 2020, at an annual interest rate of 3.75% and semi-annual interest payments. On August 3, 2017, February 6, 2019 and October 2, 2019, principal was paid for an amount of ThUS$414,763, ThUS$183,051 and ThUS$7,304 respectively.

On November 3, 2011, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$1,150,000. These bonds are payable in a single installment on November 4, 2021, at an annual interest rate of 3.875% and semi-annual interest payments. On August 3, 2017, February 6, 2019 and October 2, 2019, principal was paid for an amount of ThUS$665,226, ThUS$247,814 and ThUS$9,979 respectively.

On July 17, 2012, the Company issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$2,000,000. These bonds are payable in two installments (i) the first tranche on July 17, 2022 in the amount of US$1,250,000 at a 3% annual interest rate. On August 22, 2017, February 6, 2019 and October 22, 2019, principal was paid in the amounts of ThUS$412,514, ThUS$314,219, ThUS$106,972 and ThUS$$3,820 respectively, and (ii) the other tranche matures on July 17, 2042 and is in the amount of ThUS$750,000 at an annual interest rate of 4.25%.

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On August 13, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$750,000, payable in a single installment on August 13, 2023, at an annual interest rate of 4.5% and semi-annual interest payments. On August 22, 2017, February 12 and February 26, 2019, principal in the amounts of ThUS$162,502, ThUS$228,674 and ThUS$270 respectively, was paid. On October 8 and 22, principal was amortized for ThUS$23,128 and ThUS$555 respectively. On May 6, 2020, the remaining principal due was increased for a nominal amount of ThUS$131,000, reaching a total amount of ThUS$465,871 with an annual coupon of 4.50%.

On October 18, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$950,000, payable in a single installment on October 18, 2043, at an annual interest rate of 5.625% and semi-annual interest payments.

On July 9, 2014, the Corporation issued and placed bonds in the international financial markets, under Rule 144-A and Regulation S, for a nominal amount of EUR$600,000,000, payable in a single installment on July 9, 2024, at an annual interest rate of 2.25% and annual interest payments.

On November 4, 2014, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$980,000, payable in a single installment on November 4, 2044, at an annual interest rate of 4.875% and semi-annual interest payments.

On September 16, 2015, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$2,000,000, payable in a single installment on September 16, 2025, at an annual interest rate of 4.5% and semi-annual interest payments. On August 22, 2017 and February 12, 2019, principal was paid for an amount of ThUS$378,655 and ThUS$552,754 respectively.

On August 24, 2016, the Corporation issued and placed bonds in the local market for a nominal amount of UF10,000,000 of single series labeled "Series C", which consists of 20,000 bonds for UF500 each. These bonds are payable in a single installment on August 24, 2026, at an annual interest rate of 2.5% and semi-annual interest payments.

On July 25, 2017, the Corporation made an offer in New York to buy its bonds issued in dollars with maturities between 2019 and 2025, repurchasing US$2,367 million.

On August 1, 2017, the Corporation issued and placed bonds on the North American market, under standard 144-A and Regulation S, for a total, nominal, amount of ThUS$2,750,000. ThUS$1,500,000, with an annual coupon rate of interest of 3.625% and semi-annual interest payments which will mature on August 1, 2027, while ThUS$1,250,000, with an annual coupon of 4.5% and semi-annual interest payments, will mature on August 1, 2047.

These operations allowed optimizing the debt maturity profile of Codelco. As a result of these transactions, 86% of the funds from the new issue (US$2,367 million) were used to refinance old debt. The average interest rate of refinanced funds decreased from 4.36% to 4.02%.

The effect recognized in profit and loss associated with this refinancing was a charge of US$ 42 million after tax.

On May 18, 2018, Codelco issued a bond for US$600 million with 30 year maturity in the market of Formosa, Taiwan. The bond issued is denominated in US dollars, had a yield of 4.85% and a prepayment option at the issue value that can be exercised from the fifth year onwards at its par value.

On January 28, 2019, the Corporation in New York made an offer to purchase its bonds issued in dollars with maturities between 2020 and 2025, repurchasing US$1,527 millions.
Subsequently, on February 5, 2019, the Corporation issued and placed bonds in the North American market, under Rule 144-A and Regulation S, for a total nominal amount of ThUS$1,300,000, which maturity will be 5 February 2049 with a coupon of 4.375% per annum and interest payments on a semi-annual basis.

The effect recognized in results associated with this refinancing was a charge of US$10 million after taxes.

On July 22, 2019, the Corporation made a bond issue and placement, Regulation S, for a nominal amount of AUD $ 70,000,000, whose maturity will be in a single installment on July 22, 2039, with a coupon of 3.58% annual and interest payment annually.

On August 23, 2019, the Corporation made a bond issue and placement, Regulation S, for a nominal amount of US$130,000,000, whose maturity will be in a single installment on August 23, 2029, with a coupon of 2.869% annual and interest payment semiannually.

On September 30, 2019, the Corporation made an issue and placement of bonds in the North American market, under rule 144-A and Regulation S, for a total nominal amount of ThUS$2,000,000 whose maturity will be, under one tranche, on September 30, 2029 corresponding to an amount of ThUS$1,100,000 with a 3% annual coupon. The other tranche contemplates a maturity on January 30, 2050, corresponding to an amount of ThUS$900,000. On January 14, 2020, the principal for the last tranche was increased for a nominal amount of ThUS$1,000,000, reaching a total amount of ThUS$1,900,000 with a coupon of 3.70% per year.

Along with this placement, Codelco launched a purchase offer, in which a repurchase amount of US$ 152 million was reached. The effect recognized in results associated with this refinancing was a charge of US$2 million after taxes.

On January 14, 2020, the Corporation issued and placed bonds in the North American market, under rule 144-A and Regulation S, for a nominal amount of ThUS $ 1,000,000, the maturity of which will be in a single installment on 14 January 2030, with a coupon of 3.15% per annum and payment of interest every six months.

On May 6, 2020, the Corporation issued and placed bonds in the North American market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$800,000 whose maturity will be in a single installment on 15 January 2031, with a coupon of 3.75% per annum and interest paid every six months.

As of September 30, 2020 and 2019, the Corporation is not required to comply with any financial covenants related to borrowings from financial institutions and bond obligations.

- ***Financial debt commissions and expenses:*** Transaction costs incurred in obtaining financial resources are deducted from the loan proceeds and are amortized using the effective interest rate.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of September 30, 2020, the details of loans from financial institutions and bond obligations are as follows:

9/30/2020													
Taxpayer ID Number	Country	Loans with financial entities	Institution	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of Interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	12/20/2020	Floating	US$	300,000,000	Maturity	Semi-annual	1.15%	1.15%	300,958	-
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	4/13/2022	Floating	US$	300,000,000	Maturity	Quarterly	0.93%	1.11%	594	299,205
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US$	224,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	1.03%	1.19%	32,232	31,913
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2022	Floating	US$	300,000,000	Maturity	Quarterly	0.91%	0.97%	518	299,675
Foreign	Panama	Bilateral Credit	Banco Latinoamericano de Comercio	12/18/2026	Floating	US$	75,000,000	Maturity	Semi-annual	1.62%	1.77%	338	74,457
Foreign	USA	Bilateral Credit	Export Dev Canada	8/12/2027	Floating	US$	300,000,000	Maturity	Quarterly	1.41%	1.47%	574	299,067
Foreign	USA	Bilateral Credit	Export Dev Canada	10/25/2028	Floating	US$	300,000,000	Maturity	Quarterly	1.46%	1.55%	791	298,498
Foreign	USA	Bilateral Credit	Export Dev Canada	7/25/2029	Floating	US$	300,000,000	Maturity	Quarterly	1.48%	1.65%	766	296,276
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V.	11/26/2032	Fixed	US$	874,959,000	Semi-annual	Semi-annual	3.25%	5.42%	54,182	525,492
TOTAL												**390,953**	**2,124,583**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Taxpayer ID Number	Country	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
144-A REG.S	Luxembourg	11/4/2020	Fixed	US$	1,000,000,000	At Maturity	Semi-annual	3.75%	3.89%	400,826	-
144-A REG.S	Luxembourg	11/4/2021	Fixed	US$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.02%	3,561	226,641
144-A REG.S	Luxembourg	7/17/2022	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.16%	2,522	411,352
144-A REG.S	Luxembourg	8/13/2023	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.50%	4.35%	2,734	467,748
144-A REG.S	Luxembourg	7/9/2024	Fixed	EUR	600,000,000	At Maturity	Annual	2.25%	2.48%	3,594	697,098
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	-	259,457
144-A REG.S	Luxembourg	9/16/2025	Fixed	US$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.75%	1,860	1,056,787
BCODE-C	Chile	8/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	910	379,035
144-A REG.S	Luxembourg	8/1/2027	Fixed	US$	1,500,000,000	At Maturity	Semi-annual	3.63%	4.20%	9,013	1,448,857
REG.S	Luxembourg	8/23/2029	Fixed	US$	130,000,000	At Maturity	Semi-annual	2.87%	2.98%	385	128,889
144-A REG.S	Luxembourg	9/30/2029	Fixed	US$	1,100,000,000	At Maturity	Semi-annual	3.00%	3.14%	-	1,087,948
144-A REG.S	Luxembourg	1/14/2030	Fixed	US$	1,000,000,000	At Maturity	Semi-annual	3.15%	3.28%	6,420	989,397
144-A REG.S	Luxembourg	1/15/2031	Fixed	US$	800,000,000	At Maturity	Semi-annual	3.75%	3.80%	12,091	796,958
REG.S	Luxembourg	11/7/2034	Fixed	HKD	500,000,000	At Maturity	Annual	2.84%	2.92%	1,652	63,911
144-A REG.S	Luxembourg	9/21/2035	Fixed	US$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	699	492,351
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	13,359	496,634
REG.S	Luxembourg	7/22/2039	Fixed	AUD	70,000,000	At Maturity	Annual	3.58%	3.65%	351	49,674
144-A REG.S	Luxembourg	7/17/2042	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	6,496	733,779
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	24,091	933,822
144-A REG.S	Luxembourg	11/4/2044	Fixed	US$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	19,344	961,709
144-A REG.S	Luxembourg	8/1/2047	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	4.50%	4.73%	9,324	1,206,523
144 - REG.S	Luxembourg	5/18/2048	Fixed	US$	600,000,000	At Maturity	Semi-annual	4.85%	4.91%	10,675	594,559
144-A REG.S	Luxembourg	2/5/2049	Fixed	US$	1,300,000,000	At Maturity	Semi-annual	4.38%	4.97%	8,655	1,183,684
144-A REG.S	Luxembourg	1/30/2050	Fixed	US$	1,900,000,000	At Maturity	Semi-annual	3.70%	3.89%	11,843	1,835,908
TOTAL										**550,405**	**16,502,721**

Nominal and effective interest rates presented above correspond to annual rates.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of December 31, 2019, the details of loans from financial institutions and bond obligations are as follows:

12/31/2019													
Taxpayer ID Number	**Country**	**Loans with financial entities**	**Institution**	**Maturity**	**Interest Rate**	**Currency**	**Principal Amount**	**Type of amortization**	**Payment of Interest**	**Nominal Interest Rate**	**Effective Interest Rate**	**Current balance ThUS$**	**Non-current balance ThUS$**
97.036.000-K	Chile	Bilateral Credit	Santander Chile	3/27/2020	Floating	US$	100,000,000	Maturity	Semi-annual	2.36%	2.36%	100,597	-
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	9/7/2020	Floating	US$	100,000,000	Maturity	Semi-annual	2.34%	2.34%	100,753	-
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	9/14/2020	Floating	US$	65,000,000	Maturity	Semi-annual	2.40%	2.40%	65,473	-
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	12/20/2020	Floating	US$	300,000,000	Maturity	Semi-annual	2.63%	2.63%	300,241	-
Foreign	USA	Bilateral Credit	MUFG Bank Ltd.	9/30/2021	Floating	US$	250,000,000	Maturity	Semi-annual	2.96%	3.06%	3,409	249,690
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2021	Floating	US$	300,000,000	Maturity	Semi-annual	2.54%	2.72%	1,205	299,265
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	4/13/2022	Floating	US$	300,000,000	Maturity	Quarterly	2.65%	2.86%	1,701	298,834
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US$	224,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	2.34%	2.53%	32,187	47,833
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2022	Floating	US$	300,000,000	Maturity	Semi-annual	2.83%	2.95%	3,774	299,550
Foreign	Panama	Bilateral Credit	Banco Latinoamericano de Comercio	12/18/2026	Floating	US$	75,000,000	Maturity	Semi-annual	3.10%	3.28%	77	74,401
Foreign	USA	Bilateral Credit	Export Dev Canada	10/25/2028	Floating	US$	300,000,000	Maturity	Semi-annual	3.40%	3.52%	4,505	298,390
Foreign	USA	Bilateral Credit	Export Dev Canada	7/25/2029	Floating	US$	300,000,000	Maturity	Semi-annual	3.42%	3.62%	4,393	296,200
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V.	11/26/2032	Fixed	US$	874,959,000	Semi-annual	Semi-annual	3.25%	5.42%	47,829	544,104
TOTAL												**666,144**	**2,408,267**

Taxpayer ID Number	Country	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
144-A REG.S	Luxembourg	11/4/2020	Fixed	US$	1,000,000,000	At Maturity	Semi-annual	3.75%	3.89%	396,742	-
144-A REG.S	Luxembourg	11/4/2021	Fixed	US$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.02%	1,377	226,416
144-A REG.S	Luxembourg	7/17/2022	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.16%	4,978	410,882
144-A REG.S	Luxembourg	8/13/2023	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.50%	4.74%	4,627	332,188
144-A REG.S	Luxembourg	7/9/2024	Fixed	EURO	600,000,000	At Maturity	Annual	2.25%	2.48%	7,236	666,384
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	2,595	270,374
144-A REG.S	Luxembourg	9/16/2025	Fixed	US$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.75%	14,003	1,055,236
BCODE-C	Chile	8/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	3,292	394,774
144-A REG.S	Luxembourg	8/1/2027	Fixed	US$	1,500,000,000	At Maturity	Semi-annual	3.63%	4.20%	22,607	1,443,875
REG.S	Luxembourg	8/23/2029	Fixed	US$	130,000,000	At Maturity	Semi-annual	2.87%	2.98%	1,328	128,808
144-A REG.S	Luxembourg	9/30/2029	Fixed	US$	1,100,000,000	At Maturity	Semi-annual	3.00%	3.14%	8,385	1,087,092
REG.S	Luxembourg	11/7/2034	Fixed	HKD	500,000,000	At Maturity	Annual	0.00%	0.00%	275	63,593
144-A REG.S	Luxembourg	9/21/2035	Fixed	US$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	7,804	492,115
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	5,713	496,544
REG.S	Luxembourg	7/22/2039	Fixed	AUD	70,000,000	At Maturity	Annual	0.00%	0.00%	783	48,519
144-A REG.S	Luxembourg	7/17/2042	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	14,465	733,450
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	10,804	933,573
144-A REG.S	Luxembourg	11/4/2044	Fixed	US$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	7,481	961,425
144-A REG.S	Luxembourg	8/1/2047	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	4.50%	4.73%	23,387	1,205,925
144 - REG.S	Luxembourg	5/18/2048	Fixed	US$	600,000,000	At Maturity	Semi-annual	4.85%	4.91%	3,438	594,487
144-A REG.S	Luxembourg	2/5/2049	Fixed	US$	1,300,000,000	At Maturity	Semi-annual	4.38%	4.97%	22,874	1,182,292
144-A REG.S	Luxembourg	1/30/2050	Fixed	US$	900,000,000	At Maturity	Semi-annual	3.70%	3.78%	8,393	889,406
									TOTAL	**572,587**	**13,617,358**

Nominal and effective interest rates presented above correspond to annual rates.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The undiscounted amounts that the Corporation will have to disburse to settle the obligations with financial institutions, are as follows:

9/30/2020					Current			Non-current			
Debtor's Name	**Currency**	**Effective interest rate**	**Nominal Rate**	**Payments of Interest**	**Less than 90 days**	**More than 90 days**	**Current total**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**	**Non-current total**
Scotiabank Chile	US$	1.15%	1.15%	Semi-annual	-	301,734	301,734	-	-	-	-
Scotiabank & Trust (Cayman) Ltd	US$	1.11%	0.93%	Quarterly	709	2,104	2,813	302,097	-	-	302,097
Japan Bank International Cooperation	US$	1.19%	1.03%	Semi-annual	16,332	16,248	32,580	32,251	-	-	32,251
Export Dev Canada	US$	0.97%	0.91%	Quarterly	716	2,078	2,794	302,710	-	-	302,710
Banco Latinoamericano de Comercio	US$	1.77%	1.62%	Semi-annual	619	616	1,235	2,471	2,474	76,845	81,790
Export Dev Canada	US$	1.47%	1.41%	Quarterly	1,079	3,201	4,280	8,559	8,570	308,559	325,688
Export Dev Canada	US$	1.55%	1.46%	Quarterly	-	3,333	3,333	8,879	8,891	315,532	333,302
Export Dev Canada	US$	1.65%	1.48%	Quarterly	1,137	3,374	4,511	9,023	9,035	317,997	336,055
BONO 144-A REG.S 2020	US$	3.89%	3.75%	Semi-annual	402,286	-	402,286	-	-	-	-
BONO 144-A REG.S 2021	US$	4.02%	3.88%	Semi-annual	4,398	4,398	8,796	231,379	-	-	231,379
BONO 144-A REG.S 2022	US$	3.16%	3.00%	Semi-annual	-	12,374	12,374	424,849	-	-	424,849
BONO 144-A REG.S 2023	US$	4.35%	4.50%	Semi-annual	-	20,964	20,964	41,928	465,871	-	507,799
BONO 144-A REG.S 2025	US$	4.75%	4.50%	Semi-annual	-	48,087	48,087	96,174	1,164,775	-	1,260,949
BONO 144-A REG.S 2027	US$	4.20%	3.63%	Semi-annual	-	54,375	54,375	108,750	108,750	1,608,750	1,826,250
BONO REG.S 2029	US$	2.98%	2.87%	Semi-annual	-	3,730	3,730	7,459	7,459	144,919	159,837
BONO 144-A REG.S 2029	US$	2.92%	3.14%	Semi-annual	-	33,000	33,000	49,500	66,000	1,248,500	1,364,000
BONO 144-A REG.S 2030	US$	3.15%	3.28%	Semi-annual	-	31,500	31,500	63,000	63,000	1,141,750	1,267,750
BONO 144-A REG.S 2031	US$	3.80%	3.75%	Semi-annual	-	30,000	30,000	60,000	60,000	965,000	1,085,000
BONO 144-A REG.S 2035	US$	5.78%	5.63%	Semi-annual	-	28,125	28,125	56,250	42,188	795,313	893,751
BONO 144-A REG.S 2036	US$	6.22%	6.15%	Semi-annual	15,375	15,375	30,750	61,500	61,500	853,625	976,625
BONO 144-A REG.S 2042	US$	4.41%	4.25%	Semi-annual	-	31,875	31,875	63,750	63,750	1,291,875	1,419,375
BONO 144-A REG.S 2043	US$	5.76%	5.63%	Semi-annual	26,719	26,719	53,438	106,875	106,875	1,938,594	2,152,344
BONO 144-A REG.S 2044	US$	5.01%	4.88%	Semi-annual	23,888	23,888	47,776	95,550	95,550	1,911,613	2,102,713
BONO 144-A REG.S 2047	US$	4.73%	4.50%	Semi-annual	-	56,250	56,250	112,500	112,500	2,487,500	2,712,500
BONO 144 REG.S 2048	US$	4.91%	4.85%	Semi-annual	14,550	14,550	29,100	58,200	58,200	1,269,300	1,385,700
BONO 144-A REG.S 2049	US$	4.97%	4.38%	Semi-annual	-	56,875	56,875	113,750	113,750	2,636,563	2,864,063
BONO 144-A REG.S 2050	US$	3.89%	3.70%	Semi-annual	-	70,300	70,300	140,600	140,600	3,622,350	3,903,550
Oriente Copper Netherlands B.V.	US$	5.42%	3.25%	Semi-annual	35,527	35,022	70,549	136,773	131,042	439,945	707,760
				Total ThUS$	**543,335**	**930,095**	**1,473,430**	**2,694,777**	**2,890,780**	**23,374,530**	**28,960,087**
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	7,452,000	-	8,004,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	-	248,457	248,457	496,913	496,914	10,248,457	11,242,284
				Total U.F.	138,000	386,457	524,457	1,048,913	7,948,914	10,248,457	19,246,284
				Subtotal ThUS$	**5,027**	**14,076**	**19,103**	**38,206**	**289,534**	**373,293**	**701,033**
BONO 144-A REG.S 2024	EUR	2.48%	2.25%	Annual	-	13,500,000	13,500,000	27,000,000	613,500,000	-	640,500,000
				Subtotal ThUS$	**-**	**15,812**	**15,812**	**31,623**	**718,553**	**-**	**750,176**
BONO REG.S 2039	AUD	3.65%	3.58%	Annual	-	2,506,000	2,506,000	5,012,000	5,012,000	105,084,000	115,108,000
				Subtotal ThUS$	**-**	**1,796**	**1,796**	**3,591**	**3,591**	**75,291**	**82,473**
BONO REG.S 2034	HKD	2.92%	2.84%	Annual	**14,238,904**	-	14,238,904	28,400,000	28,438,904	642,077,808	698,916,712
				Subtotal ThUS$	**1,837**	**-**	**1,837**	**3,665**	**3,670**	**82,849**	**90,184**
				Total ThUS$	**550,199**	**961,779**	**1,511,978**	**2,771,862**	**3,906,128**	**23,905,963**	**30,583,953**

Nominal and effective interest rates presented above correspond to annual rates.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

12/31/2019					Current			Non-current			
Debtor's Name	Currency	Effective interest rate	Nominal Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Santander Chile	US$	2.36%	2.36%	Semi-annual	101,165	-	101,165	-	-	-	-
Scotiabank Chile	US$	2.34%	2.34%	Semi-annual	101,182	-	101,182	-	-	-	-
Scotiabank Chile	US$	2.40%	2.40%	Semi-annual	65,790	-	65,790	-	-	-	-
Scotiabank Chile	US$	2.63%	2.63%	Semi-annual	-	304,054	304,054	-	-	-	-
MUFG Bank LTD	US$	3.06%	2.96%	Semi-annual	3,840	3,737	7,577	261,212	-	-	261,212
Export Dev Canada	US$	2.72%	2.54%	Semi-annual	-	7,757	7,757	307,715	-	-	307,715
Scotiabank & Trust (Cayman) Ltd	US$	2.86%	2.65%	Quarterly	1,988	6,053	8,041	312,062	-	-	312,062
Japan Bank International Cooperation	US$	2.53%	2.34%	Semi-annual	-	33,720	33,720	49,137	-	-	49,137
Export Dev Canada	US$	2.95%	2.83%	Semi-annual	4,411	4,293	8,704	317,291	-	-	317,291
Export Dev Canada	US$	3.52%	3.40%	Semi-annual	5,213	5,156	10,369	20,683	20,711	346,607	388,001
Export Dev Canada	US$	3.62%	3.42%	Semi-annual	5,244	5,187	10,431	20,804	20,833	351,897	393,534
Banco Latinoamericano de Comercio	US$	3.28%	3.10%	Semi-annual	-	2,380	2,380	4,722	3,545	80,886	89,153
BONO 144-A REG.S 2020	US$	3.89%	3.75%	Semi-annual	-	409,690	409,690	-	-	-	-
BONO 144-A REG.S 2021	US$	4.02%	3.88%	Semi-annual	-	8,796	8,796	235,777	-	-	235,777
BONO 144-A REG.S 2022	US$	3.16%	3.00%	Semi-annual	6,187	6,187	12,374	437,224	-	-	437,224
BONO 144-A REG.S 2023	US$	4.74%	4.50%	Semi-annual	7,535	7,535	15,070	30,138	349,940	-	380,078
BONO 144-A REG.S 2025	US$	4.75%	4.50%	Semi-annual	24,044	24,044	48,088	96,174	96,174	1,116,688	1,309,036
BONO 144-A REG.S 2027	US$	4.20%	3.63%	Semi-annual	27,188	27,188	54,376	108,750	108,750	1,663,125	1,880,625
REG.S 2029	US$	2.98%	2.87%	Semi-annual	1,865	1,865	3,730	7,459	7,459	148,649	163,567
BONO 144-A REG.S 2029	US$	3.14%	3.00%	Semi-annual	16,500	16,500	33,000	66,000	66,000	1,265,000	1,397,000
BONO 144-A REG.S 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	809,375	921,875
BONO 144-A REG.S 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	869,000	992,000
BONO 144-A REG.S 2042	US$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,323,750	1,451,250
BONO 144-A REG.S 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	1,965,313	2,179,063
BONO 144-A REG.S 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	1,935,500	2,126,600
BONO 144-A REG.S 2047	US$	4.73%	4.50%	Semi-annual	28,125	28,125	56,250	112,500	112,500	2,543,750	2,768,750
BONO 144 REG.S 2048	US$	4.91%	4.85%	Semi-annual	-	29,100	29,100	58,200	58,200	1,283,850	1,400,250
BONO 144-A REG.S 2049	US$	4.97%	4.38%	Semi-annual	28,438	28,438	56,876	113,750	113,750	2,693,438	2,920,938
BONO 144-A REG.S 2050	US$	3.78%	3.70%	Semi-annual	11,100	22,261	33,361	66,782	66,782	1,745,911	1,879,476
Oriente Copper Netherlands B.V.	US$	5.42%	3.25%	Semi-annual		72,705	72,705	141,137	135,320	537,640	814,097
				Total ThUS$	**469,816**	**1,216,735**	**1,686,551**	**3,151,442**	**1,543,889**	**20,680,379**	**25,375,711**
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,038,000	8,142,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	124,228	124,228	248,457	496,913	496,913	10,496,914	11,490,740
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	17,534,914	19,632,740
				Subtotal ThUS$	**9,915**	**9,915**	**19,830**	**39,661**	**39,660**	**662,997**	**742,318**
BONO 144-A REG.S 2024	EURO	2.48%	2.25%	Annual	-	13,500,000	13,500,000	27,000,000	27,000,000	600,000,000	654,000,000
				Subtotal ThUS$	**-**	**15,138**	**15,138**	**30,276**	**30,276**	**672,798**	**733,350**
REG.S 2039	AUD	3.65%	3.58%	Annual	-	2,506,000	2,506,000	5,012,000	5,012,000	107,590,000	117,614,000
				Subtotal ThUS$	**-**	**1,755**	**1,755**	**3,509**	**3,509**	**75,332**	**82,350**
REG.S 2034	HKD	2.92%	2.84%	Annual	-	14,238,904	14,238,904	28,400,000	28,438,904	642,077,808	698,916,712
				Subtotal ThUS$	**-**	**1,829**	**1,829**	**3,648**	**3,653**	**82,468**	**89,769**
				Total ThUS$	**479,731**	**1,245,372**	**1,725,103**	**3,228,536**	**1,620,987**	**22,173,974**	**27,023,498**

Nominal and effective interest rates presented above correspond to annual rates.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The table below details changes in CODELCO's financing activities in the statement of cash flow, including both cash and non-cash changes for the nine-month period ended September 30, 2020 and the year ended December 31, 2019:

Liabilities for financing activities	Initial Balance at 1/1/2020	Flows of cash			Changes that do not represent cash flow					Final Balance at 9/30/2020
		From	Used	Total	Financial Cost (1)	Exchange Difference	Fair Value Adjustment	Effective Interest accretion/amortization not cash flow related	Other	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans with financial institutions	3,074,411	565,000	(1,186,599)	(621,599)	58,930	-	-	2,044	1,750	2,515,536
Bond obligations	14,189,945	2,931,000	(534,583)	2,396,417	510,381	7,957	-	(51,574)	-	17,053,126
Hedge obligations	157,826	-	(22,178)	(22,178)	17,781	(17,519)	(16,829)	-	59,989	179,070
Paid dividends		-	-	-	-	-	-	-	-	
Financial assets for hedge derivatives	(82,584)	-	-	-	-	9,562	39,363	-	(27,683)	(61,342)
Leases	432,871	-	(100,744)	(100,744)	15,553	(12,079)	-	-	59,792	395,393
Capital contribution		-	-	-	-	-	-	-	-	
Other	58,864	-	(57,470)	(57,470)	-	-	-	-	52,783	54,177
Total liabilities from financing activities	**17,831,333**	**3,496,000**	**(1,901,574)**	**1,594,426**	**602,645**	**(12,079)**	**22,534**	**(49,530)**	**146,631**	**20,135,960**

Liabilities for financing activities	Initial Balance at 1/1/2019	Flows of cash			Changes that do not represent cash flow					Final Balance at 12/31/2019
		From	Used	Total	Financial Cost (1)	Exchange Difference	Fair Value Adjustment	Effective Interest accretion/amortization not cash flow related	Other	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans with financial institutions	2,511,949	840,000	(386,625)	453,375	104,592	-	-	1,606	2,889	3,074,411
Bond Obligations	12,745,736	3,543,199	(2,610,321)	932,878	591,920	(45,137)	-	(35,452)	-	14,189,945
Hedge obligations	116,132	-	(21,167)	(21,167)	21,556	13,142	27,575	-	588	157,826
Paid dividends	-	-	-	-	-	-	-	-	-	
Financial assets for hedge derivatives	(107,700)	-	-	-	-	31,438	(6,322)	-	-	(82,584)
Leases	107,839	-	(148,181)	(148,181)	31,416	(18,114)	-	-	459,911	432,871
Capital contribution	-	400,000	-	400,000	-	-	-	-	-	
Other	64,343	-	(75,483)	(75,483)	51,082	-	-	-	18,922	58,864
Total liabilities from financing activities	**15,438,299**	**4,783,199**	**(3,241,777)**	**1,541,422**	**800,566**	**(18,671)**	**21,253**	**(33,846)**	**482,310**	**17,831,333**

(1) The finance costs consider the capitalization of interest, which for the nine month periods ended September 30, 2020 and 2019, amounted to ThUS$155,750 and ThUS$269,215 respectively.

13. Fair Value of financial assets and liabilities

The carrying amount of financial assets is a reasonable approximation to their fair value, therefore, no additional disclosures are required in accordance with IFRS 7 with respect thereto.

Regarding financial liabilities, the following table shows a comparison as of September 30, 2020 between the carrying amount and the fair value of financial liabilities other than those whose carrying amount is a reasonable approximation of fair value.

Comparison value book vs fair value as of September 30, 2020	Accounting treatment for valuation	Carrying amount ThUS$	Fair value ThUS$
Financial liabilities:			
Bond Obligations	Amortized cost	17,053,126	19,541,220

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

14. Fair value hierarchy

The estimated fair value for the Corporation's portfolio of financial instruments is based on valuation techniques and observable inputs. Considering the hierarchy of the data used in these valuation techniques, the assets and liabilities measured at fair value can be classified into the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i,e, as prices) or indirectly (i,e, derived from prices).
- Level 3: Inputs are significant unobservable inputs for the asset or liability.

The following table presents financial assets and liabilities measured at fair value as of September 30, 2020:

Financial instruments measured at fair value	9/30/2020			
	Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$	Total ThUS$
Financial Assets				
Provisional price sales contracts	-	699,646	-	699,646
Cross Currency Swap	-	61,342	-	61,342
Mutual fund units	11,882	-	-	11,882
Metal futures contracts	276	-	-	276
Financial Liabilities				
Metal futures contracts	2,038	6,050	-	8,088
Cross Currency Swap	-	179,069		179,069

There were no transfers between the different levels during the nine month period ended September 30, 2020.

15. Trade and other payables

The detail of trade and other current payables as of September 30, 2020 and December 31, 2019, is as follows:

Items	Currents	
	9/30/2020 ThUS$	12/31/2019 ThUS$
Trade payables	853,015	1,150,047
Payables to employees	18,895	8,390
Withholdings	110,240	113,147
Withholding taxes	42,336	76,387
Other payables	90,786	72,944
Total	**1,115,272**	**1,420,915**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

16. Other provisions

The detail of other current and non-current provisions as of September 30, 2020 and December 31, 2019, is as follows:

Other Provisions	Current		Non-current	
	9/30/2020 ThUS$	12/31/2019 ThUS$	9/30/2020 ThUS$	12/31/2019 ThUS$
Sales-related provisions (1)	22,588	2,932	-	-
Operating (2)	301,919	260,973	-	-
Law No. 13196	110,634	109,643	-	-
Other provisions	71,159	128,429	421	2,239
Onerous Contract (3)	-	195	-	81
Decommissioning and restoration (4)	-	-	2,026,683	2,038,483
Legal proceedings	-	-	57,184	49,684
Total	**506,300**	**502,172**	**2,084,288**	**2,090,487**

(1) Corresponds to sales-related accruals, which includes charges for freight, loading, and unloading that were not invoiced at the end of the period.
(2) Corresponds to a provision for customs duties, freight on purchases, electricity, among others.
(3) Corresponds to a provision recognized for an onerous contract with Copper Partners Investment Company Ltd, See Note 28 b).
(4) Corresponds to the provision for future decommissioning and site restoration costs primarily related to tailing dams, closures of mine operations and other mining assets. The amount of the provision is the present value of future expected cash flows discounted at a pre-tax rate of 1.05% for the obligations in Chilean currency and 1.86% for the obligations in U.S. dollar. Both, discount rates reflect the corresponding assessments of the time value of money and the risks specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been made. The discount period varies between 9 and 54 years.

The Corporation determines and recognized this liability in accordance with the accounting policy described in Note 2, letter p) on Significant Accounting Policies.

Changes in Other provisions, were as follows:

Changes	1/1/2020 9/30/2020			
	Other Provisions, non-current ThUS$	Decommissioning and restoration ThUS$	Contingencies ThUS$	Total ThUS$
Opening balance	2,320	2,038,483	49,684	2,090,487
Closing provision adjustment	-	1,686		1,686
Financial expenses	-	22,452	-	22,452
Payment of liabilities	-	-	(1,135)	(1,135)
Foreign currency translation	(7)	(35,667)	(3,630)	(39,304)
Provision (decrease)	(2,375)	-	-	(2,375)
Other increases (decreases)	483	(271)	12,265	12,477
Closing Balance	**421**	**2,026,683**	**57,184**	**2,084,288**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

17. Employee benefits

a. Provisions for post-employment benefits and other long term benefits

Provision for post-employment benefits mainly corresponds to employee severance indemnities and medical care plans. The provision for severance indemnities recognizes the contractual obligation that the Corporation has with its employees/retirees regardless of the reason for employee's departure. The provision for medical care plans recognizes the contractual obligation that the Corporation has with its retirees to cover their medical care costs.

Both long-term employee benefits are stated in the terms of employment contracts and collective bargaining agreements as agreed to by the Corporation and its employees.

These defined benefit liabilities are recognized in the statement of financial position, at the present value of the defined benefit obligation. The discount rate applied is determined by reference to the market yields of government bonds in the same currency and estimated term of the post-employment benefit obligations.

The defined benefit obligations are denominated in Chilean pesos, therefore the Corporation is exposed to foreign exchange rate risk.

Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income and are not subsequently reclassified to profit or loss.

For the nine month period ended September 30, 2020, there were no significant changes in post-employment benefits plans.

The following actuarial assumptions were used in the actuarial calculation of the defined benefit plans:

Assumptions	9/30/2020		12/31/2019	
	Retirement plan	Health plan	Retirement plan	Health plan
Annual Discount Rate	3.68%	3.68%	3.68%	3.68%
Voluntary Annual Turnover Rate for Retirement (Men)	5.00%	5.00%	5.00%	5.00%
Voluntary Annual Turnover Rate for Retirement (Women)	4.70%	4.70%	4.70%	4.70%
Salary Increase (real annual average)	3.26%	-	3.26%	-
Future Rate of Long-Term Inflation	3.00%	3.00%	3.00%	3.00%
Inflation Health Care	-	5.05%	-	5.05%
Mortality tables used for projections	CB14-RV14	CB14-RV14	CB14-RV14	CB14-RV14
Average duration of future cash flows (years)	7.68	16.89	7.21	17.13
Expected Retirement Age (Men)	60	60	60	60
Expected Retirement Age (Women)	59	59	59	59

The discount rates correspond to the rates in the secondary market of government bonds issued in Chile. The annual inflation corresponds to the long-term expectation set by the Central Bank of Chile. The turnover rates were determined using the past three years of historical experience of the Corporation's employee departure behavior. The expected rate of salary increases has been estimated using the long-term behavior of historical salaries paid by the Corporation. The mortality tables used were those issued by the CMF, which are considered an appropriate representation of the Chilean market given the lack of comparable statistical series to develop independent studies. The period over which the obligation is being amortized corresponds to the estimate of the period over which the cash flows will occur.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b. The detail of current and non-current provisions for employment benefits as of September 30, 2020 and December 31, 2019, is as follows:

Accrual for employee benefits	**Current**		**Non-current**	
	9/30/2020 ThUS$	**12/31/2019** ThUS$	**9/30/2020** ThUS$	**12/31/2019** ThUS$
Employee performance bonuses per collective agreements	111,117	181,040	-	-
Severance indemnity provision	20,704	21,904	577,526	704,877
Bonus	26,950	35,195	-	-
Vacation	135,099	143,971	-	-
Medical care programs (1)	530	497	561,144	561,709
Retirement plans (2)	18,481	37,479	8,020	8,181
Other	11,357	15,479	5,850	8,590
Total	**324,238**	**435,565**	**1,152,540**	**1,283,357**

(1) Corresponds to a provision recognized for the obligations with health care institutions as agreed with current and former employees.
(2) Correspond to the provision recognized for early retirement benefits provided to employees.

The reconciliation of the present value of the retirement plan and post-employment benefit obligation, is as follows:

Movements	**1/1/2020 9/30/2020**		**1/1/2019 12/31/2019**	
	Retirement plan ThUS$	**Health plan** ThUS$	**Retirement plan** ThUS$	**Health plan** ThUS$
Opening balance	**726,781**	**562,206**	**829,507**	**496,783**
Service cost	39,516	46,757	51,086	39,980
Financial cost	2,398	1,855	15,512	9,290
Paid contributions	(131,480)	(22,965)	(115,970)	(44,275)
Actuarial losses	489	1,799	4,828	93,889
Subtotal	**637,704**	**589,652**	**784,963**	**595,667**
Gains on foreign exchange rate	(39,474)	(27,978)	(58,182)	(33,461)
Final Total	**598,230**	**561,674**	**726,781**	**562,206**

The balance of the defined benefit liability as of September 30, 2020, comprises a short term portion of ThUS$20,704 and ThUS$530 for the severance indemnity and the medical care plan, respectively. The expected amount of the defined benefit liability projected at September 30, 2021, consists of

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

ThUS$651,947 for the severance indemnity and ThUS$539,127 for the medical care plan. The expected monthly average future disbursements related to defined benefit plans are of ThUS$1,725 for severance indemnity and of ThUS$44 for medical care.

On the other hand, the technical revaluation of the liability (actuarial gain / loss defined under IAS19) has been carried out for severance benefits for years of services as of September 30, 2020, charged to equity, which is broken down into an actuarial loss for ThUS$489, corresponding to an experience loss. Similar to the latter case, for the obligation generated by health benefit plans, an actuarial loss of ThUS$1,799 has been determined, made up of an adjustment for experience.

The following table sets forth the sensitivity analysis of the value of each line item for a change in estimates, respectively, from the medium (used in the estimate recorded) to the low and from the medium to the high; the second to the last column represents the change between the low and medium and the last column represents the change between the medium and the high:

Severance Benefits for Years of Service	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.430%	3.680%	3.930%	1.37%	-1.32%
Financial effect on the real increase in income	3.008%	3.258%	3.508%	-1.17%	1.21%
Demographic effect of job rotations	4.470%	4.970%	5.470%	0.95%	-0.69%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	-0.04%	0.05%
Health Benefits and Other	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.430%	3.680%	3.930%	4.66%	-4.30%
Financial effect on health inflation	4.550%	5.050%	5.550%	-3.43%	3.64%
Demographic effect, planned retirement age	58 / 57	60 / 59	62 / 61	3.87%	-3.90%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	11.96%	-8.26%

c. Retirement benefits provision

The Corporation under its operational optimization programs seeks to reduce costs and increase labor productivity, and through the incorporation of modern technologies and/or best management practices has established employee retirement programs by making corresponding modifications to employment contracts or collective bargaining agreements, with benefits encouraging early retirement. The early retirement plans are recognized as a liability and expense as the Corporation can no longer withdraw the offer of those benefits.

As of September 30, 2020 and December 31, 2019, the retirement plan provision current balance was ThUS$18,481 and ThUS$37,479, respectively, while the non-current balance was ThUS$8,020 and ThUS$8,181, respectively. The non-current amounts recognized have been determined using a discount rate equivalent to that used for calculating employee benefits provisions and whose outstanding balances are part of the balances as of September 30, 2020 and December 31, 2019.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

d. Employee benefits expenses

The employee benefit expenses recognized for the nine month periods ended September 30, 2020 and 2019, are as follows:

Expense by Nature of Employee Benefits	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Benefits - Short term	961,938	1,182,374	335,913	389,726
Benefits - Post employment	46,757	16,952	13,467	7,969
Benefits - Early retirement	80,950	55,107	26,794	32,173
Benefits by years of service	39,516	38,469	15,439	11,047
Total	**1,129,161**	**1,292,902**	**391,613**	**440,915**

18. Equity

The Corporation’s total equity as of September 30, 2020 is ThUS$11,676,822 (ThUS$11,634,677 as of December 31, 2019 and ThUS$11,570,069 as of September 30, 2019).

In accordance with article 6 of Decree Law 1350 of 1976, it is established that, before March 30 of each year, the Board must approve the Corporation’s Business and Development Plan for the next three-year period. Taking that plan as a reference, and keeping in mind the Corporation’s balance sheet for the immediately preceding year and aiming to ensure its competitiveness, before June 30 of each year the amounts that the Corporation shall allocate to the formation of capitalization funds and reserves shall be determined by decree from the Ministries of Mining and Treasury.

Net income shown in the balance sheets, after deducting the amounts referred to in the previous paragraph, shall belong to the State and becomes part of the Nation’s general income.

Pursuant to the Exempt Decree No. 184 of June 27, 2014 of the Ministry of Finance, the Corporation was authorized to capitalize US$200 million of the net profit of the financial statements as of December 31, 2013.Those resources were charged to the profits of 2014.

On October 24, 2014, the President of the Republic of Chile signed Law No. 20790. Such Law sets forth an extraordinary capital contribution of up to US$3 billion for the Corporation during the period of 2014-2018. The resources obtained from such capital contribution, together with the capitalization of the profits obtained during such period – up to US$800 million – generated in that period, would serve to boost the Investment Plan in mining projects, sustainability, mining development and renewal of equipment and industrial plants. At December 31, 2014, there were no capitalized resources under such statute.

On October 16, 2018, the Ministry of Finance issued Exempt Decree 311 in which it has an extraordinary capital contribution for Codelco pursuant to Law No. 20,790 of US$1,000 million, which will be made in a first part for US$600 million and in a second part for US$400 million, and which were received on December 26, 2018 and February 26, 2019 respectively.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of 2019, the Corporation has established that dividend payments will not be made as long as there are prepayments of dividends paid in excess.

As of September 30, 2020 and December 31, 2019, the Corporation has not paid dividends, due to the fact that in 2018 there were advances of dividends paid in excess as follows:

	ThUS$
Dividends payable in 2017	295,842
Advance dividends in 2018	155,719
Advance dividends overpaid in 2018	150,900
Total dividends paid as of December 31, 2018	**602,461**

The consolidated statement of changes in equity discloses the changes in the Corporation's equity.

The movement and composition of other equity reserves is presented in the consolidated statement of changes in equity.

Reclassification adjustments from other comprehensive income to profit or loss resulted in credits of ThUS$650 and ThUS$3,058 for the nine month periods ended September 30, 2020 and 2019, respectively.

a) Other reserves

The detail of other reserves as of September 30, 2020 and December 31, 2019, is as follows:

Other Reserves	**9/30/2020** ThUS$	**12/31/2019** ThUS$
Reserve on exchange differences on translation	(3,838)	(6,672)
Reserve of cash flow hedges	(2,138)	19,506
Other miscellaneous reserves	4,962,393	4,962,393
Reserve of remeasurement of defined benefit plans	(306,552)	(305,770)
Other reserves	622,232	622,290
Total other reserves	**5,272,097**	**5,291,747**

b) Non-controlling interests

The detail of non-controlling interests, included in equity and profit or loss, as of and for each reporting period, is as follows:

Company	Non-controlling participation		Net equity		Income (loss)		Income (loss)	
	9/30/2020 %	12/31/2019 %	9/30/2020 ThUS$	12/31/2019 ThUS$	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Inversiones Gacrux SpA	32.20%	32.20%	919,428	919,764	7,231	7,552	6,492	3,236
Otros	-	-	30	(7)	36	(21)	4	(44)
Total			**919,458**	**919,757**	**7,267**	**7,531**	**6,496**	**3,192**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

For the nine-month period ended September 30, 2020, Inversiones Gacrux SpA, made an equity distribution of ThUS$7,567 paid to non-controlling interests.

The percentage of non-controlling interest in Inversiones Mineras Becrux SpA (previously Inversiones Mineras Acrux SpA) generates a non-controlling interest in our subsidiary Inversiones Gacrux SpA, which presents the following figures relating to its statement of financial position, statement of comprehensive income and cash flows:

Assets and liabilities	9/30/2020 ThUS$	12/31/2019 ThUS$
Current Assets	240,728	227,367
Non-current assets	2,852,587	2,855,708
Current liabilities	188,968	157,345
Non-current liabilities	536,709	554,890

Results	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Revenues	478,203	509,325	219,411	138,649
Expenses	(473,838)	(503,523)	(205,510)	(134,347)
Profit of the period	4,365	5,802	13,901	4,302

Cash flow	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$
Net cash flow from operating activities	29,128	85,789
Net cash flow from investing activities	87,173	44,015
Net cash flow from (using) financing activities	(43,355)	(92,266)

19. Revenue

Revenues for the nine month and three month periods ended September 30, 2020 and 2019, are as follows:

Item	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Revenue from sales of own copper	7,605,362	7,259,288	3,345,735	2,380,076
Revenue from sales of third-party copper	783,692	723,580	339,991	236,561
Revenue from sales of molybdenum	382,985	456,927	120,215	139,462
Revenue from sales of other products	453,621	359,357	182,483	129,680
Gain in futures market	2,979	9,032	1,358	5,656
Total	**9,228,639**	**8,808,184**	**3,989,782**	**2,891,435**

The Corporation's revenue is recognized at a point in time.

The breakdown of revenue is presented in explanatory note No.23 Operating Segments.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

20. Expenses by nature

Expenses by nature for the nine-month and three-month periods ended September 30, 2020 and 2019, are as follows:

Item	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Short-term benefits to employees	961,938	1,182,374	335,913	389,726
Depreciation	1,785,346	1,585,015	622,231	577,507
Amortization	1,784	412	686	134
Total	**2,749,068**	**2,767,801**	**958,830**	**967,367**

21. Other income and expenses by function

Other income and expenses by function for the nine-month and three-month periods ended September 30, 2020 and 2019, are as follows:

a) Other income by function

Item	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Penalties to suppliers	7,391	13,318	915	4,209
Delegated Administration	2,976	3,672	968	1,125
Miscellaneous sales (net)	18,929	30,664	7,432	4,633
Customer recovery	-	7,866	-	(41)
Reversal of provisions	-	810	-	810
Gain on sale of shares of related companies (Note 9)	-	103,151	-	103,151
Material Return	2,287	-	(549)	-
Insurance case compensation	10,962	-	10,962	-
Other miscellaneous income	32,708	47,500	(7,583)	2,381
Total	**75,253**	**206,981**	**12,145**	**116,268**

b) Other expenses by function

Item	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Law No. 13196	(696,296)	(686,715)	(284,366)	(230,018)
Research expenses	(34,810)	(57,354)	(7,976)	(18,307)
Union negotiation termination bonus	(3,045)	(109,845)	(3,038)	931
Exit employee plan	(80,950)	(55,107)	(26,794)	(32,173)
Write-off of investment projects	(66)	(3,905)	(5)	-
Write-off of property, plant & equipment	(2,653)	(24,618)	(864)	(376)
Medical care plan	(46,757)	(16,952)	(13,468)	(7,969)
Inventory write-off	(963)	(7,178)	(507)	(6,420)
Inventory obsolescence	(18,283)	-	(10,255)	-
Loss for onerous contract	-	-	135	-
Customer bad debt	-	(1,307)	-	-
Contingency expenses	(12,728)	(7,105)	(2,427)	(1,384)
Fixed indirect costs, low production level	(46,763)	(312,234)	(21,267)	(30,341)
Other	(26,531)	(45,813)	(6,141)	(16,750)
Total	**(969,845)**	**(1,328,133)**	**(376,973)**	**(342,807)**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

c) Law No. 13196

The Corporation is subject to Law No. 13196, which mandates the payment of a 10% tax over the foreign currency return on the actual sale revenue of copper production, including its by-products.

On January 27, 2017, Law No. 20989, article 3, establishes changes in the application of Law No. 13196 as of January 1, 2018, through which the Corporation will deposit annually, no later than December 15 of each year, the funds established in article 1 in that law.

On September 26, 2019, Law No. 21174 was published, which repeals Law No. 13196 and establishes that the 10% tax to the tax benefit provided by the Corporation will subsist for a period of nine years, decreasing from the tenth year 2.5% per year until reaching 0% at the beginning of the thirteenth year. The validity of this law is as of January 1, 2020, maintaining the payment annually at a date no later than December 15 of each year.

On March 23, 2020, the Ministry of Finance issued Ordinary Letter No. 843, which modifies the payment method of the funds related to Law 13196, in order to address funds to meet national needs generated by the COVID-19 crisis. Said Official Letter establishes the payment of funds owed to the Treasury for the application of Law No. 13196, equivalent to ThUS$240,168 (contribution for December 2019, January and February 2020), before March 31 this year. Subsequently and from the month of April, the Corporation should carry out the monthly transfer of the corresponding resources according to their recordkeeping, within a period not exceeding the last day of the month following its booking.

22. Finance costs

The detail of finance costs for the nine-month and three-month periods ended September 30, 2020 and 2019, is as follows:

Item	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Bond interest	(399,326)	(229,041)	(147,908)	(88,329)
Bank loan interest	(45,061)	(38,304)	(13,314)	7,813
Unwinding of discount on severance indemnity provision	(2,889)	(9,940)	(1,123)	(2,922)
Unwinding of discount on other non-current provisions	(25,272)	(33,482)	(8,564)	(11,023)
Other	(47,826)	(49,337)	(11,466)	(5,504)
Total	**(520,374)**	**(360,104)**	**(182,375)**	**(99,965)**

23. Operating segments

The Corporation has defined its Divisions as its operating segments in accordance with the requirements of IFRS 8, *Operating Segments*. The revenues and expenses of the Head Office are allocated among the defined operating segments.

The mining deposits in operation, where the Corporation conducts its extractive and processing activities are managed by the following Divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina and El Teniente. In addition, the smelting and refining activities are managed at the Ventanas Division. All these Divisions have a separate operational management, which reports to the Chief Executive Officer, through the North and South Central Vice-President of Operations, respectively.
The information on each Division and their corresponding mining deposits is as follows:

Chuquicamata
Types of mine sites: Open pit mines and underground mines
Operating: since 1915
Location: Calama – Region II
Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Radomiro Tomic
Types of mine sites: Open pit mines
Operating: since 1997,
Location: Calama – Region II
Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Ministro Hales
Type of mine: Open pit mine
Operating: since 2014
Location: Calama – Region II
Products: Calcined copper, copper concentrates

Gabriela Mistral
Type of mine: Open pit mine
Operating: since 2008
Location: Calama – Region II
Products: Electrolytic (electro-obtained) cathodes

Salvador
Type of mine: Underground mine and open pit mine
Operating: since 1926
Location: Salvador – Region III
Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Andina
Type of mines: Underground and open pit mines
Operating: since 1970
Location: Los Andes – Region V
Product: Copper concentrate

El Teniente
Type of mine: Underground mine
Operating: since 1905
Location: Rancagua – Region VI
Products: Fire-refined copper and copper anodes

a) Allocation of Head Office revenue and expenses

Revenue and expenses controlled by the Head Office are allocated to the Divisions based on following criteria.

The main items are assigned based on the following criteria:

Revenue and Cost of Sales of Head Office commercial transactions

- Allocation to the operating segments is made in proportion to revenues of each Division.

Other income, by function

- Other income by function, associated and identified with each Division, is directly allocated.
- Recognition of realized profits and other income by way of subsidiaries are allocated in proportion to the revenues of each Division.
- The remaining other income is allocated in proportion to the aggregate of balances of “other income” and “finance income” of each Division.

Distribution costs

- Expenses associated and identified with each Division are directly allocated.
- Distribution costs of subsidiaries are allocated in proportion to the revenues of each Division.

Administrative Expenses

- Administrative expenses associated and identified with each Division are directly allocated,
- Administrative expenses recorded in cost centers associated with the sales function and administrative expenses of subsidiaries are allocated in proportion to the revenues of each Division.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in proportion to inventory balances in warehouse in each Division.
- The remaining administrative expenses are allocated in proportion to operating cash outflows of each Division.

Other Expenses, by function

- Other expenses associated and identified with each Division are directly allocated.
- Expenses for pre-investment studies and other expenses by function of subsidiaries are allocated in proportion to the revenues of each Division.

Other gains

- Other gains associated and identified with each Division are directly allocated.
- Other gains of subsidiaries are allocated in proportion to the revenues of each Division.

Finance Income

- Finance income associated and identified with each Division is directly allocated.
- Finance income of subsidiaries is allocated in proportion to the revenues of each Division.
- The remaining finance income is allocated in relation to the operating cash outflows of each Division.

Finance costs

- Finance costs associated and identified with each Division are directly allocated.
- Finance costs of subsidiaries are allocated in proportion to the revenues of each Division.

Share in profit (loss) of associates and joint ventures accounted for using the equity method

- Share in profit or loss of associates and joint ventures identified for each Division is directly allocated.

Foreign exchange differences

- Foreign exchange differences identifiable with each Division are directly allocated.
- Foreign exchange difference of subsidiaries is allocated in proportion to the revenues of each Division.
- The remaining foreign exchange differences are allocated in relation to operating cash outflows of each Division.

Contribution to the Chilean Treasury under Law No. 13196

- The amount of the contribution is allocated and accounted for in proportion to the invoiced and recorded amounts for copper and sub-product exports of each Division, that are subject to the surcharge.

Income tax benefit (expense)

- Corporate income tax under D.L. 2398 and specific mining tax are allocated based on the income before income taxes of each Division, considering for this purpose the income and expenses allocation criteria of the Head Office and subsidiaries mentioned above.

- Other tax expenses are allocated in proportion to the corporate income tax, specific mining tax and tax under D.L. 2398 of each Division.

b) Transactions between segments

Transactions between segments mainly related to products processing services (or tolling services), are recognized as revenue for the segment rendering the tolling services and as the cost of sales for the segment that receives the service. Such recognition is made in the period in which these services are rendered, as well as its elimination in the consolidated corporate financial statements.

Additionally, the reallocation of the profit and loss assumed by Ventanas Division, associated with the corporate mineral processing contract between Codelco and Enami, in which a distribution is applied based on the revenue of each division is included as a transaction between segments.

c) Cash flows by segments

The operating segments defined by the Corporation, maintains a cash management function which refers mainly to operational activities that need to be covered periodically with funds constituted in each of these segments and whose amounts are not significant in relation to corporate balances of cash and cash equivalents.

Conversely, activities such as obtaining financing, investment and payment of relevant financial obligations are mainly based at the Head Office.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following tables details the financial information organized by operating segments:

	From 1/1/2020 9/30/2020										
Segments	**Chuquicamata**	**R. Tomic**	**Salvador**	**Andina**	**El Teniente**	**Ventanas**	**G. Mistral**	**M. Hales**	**Total Segments**	**Head Office**	**Total Consolidated**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Revenue from sales of own copper	2,551,728	1,077,357	423,993	777,367	1,696,574	48,956	438,744	590,674	7,605,393	(31)	7,605,362
Revenue from sales of third-party copper	2,226	-	(230)	-	-	18,966	-	-	20,962	762,730	783,692
Revenue from sales of molybdenum	222,519	8,845	7,292	31,959	104,688	-	-	-	375,303	7,682	382,985
Revenue from sales of other products	131,831	-	49,964	3,221	63,423	151,569	5	45,966	445,979	7,642	453,621
Revenue from futures market	1,574	1,761	121	(209)	591	(1,841)	890	92	2,979	-	2,979
Revenue between segments	39,391	-	34,831	3,219	-	59,869	-	-	137,310	(137,310)	-
Revenue	**2,949,269**	**1,087,963**	**515,971**	**815,557**	**1,865,276**	**277,519**	**439,639**	**636,732**	**8,587,926**	**640,713**	**9,228,639**
Cost of sales of own copper	(1,975,597)	(853,922)	(411,016)	(662,416)	(1,082,352)	(41,435)	(397,233)	(576,737)	(6,000,708)	(1,498)	(6,002,206)
Cost of sales of copper third-party copper	(1,506)	-	-	-	-	(22,304)	-	-	(23,810)	(760,287)	(784,097)
Cost of sales of molybdenum	(60,251)	(3,352)	(3,345)	(17,236)	(35,391)	-	-	-	(119,575)	(24,231)	(143,806)
Cost of sales of other products	(110,314)	-	(50,566)	(489)	(40,402)	(158,122)	(418)	(8,236)	(368,547)	(12,037)	(380,584)
Cost of sales between segments	(88,076)	9,496	(32,410)	3,475	19,392	(72,487)	(1,126)	24,426	(137,310)	137,310	-
Cost of sales	**(2,235,744)**	**(847,778)**	**(497,337)**	**(676,666)**	**(1,138,753)**	**(294,348)**	**(398,777)**	**(560,547)**	**(6,649,950)**	**(660,743)**	**(7,310,693)**
Gross profit	**713,525**	**240,185**	**18,634**	**138,891**	**726,523**	**(16,829)**	**40,862**	**76,185**	**1,937,976**	**(20,030)**	**1,917,946**
Other income, by function	15,415	3,498	4,017	11,215	8,100	5,093	985	911	49,234	26,019	75,253
Impairment loss determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	(934)	(934)
Distribution costs	(2,356)	(12)	(259)	(109)	(429)	(892)	-	(740)	(4,797)	(2,198)	(6,995)
Administrative expenses	(33,085)	(17,351)	(10,590)	(15,804)	(46,902)	(5,061)	(14,846)	(14,487)	(158,126)	(104,290)	(262,416)
Other expenses, by function	(119,120)	(5,130)	(16,114)	(19,030)	(42,296)	(6,053)	(8,202)	(6,266)	(222,211)	(51,337)	(273,548)
Law No. 13.196	(231,439)	(95,972)	(42,593)	(76,209)	(146,332)	(17,131)	(43,336)	(43,285)	(696,297)	-	(696,297)
Other gains (losses)	-	-	-	-	-	-	-	-	-	18,264	18,264
Finance income	(660)	(25)	38	6	762	104	6	(286)	(55)	35,467	35,412
Finance costs	(181,667)	(29,337)	(14,304)	(53,289)	(165,302)	(6,041)	(10,389)	(31,356)	(491,685)	(28,689)	(520,374)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	-	-	382	529	937	-	-	-	1,848	7,865	9,713
Exchange differences	38,206	10,107	8,089	19,669	48,927	5,903	2,869	5,329	139,099	(2,152)	136,947
Income (loss) before taxes	**198,819**	**105,963**	**(52,700)**	**5,869**	**383,988**	**(40,907)**	**(32,051)**	**(13,995)**	**554,986**	**(122,015)**	**432,971**
Income tax expenses	**(147,613)**	**(73,741)**	**35,910**	**(4,923)**	**(269,961)**	**28,352**	**21,973**	**8,417**	**(401,586)**	**40,538**	**(361,048)**
Income (loss)	**51,206**	**32,222**	**(16,790)**	**946**	**114,027**	**(12,555)**	**(10,078)**	**(5,578)**	**153,400**	**(81,477)**	**71,923**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

From 1/1/2019 9/30/2019											
Segments	**Chuquicamata**	**R. Tomic**	**Salvador**	**Andina**	**El Teniente**	**Ventanas**	**G. Mistral**	**M. Hales**	**Total Segments**	**Head Office**	**Total Consolidated**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Revenue from sales of own copper	2,396,592	1,185,920	161,600	675,587	1,667,944	47,771	469,570	654,302	7,259,286	2	7,259,288
Revenue from sales of third-party copper	1,004	-	-	-	-	14,552	-	-	15,556	708,024	723,580
Revenue from sales of molybdenum	225,382	4,986	16,108	56,475	147,733	-	-	-	450,684	6,243	456,927
Revenue from sales of other products	92,499	-	18,155	1,219	82,810	141,487	3,520	15,553	355,243	4,114	359,357
Revenue from futures market	5,792	2,947	366	(62)	(92)	(687)	677	91	9,032	-	9,032
Revenue between segments	11,078	-	7,324	1,904	1,330	78,032	-	-	99,668	(99,668)	-
Revenue	**2,732,347**	**1,193,853**	**203,553**	**735,123**	**1,899,725**	**281,155**	**473,767**	**669,946**	**8,189,469**	**618,715**	**8,808,184**
Cost of sales of own copper	(2,115,967)	(877,709)	(188,496)	(708,175)	(1,097,380)	(42,124)	(509,108)	(535,749)	(6,074,708)	1,271	(6,073,437)
Cost of sales of copper third-party copper	(1,060)	-	-	-	-	(14,908)	-	-	(15,968)	(701,204)	(717,172)
Cost of sales of molybdenum	(62,182)	(10,805)	(6,672)	(19,580)	(34,492)	-	-	-	(133,731)	(18,898)	(152,629)
Cost of sales of other products	(91,025)	-	(9,888)	(468)	(50,877)	(147,252)	(3,393)	(6,597)	(309,500)	(3,545)	(313,045)
Cost of sales between segments	(35,884)	18,179	(12,128)	(869)	3,926	(73,313)	(1,315)	1,736	(99,668)	99,668	-
Cost of sales	**(2,306,118)**	**(870,335)**	**(217,184)**	**(729,092)**	**(1,178,823)**	**(277,597)**	**(513,816)**	**(540,610)**	**(6,633,575)**	**(622,708)**	**(7,256,283)**
Gross profit	**426,229**	**323,518**	**(13,631)**	**6,031**	**720,902**	**3,558**	**(40,049)**	**129,336**	**1,555,894**	**(3,993)**	**1,551,901**
Other income, by function	11,105	3,926	9,389	18,763	9,482	981	1,539	2,370	57,555	149,426	206,981
Impairment loss determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	1,176	1,176
Distribution costs	(4,898)	(211)	(597)	(73)	(725)	(718)	(90)	(954)	(8,266)	(4,381)	(12,647)
Administrative expenses	(35,792)	(22,413)	(10,138)	(12,247)	(39,103)	(6,019)	(20,703)	(19,676)	(166,091)	(136,934)	(303,025)
Other expenses, by function	(372,751)	(12,236)	(75,467)	(10,617)	(80,909)	(2,371)	(10,026)	(13,075)	(577,452)	(63,966)	(641,418)
Law No. 13.196	(232,929)	(107,473)	(14,235)	(68,814)	(159,083)	(15,392)	(53,335)	(35,454)	(686,715)	-	(686,715)
Other gains (losses)	-	-	-	-	-	-	-	-	-	17,038	17,038
Finance income	(1,237)	(81)	45	159	841	171	17	(366)	(451)	22,955	22,504
Finance costs	(44,985)	(36,861)	(11,698)	(47,975)	(129,654)	(7,723)	(11,794)	(36,266)	(326,956)	(33,148)	(360,104)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	212	-	(371)	(728)	(1,577)	-	-	-	(2,464)	14,327	11,863
Exchange differences	38,142	5,980	2,700	12,818	41,195	3,890	4,707	8,588	118,020	(3,074)	114,946
Income (loss) before taxes	**(216,904)**	**154,149**	**(114,003)**	**(102,683)**	**361,369**	**(23,623)**	**(129,734)**	**34,503**	**(36,926)**	**(40,574)**	**(77,500)**
Income tax expenses	**137,721**	**(109,876)**	**78,495**	**69,230**	**(265,032)**	**16,200**	**91,082**	**(25,462)**	**(7,641)**	**(12,858)**	**(20,499)**
Income (loss)	**(79,183)**	**44,273**	**(35,508)**	**(33,453)**	**96,337**	**(7,423)**	**(38,652)**	**9,041**	**(44,567)**	**(53,432)**	**(97,999)**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of September 30, 2020 and 2019, no impairment or reversal of impairment has been recorded in the segments indicated in the previous table.

The assets and liabilities related to each operating segment, including the Corporation's head office as of September 30, 2020 and December 31, 2019, are detailed in the following tables:

9/30/2020										
Category	**Chuquicamata**	**Radomiro Tomic**	**Salvador**	**Andina**	**El Teniente**	**Ventanas**	**G. Mistral**	**M. Hales**	**Head Office**	**Total Consolidated**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	1,240,166	528,176	603,496	293,822	831,644	67,667	223,892	366,973	3,982,947	8,138,783
Non-current assets	9,133,917	2,038,092	1,057,324	4,876,485	7,702,617	252,644	1,092,927	3,167,475	4,946,205	34,267,686
Current liabilities	523,012	170,301	173,351	182,243	361,108	64,137	82,667	149,232	1,511,742	3,217,793
Non-current liabilities	692,244	262,544	237,116	574,442	1,213,495	124,748	147,671	125,353	24,134,241	27,511,854

12/31/2019										
Category	**Chuquicamata**	**Radomiro Tomic**	**Salvador**	**Andina**	**El Teniente**	**Ventanas**	**G. Mistral**	**M. Hales**	**Head Office**	**Total Consolidated**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	1,318,498	673,058	409,962	269,730	959,041	63,802	264,389	342,614	1,748,927	6,050,021
Non-current assets	9,079,665	2,097,006	1,022,033	4,828,805	7,521,778	268,457	1,149,763	3,247,562	5,079,521	34,294,590
Current liabilities	821,067	179,649	140,456	214,350	474,126	76,222	103,484	139,946	1,773,657	3,922,957
Non-current liabilities	765,850	262,729	255,063	588,841	1,257,577	138,455	152,528	115,909	21,250,035	24,786,987

The revenue segregated per geographical areas is the following:

Revenue per geographical areas	**1/1/2020 9/30/2020** ThUS$	**1/1/2019 9/30/2019** ThUS$	**7/1/2020 9/30/2020** ThUS$	**7/1/2019 9/30/2019** ThUS$
Total revenue from domestic customers	1,217,510	1,048,456	619,741	290,863
Total revenue from foreign customers	8,011,129	7,759,728	3,370,041	2,600,572
Total	**9,228,639**	**8,808,184**	**3,989,782**	**2,891,435**

Revenue per geographical areas	**1/1/2020 9/30/2020** ThUS$	**1/1/2019 9/30/2019** ThUS$	**7/1/2020 9/30/2020** ThUS$	**7/1/2019 9/30/2019** ThUS$
China	2,279,394	1,596,852	978,672	692,515
Rest of Asia	1,035,909	1,187,325	395,312	338,644
Europe	3,100,855	2,763,921	1,296,624	798,165
America	2,372,247	2,705,086	1,108,871	921,772
Other	440,234	555,000	210,303	140,339
Total	**9,228,639**	**8,808,184**	**3,989,782**	**2,891,435**

During the periods January - September 2020 and 2019, there is no income from ordinary activities from transactions with a single client, representing 10 percent or more of the income of ordinary activities of the Corporation.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

24. Foreign exchange differences

The detail of foreign exchange differences for the nine-month and three-month periods ended September 30, 2020 and 2019, is as follows:

Gain (loss) from foreign exchange differences recognized in income	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$	7/1/2020 9/30/2020 ThUS$	7/1/2019 9/30/2019 ThUS$
Gain from foreign exchange differences	237,945	158,392	(126,069)	123,003
Loss from foreign exchange differences	(100,998)	(43,446)	(249)	52,125
Total exchange difference, net	**136,947**	**114,946**	**(126,318)**	**175,128**

25. Statement of cash flows

The following table shows the items that comprise other collections and payments from operating activities in the Statement of Cash Flows:

Other collections from operating activities	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$
VAT Refund	951,395	1,229,424
Other	491,832	207,512
Total	**1,443,227**	**1,436,936**

Other payments from operating activities	1/1/2020 9/30/2020 ThUS$	1/1/2019 9/30/2019 ThUS$
Contribution to Chilean treasury Law N°13.196	(693,931)	-
Sales hedge	(1,762)	(10,360)
VAT and other similar taxes paid	(985,275)	(966,395)
Total	**(1,680,968)**	**(976,755)**

During the period January – September 2020, no capital contributions were received.
During the nine-month periods ended September 30, 2019, as indicated in the equity note, capital contributions were received for a total of ThUS$400,000, which are presented in other cash inflows (outflows) corresponding to the net cash flows provided by (used in) activities of financing.

26. Financial risk management, objectives and policies

Codelco has committees within its organization to set out strategies allowing to reduce the financial risks to which it may be exposed.

The risks to which Codelco is exposed and a brief description of the management procedures that are carried out in each case, are described below:

a. Financial risks

- Exchange rate risk:

  According to IFRS 7, exchange rate risk is understood to be the risk that arises from financial instruments that are denominated in foreign currencies, that is, a currency other than the Corporation's functional currency (US dollar).

  Codelco's activities that generate this exposure correspond to funding in UF, accounts payable and receivable in Chilean pesos, other foreign currencies used in its business operations and obligations with employees.

  The majority of transactions in currencies other than US$ are denominated in Chilean pesos. Also, there is another portion in Euro, which corresponds mainly to a long-term loan issued through the international market, which exchange rate risk is mitigated with hedging instruments (Swap).

  Taking into consideration the financial assets and liabilities as of September 30, 2020 as the base, a fluctuation (positive or negative) of 10 Chilean pesos against the U.S. dollar (keeping the other variables constant), could affect profits before taxes by US$34 million in net income, respectively. This result is obtained by identifying the main items (including assets and financial liabilities) denominated in foreign currencies in order to measure the impact on profit or loss that a variation of +/- 10 Chilean pesos would have in terms of US$, with respect to the closing exchange rate at the end of the reporting period.

- Interest rate risk:

  This risk arises from interest rate fluctuations in Codelco's investment and financing activities. This movement can affect future cash flows or the market value of fixed rate financial instruments.

  These rate variations refer to U.S. dollar variations, mostly with respect to the LIBOR rate. To manage this risk, Codelco maintains an adequate combination of fixed and variable rate debt, which is complemented by the possibility of using interest-rate derivatives to meet the strategic guidelines defined by Codelco's Corporate Finance Department.

  It is estimated that, on the basis of net debt balance as of September 30, 2020, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a

US$17 million change in finance costs, before tax. This estimation is made by identifying the liabilities assigned variable interest, accrued at the end of the financial statements, which may vary with a change of one percentage point in variable interest rates.

Total fixed and variable interest rate obligations maintained by Codelco as of September 30, 2020 correspond to amounts of ThUS$17,632,799 and ThUS$1,935,862, respectively.

b. Market risks

- Commodity price risk:

  As a result of its commercial operations and activities, the Corporation's income is mainly exposed to the volatility of copper prices and certain sub-products such as gold and silver.

  Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing based on the monthly average market price for specified future periods. At the reporting date, the provisionally priced metal sales are marked-to-market, with adjustments (both gains and losses) being recorded in revenues in the consolidated statement of comprehensive income. Forward prices at the period-end are used for copper sales, while period-end average prices are used for molybdenum concentrate sales due to the absence of an assets futures market. (See Note 2.r) "Income from Activities Ordinary Procedures from Contracts with Customers "of section II" Main policies countable ").

  For the nine-month period ended September 30, 2020, if the future price of copper fluctuates by + / - 5% (with the other variables constant), the result would be US$157 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect as of September 30, 2020 (MTMF 213). For the estimate indicated, all of those physical sales contracts were valued according to the monthly average immediately following the close of the financial statements, and proceeds to be estimated regarding what the final settlement price would be if there is a difference of + / - 5% with respect to the future price known to date for this period.

  In order to protect cash flow and adjust, where necessary, its sales contracts to its trade policy, the Corporation holds operations in futures markets. At the end of the reporting period, these contracts are adjusted to fair value, recording this effect, at the settlement date of the hedging transactions as part of net product sales.

  The Corporation has not entered into any hedging transactions with the specific purpose of hedging the price risk caused by fluctuations in prices of production inputs.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

c. Liquidity risk

The Corporation ensures that it has sufficient resources, such as pre-approved credit lines (including refinancing), in order to meet short-term requirements, after considering the necessary working capital for its operations and any other commitments it has.

In this sense, the Corporation maintains resources at its disposal sufficient to meet its obligations, whether in cash, liquid financial instruments or credit facilities.

In addition, the Finance Department constantly monitors the Corporation's cash flow projections based on short and long term projections and available financing alternatives. In addition, the Corporation estimates that it has enough headroom to increase the level of borrowing for the normal requirements of its operations and investments established in its development plan.

In this context, according to current existing commitments with creditors, the cash requirements to cover financial liabilities classified by maturity and presented in the statement of financial position are detailed as follows:

Maturity of financial liabilities as of 9/30/2020	Less than one year ThUS$	Between one and five years ThUS$	More than five years ThUS$
Loans from financial institutions	390,953	832,223	1,292,360
Bonds	550,405	3,119,083	13,383,638
Derivatives	7,329	-	179,828
Other financial liabilities	-	54,177	-
Total	**948,687**	**4,005,483**	**14,855,826**

d. Credit risk

This risk comprises the possibility that a third party does not fulfill its contractual obligations, thereby causing a loss for the Corporation.

Given the Corporation's sales policy, principally with cash and advance payments and bank letters of credit, the uncollectability of client debt balances is minimal. This is complemented by the familiarity the Corporation has with its clients and the length of time it has operated with them. Therefore, the credit risk of these transactions is not significant.

The indications with respect to the payment conditions to the Corporation are detailed in every sales contract and the negotiation management is under the charge of the Vice Presidency of Marketing.

In general, the Corporation's other accounts receivable have a high credit quality according to the Corporation's evaluations, based on each debtor's solvency analysis and payment history.

The maximum exposure to credit risk as of September 30, 2020 is represented by the financial asset items presented in the Corporation's Statement of Financial Position.

The Corporation's accounts receivable do not include customers with balances that could be classified as a significant concentration of debt and would represent a material exposure for Codelco. This exposure is distributed among a large number of clients and other counterparties.

In the customer items, the provisions, which are not significant, are included based on the review of the outstanding balances and characteristics of the clients, destined to cover eventual insolvencies.

In explanatory note 2, trade and other receivables presents past due balances that have not been impaired.

The Corporation estimates that unimpaired amounts overdue over 30 days are recoverable based on clients' historical payment behavior and their existing credit ratings.

As of September 30, 2020 and 2019, there are no receivable balances that have been renegotiated.

Codelco works with major banks, which have high national and international ratings, and continually assesses them; therefore, the risk that could affect the availability of the Corporation's funds and financial instruments is not significant.

Also, in some cases, to minimize credit risk, the Corporation has contracted credit insurance policies through which it transfers to third parties the commercial risk associated with some aspects of its business.

During the nine-month periods ended September 30, 2020 and 2019, no guarantees have been executed to ensure the collection of third party debt.

Personnel loans mainly relate to mortgage loans, according to programs included in union agreements, which are paid for through payroll discounts.

27. Derivatives contracts

The Corporation has entered into transactions to hedge cash flows, to minimize the risk of foreign exchange rate variations and sales price variations, detailed as follows:

a. Hedges

The Corporation maintains an exposure associated with its hedging operations against exchange rate and interest rate variations, whose positive fair value, net of taxes, amounts to ThUS$596.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following table summarizes the detail of the financial hedges contracted by the Corporation:
September 30, 2020

Hedged item	Bank	Type of derivative contract	Maturity	Currency	Covered item	Financial obligation: hedging instrument	Fair value of hedging instruments	Asset	Amortized cost
					ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Bond UF Mat. 2025	Credit Suisse (USA)	Swap	4/1/2025	US$	251,328	208,519	61,342	327,400	(266,058)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US$	351,369	409,650	(74,342)	392,192	(466,534)
Bond EUR Mat. 2024	BNP Paribas (USA)	Swap	7/9/2024	US$	351,369	409,680	(74,028)	392,192	(466,220)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US$	364,244	406,212	(20,908)	459,720	(480,628)
Bond AUD Mat. 2039	Santander (Chile)	Swap	8/22/2039	US$	50,154	49,266	(1,701)	69,879	(71,580)
Bond HKD Mat. 2034	HSBC Bank USA N.A. (USA)	Swap	11/7/2034	US$	64,515	63,792	(2,799)	83,253	(86,052)
Total					**1,432,979**	**1,547,119**	**(112,436)**	**1,724,636**	**(1,837,072)**

December 31, 2019

Hedged item	Bank	Type of derivative contract	Maturity	Currency	Covered item	Financial obligation: hedging instrument	Fair value of hedging instruments	Asset	Amortized cost
					ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Bond UF Mat. 2025	Credit Suisse (USA)	Swap	4/1/2025	US$	260,890	208,519	75,608	329,480	(253,872)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US$	336,399	409,650	(73,114)	380,570	(453,684)
Bond EUR Mat. 2024	Deustche Bank (England)	Swap	7/9/2024	US$	336,399	409,680	(72,756)	380,583	(453,339)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US$	378,101	406,212	6,976	461,581	(454,605)
Bond AUD Mat. 2039	Santander (Chile)	Swap	8/22/2039	US$	49,013	49,266	(1,558)	54,509	(56,067)
Bond HKD Mat. 2034	HSBC Bank USA N.A. (USA)	Swap	11/7/2034	US$	64,220	63,792	(703)	64,220	(64,923)
Total					**1,425,022**	**1,547,119**	**(65,547)**	**1,670,943**	**(1,736,490)**

As of September 30, 2020, the Corporation no maintains cash deposit guarantee balances.

The current methodology for valuing currency swaps is to use the bootstrapping technique from the mid - swap rate to construct the curves (zero) in UF and US$ respectively, from market information.

The notional amounts are detailed below:

September 30, 2020	Notional amount of contracts with final maturity							
	Currency	Less than 90 days	More than 90 days	Current Total	1 to 3 years	3 to 5 years	More than 5 years	Non-current Total
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Currency derivatives	ThUS$	2,091	59,215	61,306	116,564	1,119,326	579,155	1,815,045

b. Cash flows hedging contracts and commercial policy adjustment

The Corporation enters into metals hedging activities. Such results increase or decrease the total sales revenue based on the market prices of the metals. As of September 30, 2020, these operations generated a gain of ThUS$863.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b.1. Commercial flexibility operations of copper contracts

The purpose of these contracts is to adjust the price of shipments to the price defined in the Corporation's related policy, defined in accordance with the London Metal Exchange (LME). As of September 30, 2020, the Corporation performed derivative market transactions of copper that represent 455,650 metric tons of fine copper. These hedging operations are performed as part of the Corporation's commercial policy.

The current contracts as of September 30, 2020, present a negative fair value of ThUS$8,035 and their final result will only be known at their maturity, offsetting the hedging transactions with revenue from the sale of the hedged products.

The transactions settled as of nine-month period ended September 30, 2020 resulted in a net positive effect on net income of ThUS$2,536, which is comprised of the amounts received for sales contracts for ThUS$4,652 and the amounts net off against purchases contracts for ThUS$2,116.

b.2. Commercial Transactions of Current Gold and Silver Contracts

As of September 30, 2020, the Corporation maintains derivative contracts for the sale of gold of ThOZ 10,192.

The contracts in force as of September 30, 2020, present a positive fair value of ThUS$224, the final result of which can only be known at the expiration of these operations, after the compensation between the hedging operations and the income from the sale of the protected products. These hedging operations expire until January 2021.

The operations completed between January 1 and September 30, 2020, generated a negative effect on results of ThUS$1,673, corresponding to values per physical sales contracts.

b.3. Cash flow hedging operations backed by future production

The Corporation does not hold cash flow hedges backed by future production as of September 30, 2020.

The following tables set forth the maturities of metal hedging activities, as referred to in point b above:

September 30, 2020	Maturity date						
ThUS$	2020	2021	2022	2023	2024	Upcoming	Total
Flex Com Cobre (Asset)	666	1,519	-	-	-	-	2,185
Flex Com Cobre (Liability)	(1,662)	(5,099)	(3,294)	(165)	-	-	(10,220)
Flex Com Gold/Silver	241	(17)	-	-	-	-	224
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	(755)	(3,597)	(3,294)	(165)	-	-	(7,811)

December 31, 2019	Maturity date						
ThUS$	2020	2021	2022	2023	2024	Upcoming	Total
Flex Com Cobre (Asset)	1,315	525	-	-	-	-	1,840
Flex Com Cobre (Liability)	(1,799)	(844)	(12)	-	-	-	(2,655)
Flex Com Gold/Silver	(1)	-	-	-	-	-	(1)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	(485)	(319)	(12)	-	-	-	(816)

September 30, 2020	Maturity date						
All figures in thousands of metric tons ounces	2020	2021	2022	2023	2024	Upcoming	Total
Copper Futures [MT]	64.725	302.625	84.650	3.650	-	-	455.650
Gold/Silver Futures [ThOZ]	7.330	2.860	-	-	-	-	10.190
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

December 31, 2019	Maturity date						
All figures in thousands of metric tons ounces	2020	2021	2022	2023	2024	Upcoming	Total
Copper Futures [MT]	335.650	96.650	0.500	-	-	-	432.800
Gold/Silver Futures [ThOZ]	2.720	-	-	-	-	-	2.720
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

28. Contingencies and restrictions

a) Litigations and contingencies

There are various lawsuits and legal actions initiated by or against the Corporation, which derive from its operations and the industry in which it operates. In general, these are civil, tax, labor and mining litigations, all related to the Corporation’s activities.

In the opinion of Management and its legal advisors, the lawsuits where the Corporation is being sued and could have negative results do not represent significant loss contingencies or cash flows. Codelco defends its rights and employs all corresponding relevant legal instances, resources and procedures. The most significant lawsuits that involve Codelco are related to the following matters:

- Tax proceedings: There is a tax proceeding for liquidation No.141 of tax year 2015 and Exempt Resolution No. 89 of 2016 issued by the Internal Revenue Service (SII), for which the Corporation presented the corresponding appeals, which were received and resolved in favor of the Tax and Customs Courts, a resolution that was appealed by the SII.

- Labor proceedings: Labor proceedings brought by the workers of the Andina Division against the Corporation with regard to occupational diseases (silicosis).

- Mining proceedings and others arising from the Operation: The Corporation has been participating, and will probably continue to participate, as plaintiff and defendant in given court proceedings involving its mining operation and activities, through which it seeks to exercise certain actions or set up certain defenses in relation to given mining concessions that have been established or are in the process of being established, as well as also with regard to its other activities. These proceedings currently do not involve any given amount and do not have any essential effect on Codelco's development.

- At the date of issuance of these financial statements, the Codelco faces various lawsuits and legal actions against it for a total of approximately US$310 million corresponding to 400 cases. According to the estimate made by the legal advisors of the Corporation, 314 cases, which represent 78.50% of the universe, have associated probable loss results amounting to ThUS$57,167. There are also 58 cases, representing 14.50% for an amount of ThUS$34,265, for which it is more likely than not, that the ruling will not be against the Corporation. For the remaining 28 cases, representing 7% for an amount of ThUS$715, the Corporation's legal advisors consider an unfavorable result remote.

- Lawsuit under administrative law: On August 2, 2017, a Nullity in Public Law claim was filed in the 25th Civil Court of Santiago against Audit Report No. 900 of 2016, issued by the General Comptrollership of the Republic on May 10, 2017.

  Once the discussion and evidence stage concluded, the Santiago Civil Court, on September 11, 2020, delivered its judgment in which it dismissed the annulment action filed by the Corporation, condemning it to the respective costs of said lawsuit. The Corporation announces that it will appeal said judgment.

For litigation with a probable unfavorable outcome for the Corporation, the necessary provisions have been recognized as "provisions for legal proceedings."

b) Other Commitments

i. On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, CuPIC, in which both companies have an equal equity interest. A 15-year copper cathode sales contract to that associated company was agreed upon, as well as a purchase contract from Minmetals to CupiC for the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid for by the buyer at a price formed by a fixed re-adjustable component plus a variable component, which depends on current copper prices at the time of shipment.

   During the first quarter of 2006 and on the basis of the negotiated financial terms, financing contracts were formalized with the China Development Bank allowing CuPIC to make the US$550 million advance payment to Codelco in March 2006.

   With regard to financial obligations incurred by the associate CuPIC with the China Development Bank, Codelco Chile and Codelco International Ltd, must meet certain commitments, mainly relating to the delivery of financial information. In addition, Codelco Chile must maintain 51% ownership of Codelco International Limited.

   According to the Sponsor Agreement, dated March 8, 2006, the Codelco International Ltd. subsidiary gave its participation in CuPIC as a guarantee to the China Development Bank.

Subsequently, on March 14, 2012, CuPIC paid off its debt to the abovementioned bank. As of December 31, 2017. Codelco does not hold any indirect guarantee regarding its participation in this associated company.

On December 17, 2015, the Company´s management presented a restructuring for the Supply Contract, which implies the removal of its share in CUPIC.

On April 7, 2016, the Corporation formalized the removal of its share in CUPIC, of which Codelco retained 50% ownership through the subsidiary Codelco International. Until that date, Codelco shared the ownership of the Company in the same proportion with the company Album Enterprises Limited (a subsidiary of Minmetals).

In order to realize the above mentioned term of the shareholding, Codelco signed a set of agreements which formalized primarily the following issues:

- Copper sales contract modifications from Codelco to CUPIC signed in 2006, which establishes the reduction of half of the outstanding tonnage to deliver to this company and in which Codelco pays to CUPIC the amount of ThUS$99,330.

- Reduction of share capital in CuPIC, equivalent to the 50% of the Codelco International shares in said company and by which CuPIC repays to Codelco the amount of ThUS$99,330.

- Waiver of Codelco to any dividends associated with the profits generated by CuPIC from January 1, 2016 and the date of signing the agreement.

- Additionally, the cessation of dividends reception as a consequence of the removal of the Codelco share in the ownership of CuPIC since 2016, led to a reduction of the net profit estimated by Codelco until the end of the contract signed with that company (May 2021).

ii. Regarding the financing agreement signed on August 23, 2012, between the subsidiary, Gacrux Inversiones SpA and Mitsui & Co. Ltd. for the acquisition of the 24.5% stake in Anglo American Sur S.A. which was subsequently amended on October 31, 2012, a pledge is included over the shares that the subsidiary has on Acrux Inversiones SpA (shared participation with Mitsui and minority shareholder in Anglo American Sur S.A.), in order to ensure compliance with the obligations that the financial agreement contemplates.

This pledge extends to the right to collect and receive from Acrux dividends which have been agreed in the corresponding meetings of shareholders of the company and any other distributions paid or payable to Gacrux respect of the pledged shares.

On December 22, 2017 according to archive No. 12326 / 2017, it was established that, Gacrux, the Creditor and the Guarantee Agent, the latter representing the Guaranteed Parties, modified , by virtue of the Merger (see Note 2d), the Contract of Pledge and the Modified Pledge Agreement as to the pledge on transferable securities and the commercial pledge, as well as the restrictions and prohibitions established in the Pledge Contract and in the Modified Pledge Contract, making it subject to , by virtue of the Merger, two thousand thirteen million two hundred and forty-five thousand four hundred and seventy-three shares pledge issued by Becrux, owned by Gacrux, hereinafter the "Pledged Becrux Shares."

iii. Law 19.993 dated December 17, 2004, authorized the purchase of the Refinery and Smelter Las Ventanas assets from ENAMI, establishing that the Corporation must ensure that the smelting and refining capacity required is maintained, without any restriction and limitation, for treating the products of the small and medium mining sector sent by ENAMI, under the form of toll production or another form agreed upon by the parties.

iv. Obligations with the public for bond issues means that the Corporation must meet certain restrictions related to limits on pledges and leaseback transactions on its principal assets and on its ownership interest in subsidiaries.

The Corporation has complied with these conditions as of September 30, 2020 and 2019.

v. On January 20, 2010, the Corporation signed two energy supply contracts with Colbún S.A., which includes energy and power sales and purchases for a total of 510 MW of power. The contract provides a discount for that unconsumed energy from Codelco's SIC divisions with respect to the amount of contracted power. The discount is equivalent to the value of the sale of that energy on the spot market.

The contracted power for supplying these Divisions is comprised by two contracts:
- Contract No.1 for 176 MW, current until December 2029
- Contract No.2 for 334 MW, current until December 2044. This contract is based on energy production from Colbún's Santa María thermal power station, which is currently in operation. This plant is coal-fired, and therefore the electric energy tariff rate applied for the energy supplied to Codelco is linked to the price of coal.

Both of these contracts comply with Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

Through these contracts, which operate through take or pay, the Corporation agrees to pay for the contracted energy and Colbún undertakes to reimburse at market price the energy not consumed by Codelco.

These contracts have maturity dates in 2029 and 2044.

vi. On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA S.A. (associate until January 2011), which matured in August 2017.
For the electric power supply of the Chuquicamata's work center, there are three contracts:

- Engie for a 15-year term from January 2010, that is maturing in December 2024, for 200 MW capacity, and another contract for a 200 MW capacity which was signed in January 2018 and will be effective as of January 2025 with maturity in December 2035.
- CTA effective from 2012 for 80 MW capacity, maturity in 2032.

vii. On August 26, 2011, Codelco signed two energy supply contracts with AESGener. The first one for the Minister Hales division for a 99 MW capacity and the second contract for the Radomiro Tomic work center, for a maximum capacity of 145 MW. Both contracts will mature in 2028.

viii. On November 11, 2011, Law No. 20551 was published in the Official Journal, which regulates the tasks and closure of mining facilities. Additionally, on November 22, 2012, the Supreme Decree No. 41 of the Minister of Mining, which approves the Regulations of this Law, was published in the Diario Oficial.

This law requires the Corporation, among other requirements, to provide financial guarantees to the State to ensure the implementation of closure plans. It also establishes the obligation to make contributions to a fund which aims to cover the costs of post-closure activities.

The Corporation, in accordance with the mentioned regulation, provided to SERNAGEOMIN the Mine Closure Plan (ARO) for all of the Codelco operating divisions in 2014, which were approved in 2015 in accordance with the provisions of the Act.

The mine closure plans delivered to SERNAGEOMIN were developed by invoking the transitional regime of the Act, which was specified for the affected mining companies under the general application procedure (extraction capacity > 10,000 tons per month), and which, at the date of enactment of the Law, will abide in operation and move forward with a mine closure plan previously approved under Mine Safety Regulations Supreme Decree No. 132.

The Corporation considers that the accounting liability recorded caused by this obligation differs from the law's requirement, mainly by differences concerning the horizon that is considered for the projection of flows, in which the law requires the determination of the obligations in terms of mineral reserves, while the financial-accounting approach incorporates some of its mineral resources. Therefore, the discount rate established by law, may differ from that used by the Corporation under the criteria set out in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and described in Note 2, letter p) of Main Accounting Policies.

As of September 30, 2020, the Corporation has agreed guarantees for an annual amount of U.F. 29,188,594 to comply with the aforementioned Law No. 20551. The following table details the main given guarantees:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Transmitter	Mine site	Amount	Currency	Date	Maturity date	Issuance rate %	ThUS$
Banco Estado	Radomiro Tomic	3,232,980	UF	11/8/2019	11/10/2020	0.09	117,759
Banco Itau	Ministro Hales	1,845,954	UF	11/6/2019	11/13/2020	0.09	67,238
Banco de Chile	Chuquicamata	4,191,593	UF	11/26/2019	11/26/2020	0.10	152,676
Banco Santander	Teniente	5,000,000	UF	11/29/2019	12/2/2020	0.15	182,122
Banco Bci	Teniente	2,367,016	UF	11/28/2019	12/2/2020	0.18	86,217
Banco Itau	Teniente	1,800,000	UF	11/29/2019	12/2/2020	0.15	65,564
Banco Estado	Gabriela Mistral	1,978,180	UF	12/11/2019	12/15/2020	0.11	72,054
Banco Itau	Salvador	1,300,000	UF	2/12/2020	2/18/2021	0.11	47,352
Banco Bci	Salvador	2,643,667	UF	2/12/2020	2/18/2021	0.18	96,294
Banco Estado	Andina	3,310,724	UF	4/28/2020	5/3/2021	0.35	120,591
Banco Bci	Andina	663,655	UF	4/28/2020	5/3/2021	0.70	24,173
Banco Estado	Ventana	400,043	UF	12/19/2019	10/7/2020	0.10	14,571
Banco Bci	Ventana	454,782	UF	12/18/2019	10/7/2020	0.18	16,565
Total		**29,188,594**					**1,063,176**

ix. On August 24, 2012, Codelco through its subsidiary Inversiones Mineras Nueva Acrux SpA (Nueva Acrux) (whose minority shareholder is Mitsui), signed a contract with Anglo American Sur S.A. Under this contract, Codelco agreed to sell a portion of its annual copper production to the mentioned subsidiary, who in turn agrees to purchase such production.

Such annual portion is determined by the share of Codelco's indirect subsidiary, Inversiones Mineras Becrux SpA (also shared ownership with Mitsui), maintained for the shares of Anglo American Sur S.A.

In turn, the subsidiary Nueva Acrux agrees to sell to Mitsui, the products purchased under the agreement described in the preceding paragraphs.
The contract expiration will occur when the shareholders agreement of Anglo American Sur S.A ends or other events related to the completion of mining activities of the company take place.

On June 11, 2019, Codelco and Anglo American Sur S.A. signed an agreement that ensures and optimizes the operation of their respective copper mines, Andina and Los Bronces, respectively. This agreement is similar to others that the same parties have signed during the last 40 years and that favor the independent, safe and sustainable operation of these neighboring mines.

x. On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic that has resulted in a series of public health and emergency measures that have been put in place and are underway to combat the spread of the virus. The duration and impact of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact of the duration and severity of these developments in future periods. Codelco is permanently monitoring the aforementioned outbreak, its constant evolution, eventual impact on the Corporation's financial and operational indicators. additional possible effects on our workers, clients, suppliers, as well as continuing collaborating with the government actions that are being taken to reduce its spread, with no material impact observed to date on its ability to meet its financial, production or sale commitments. The foregoing is without prejudice to the impact on world demand for copper, which has meant a decrease in the price, which is public knowledge.

Due to the above, as of September 30, 2020 Codelco has taken a series of restrictive measures in its operation and development of investment projects, in order to protect the health of its workers, which are indicated below:

- March 25, 2020, the Corporation announced the temporary suspension of the projects: the remaining works of the Chuquicamata Underground Mine Project, Early Works of Rajo Inca and Assembly Works of Traspaso Andina. The suspension was carried out gradually as of March 25 for a period of 15 days.

- April 8, 2020, the Corporation announced the decision to partially or totally suspend some third-party services both for projects and for operations support (which involves around 30% of the total contractor workers), for a period of 30 days, extendable. With this decision, Codelco asked the contracting companies to take steps with their respective unions to benefit from the benefits of the Employment Protection Law No. 21227. The conditions in which the total or partial suspension was implemented was agreed independently with each of the contracting companies.

- June 20, 2020, the Corporation announced the stoppage of construction of all its projects in the Antofagasta Region and the operational continuity of the Chuquicamata Division only with workers from Calama. With this measure, the construction of underground Chuquicamata and other divisional projects were completely suspended.

- June 25, 2020, the Corporation announced the temporary halt of activities in the Chuquicamata Division smelter and refinery managements, a measure that reduces the participation in work of about 400 people, together with the detention of equipment and reduction of the productive rhythms in both areas. The measure considered the continuity of minor operations and preventive maintenance.

The aforementioned measures have not significantly affected Codelco Chile's accounting results for the January-September 2020 period, nor the value of its assets as of September 30, 2020

xi. On July 21, 2020, the First Environmental Court admitted for processing a claim for environmental damage filed by the State Defense Council against Codelco Salvador Division, for affecting the Salar de Pedernales due to the extraction of the water resource carried out in said salt flat. The Corporation is evaluating said demand and its potential impact on projects and operations.

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(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

29. Guarantees

The Corporation as a result of its activities has received and given guarantees.

The following tables list the main guarantees given to financial institutions and others:

Direct Guarantees provided to Financial Institutions and others					
Creditor of the Guarantee	Type of Guarantee	9/30/2020			12/31/2019
		Currency	Maturity	ThUS$	ThUS$
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	3/1/2020	-	1,409
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	6/30/2020	-	2
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	7/15/2020	-	230
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	3/1/2021	1,339	-
Viability management	Building project	UF	2/18/2020	-	1
Viability management	Building project	UF	3/1/2020	-	4
Viability management	Building project	UF	3/10/2020	-	8
Viability management	Building project	UF	4/22/2020	-	4
Viability management	Building project	UF	11/26/2020	12	-
Viability management	Building project	UF	11/30/2020	27	-
Viability management	Building project	UF	1/25/2021	1	-
Viability management	Building project	UF	4/3/2021	29	-
Viability management	Building project	UF	4/15/2021	20	-
Viability management	Building project	UF	4/29/2021	50	-
Viability management	Building project	UF	6/25/2021	4	-
Viability management	Building project	UF	7/2/2021	13	-
Viability management	Building project	UF	4/8/2024	4	4
Minera Doña Ines de Collahuasi	Offer to purchase an asset	US$	1/2/2021	8	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	-	154
Ministry of national goods	Project of exploitation	CLP	2/25/2021	154	-
Ministry of national goods	Project of exploitation	UF	6/9/2021	21	24
Minestry of Public Works	Building project	UF	12/31/2019	-	22,364
Minestry of Public Works	Building project	UF	1/2/2021	21,544	-
Minestry of Public Works	Building project	UF	10/2/2021	498	516
Minestry of Public Works	Building project	UF	12/31/2021	160	-
Minestry of Public Works	Building project	UF	7/29/2022	37	-
Oriente Copper Netherlands B.V.	Pledge on shares	US$	11/1/2032	877,813	877,813
Sernageomin	Environmental	UF	2/18/2020	-	125,213
Sernageomin	Environmental	UF	5/3/2020	-	125,179
Sernageomin	Environmental	UF	10/7/2020	31,136	32,321
Sernageomin	Environmental	UF	11/10/2020	117,759	122,239
Sernageomin	Environmental	UF	11/13/2020	67,238	69,796
Sernageomin	Environmental	UF	11/26/2020	152,676	158,485
Sernageomin	Environmental	UF	12/2/2020	333,903	346,606
Sernageomin	Environmental	UF	12/15/2020	72,054	74,795
Sernageomin	Environmental	UF	2/18/2021	143,646	-
Sernageomin	Environmental	UF	5/3/2021	144,764	-
Total general				**1,964,910**	**1,957,167**

As for the documents received as collateral, they cover mainly obligations of suppliers and contractors related to the various development projects. Below are given the amounts received as collateral, grouped according to the Operating Divisions that have received these amounts:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Guarantees received from third parties		
Division	9/30/2020 ThUS$	12/31/2019 ThUS$
Andina	317	418
Chuquicamata	290	375
Casa Matriz	737,866	887,051
Salvador	-	387
El Teniente	427	447
Ventanas	50	52
Total	**738,950**	**888,730**

30. Balances in foreign currency

a) Assets by of Currency

	9/30/2020					
Assets national and Foreign currrency	**US Dollars**	**Euros**	**Other currencies**	**Non-indexed Ch$**	**U.F.**	**TOTAL**
Current Assets						
Cash and cash equivalents	3,193,009	50,077	4,467	205,530	806	3,453,889
Other current financial assets	203,781	-	-	12	64	203,857
Other current non-financial assets	38,243	385	322	3,256	-	42,206
Trade and other current receivables	1,760,783	85,305	321	487,578	-	2,333,987
Accounts receivable from related parties, current	21,523	-	-	-	-	21,523
Inventories	2,028,282	-	-	-	-	2,028,282
Current tax assets	54,027	-	-	1,012	-	55,039
Total current assets	**7,299,648**	**135,767**	**5,110**	**697,388**	**870**	**8,138,783**
Non-current assets						
Investments accounted for using equity method	3,470,552	-	-	-	-	3,470,552
Property, plant and equipment	29,390,808	-	-	-	-	29,390,808
Deferred tax assets	41,626	-	-	4,531	-	46,157
Others assets	1,023,440	-	2,310	271,769	62,650	1,360,169
Total non-current assets	**33,926,426**	**-**	**2,310**	**276,300**	**62,650**	**34,267,686**
Total Assets	**41,226,074**	**135,767**	**7,420**	**973,688**	**63,520**	**42,406,469**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

	12/31/2019					
Assets national and Foreign currrency	**US Dollars**	**Euros**	**Other currencies**	**Non-indexed Ch$**	**U.F.**	**TOTAL**
Current Assets						
Cash and cash equivalents	1,212,657	49,773	4,674	34,348	1,653	1,303,105
Other current financial assets	172,794	-	-	19	138	172,951
Other current non-financial assets	20,762	-	3	196	8	20,969
Trade and other current receivables	2,006,046	112,649	384	450,304	18,885	2,588,268
Accounts receivable from related parties, current	20,874	-	-	-	-	20,874
Inventories	1,921,135	-	-	-	-	1,921,135
Current tax assets	20,960	2	19	1,738	-	22,719
Total current assets	**5,375,228**	**162,424**	**5,080**	**486,605**	**20,684**	**6,050,021**
Non-current assets						
Investments accounted for using equity method	3,483,523	-	-	-	-	3,483,523
Property, plant and equipment	29,268,012	-	-	-	-	29,268,012
Deferred tax assets	43,736	-	-	-	-	43,736
Others assets	611,426	189	65,692	181,627	640,385	1,499,319
Total non-current assets	**33,406,697**	**189**	**65,692**	**181,627**	**640,385**	**34,294,590**
Total Assets	**38,781,925**	**162,613**	**70,772**	**668,232**	**661,069**	**40,344,611**

b) Liability by type of currency:

	9/30/2020					
National and foreign currency liabilities	US Dollars	Euros	Other currencies	Non-indexed Ch$	U.F.	**TOTAL**
Current liabilities						
Other current financial liabilities	947,071	(2)	12	6,632	(5,026)	**948,687**
Currrent lease liabilities	44,756	-	405	64,198	16,877	**126,236**
Trade and other current payables	567,840	10,767	939	535,686	40	**1,115,272**
Accounts payable to related parties, current	138,461	-	-	14,242	6,684	**159,387**
Other current provisions	498,389	58	-	7,853	-	**506,300**
Current tax liabilities	13,213	883	71	(10,076)	48	**4,139**
Current provisions for employee benefits	1,614	-	-	322,339	285	**324,238**
Other current non-financial liabilities	30,726	-	79	2,671	58	**33,534**
Total current liabilities	**2,242,070**	**11,706**	**1,506**	**943,545**	**18,966**	**3,217,793**
Non-current liabilities						
Other non-current financial liabilities	18,593,783	(5,640)	(1,085)	2	274,249	**18,861,309**
Non-current lease liabilities	83,467	-	75	137,405	48,210	**269,157**
Non-current payables	443	-	-	-	-	**443**
Other non-current provisions	1,093,928	-	-	66,143	924,217	**2,084,288**
Deferred tax liabilities	5,136,558	-	-	4,893	-	**5,141,451**
Non-current provisions for employee benefits	11,478	-	-	1,141,062	-	**1,152,540**
Other non-current non-financial liabilities	1,477	-	-	1,189	-	**2,666**
Total non-current liabilities	**24,921,134**	**(5,640)**	**(1,010)**	**1,350,694**	**1,246,676**	**27,511,854**
Total liabilities	**27,163,204**	**6,066**	**496**	**2,294,239**	**1,265,642**	**30,729,647**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

	12/31/2019					
National and foreign currency liabilities	US Dollars	Euros	Other currencies	Non-indexed Ch$	U.F.	**TOTAL**
Current liabilities						
Other current financial liabilities	1,244,765	(2)	5,721	370	(264)	**1,250,590**
Currrent lease liabilities	36,702	-	272	74,109	16,678	**127,761**
Trade and other current payables	886,390	12,439	1,300	520,470	316	**1,420,915**
Accounts payable to related parties, current	135,281	-	-	1,953	-	**137,234**
Other current provisions	356,871	64,664	8,167	61,545	10,925	**502,172**
Current tax liabilities	-	-	-	13,857	-	**13,857**
Current provisions for employee benefits	-	-	-	435,565	-	**435,565**
Other current non-financial liabilities	27,223	-	-	7,582	58	**34,863**
Total current liabilities	**2,687,232**	**77,101**	**15,460**	**1,115,451**	**27,713**	**3,922,957**
Non-current liabilities						
Other non-current financial liabilities	15,462,011	(6,414)	112,112	3	665,401	**16,233,113**
Non-current lease liabilities	113,062	-	378	118,701	72,969	**305,110**
Non-current payables	8,346	-	-	-	-	**8,346**
Other non-current provisions	1,481,547	-	410	26,624	581,906	**2,090,487**
Deferred tax liabilities	4,860,881	-	-	-	-	**4,860,881**
Non-current provisions for employee benefits	14,699	-	-	1,260,559	8,099	**1,283,357**
Other non-current non-financial liabilities	5,447	-	-	246	-	**5,693**
Total non-current liabilities	**21,945,993**	**(6,414)**	**112,900**	**1,406,133**	**1,328,375**	**24,786,987**
Total liabilities	**24,633,225**	**70,687**	**128,360**	**2,521,584**	**1,356,088**	**28,709,944**

31. Sanctions

As of September 30, 2020 and 2019, neither Codelco Chile nor its Directors and Managers have been sanctioned by the CMF or any other administrative authorities.

32. Environmental Expenditures

Each of Codelco's operations is subject to national, regional and local regulations related to protection of the environment and natural resources, including standards relating to water, air, noise and disposal and transportation of dangerous residues, among others. Chile has introduced environmental regulations that have obligated companies, including Codelco, to carry out programs to reduce, control or eliminate relevant environmental impacts. Codelco has executed and shall continue to execute a series of environmental projects to comply with these regulations.

Pursuant to the Letter of Values approved in 2010, Codelco is governed by a series of internal policies and regulations that frame its commitment to the environment, among which is the Corporate Sustainable Development Policy (2016).

The environmental management systems of the divisions, structure their efforts in order to comply with the commitments assumed by the corporation's environmental policies, incorporating elements of planning, operating, verifying and reviewing activities. As of September 30, 2020, Codelco is implementing a strategic change process in all divisions to manage the aspects and risks associated with environmental matters, under a corporate management system issued by Head Office, seeking to obtain the ISO 14001: 2015 certification.

In accordance with Supreme Decree D.S. No. 28, the Corporation is carrying out is environmental, maintenance and operating plans for its smelting plants.

To comply with the Circular No. 1901 of 2008 of the CMF, the details of the Corporation's main expenditures related to the environment during the nine-month periods ended September 30, 2020 and 2019, respectively, and the projected future expenses are stated below.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Entity	Proyect name	Disbursements 9/30/2020				12/31/2019	Future committed	
		Proyect Status	Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
	Chuquicamata							
Codelco Chile	Talambre dam capacity extension, 8th stage	In Progress	18,296	Asset	P, P & E	58,947	16,267	2020
Codelco Chile	Replacement of circulation pot 1A and 2A	Finished	-	Asset	P, P & E	8,306	-	2019
Codelco Chile	Construction installation surplus management	Finished	-	Asset	P, P & E	706	-	2019
Codelco Chile	Replacement of water treatment plant	Finished	-	Asset	P, P & E	4,792	-	2019
Codelco Chile	Replacement gas management system	Finished	-	Asset	P, P & E	8,157	-	2019
Codelco Chile	Acid plant tranformation 3-4 DC/DA	In Progress	966	Asset	P, P & E	157,740	-	2020
Codelco Chile	Enablement refining gas treatment system	In Progress	11,922	Asset	P, P & E	41,519	4,331	2020
Codelco Chile	Dryer replacement n ° 5 fuco	In Progress	7,805	Asset	P, P & E	31,909	497	2020
Codelco Chile	Construction Relle Res Dom-Asim Montec	In Progress	3,549	Asset	P, P & E	238	-	2020
Codelco Chile	Construction IX stage Talabre tranque	Finished	-	Asset	P, P & E	8,167	-	2019
Codelco Chile	Construction 8 Seg Montecristo	In Progress	396	Asset	P, P & E	5,565	-	2020
Codelco Chile	Acid plants	In Progress	12,824	Expenditure	Operational expenses	30,692	-	2020
Codelco Chile	Solid waste	In Progress	1,305	Expenditure	Operational expenses	769	435	2020
Codelco Chile	Tailings	In Progress	16,063	Expenditure	Operational expenses	16,987	-	2020
Codelco Chile	Water treatment plant	In Progress	18,349	Expenditure	Operational expenses	18,030	-	2020
Codelco Chile	Environmental monitoring	In Progress	1,410	Expenditure	Operational expenses	780	470	2020
Codelco Chile	Normalization drainage system drill hole	In Progress	88	Asset	P, P & E	778	2,924	2021
Codelco Chile	Standard handling / feeding / transport powder	In Progress	3,504	Asset	P, P & E	-	16,203	2021
Codelco Chile	Construction talabres thickened tailings	In Progress	4,675	Asset	P, P & E	-	21,675	2022
	Total Chuquicamata		**101,152**			**394,082**	**62,802**	
	Salvador							
Codelco Chile	Improved integration of the gas process	In Progress	9,346	Asset	P, P & E	69,547	13,215	2021
Codelco Chile	Tailings	In Progress	3,239	Expenditure	Operational expenses	2,318	-	2020
Codelco Chile	Acid plants	In Progress	48,902	Expenditure	Operational expenses	35,804	-	2020
Codelco Chile	Solid waste	In Progress	1,100	Expenditure	Operational expenses	1,124	-	2020
Codelco Chile	Water treatment plant	In Progress	421	Expenditure	Operational expenses	589	-	2020
Codelco Chile	Overhaul thickeners tailings sal-proy	Finished	-	Asset	P, P & E	2,978	-	2019
Codelco Chile	Dangerous substances warehouse	Finished	-	Asset	P, P & E	301	-	2019
Codelco Chile	Bell replacement	In Progress	-	Asset	P, P & E	19,241	-	2021
Codelco Chile	Ditch hazardous waste	Finished	-	Asset	P, P & E	785	-	2019
Codelco Chile	DRPA Emergency	In Progress	2,162	Asset	P, P & E	3,819	27,794	2021
Codelco Chile	Compliance DS 43 storage dangerous substances	In Progress	211	Asset	P, P & E	-	744	2021
	Total Salvador		**65,381**			**136,506**	**41,753**	
	Andina							
Codelco Chile	Construction site emergency plan	Finished	-	Asset	P, P & E	3,420	-	2019
Codelco Chile	Improved water internal tip E2	Finished	-	Asset	P, P & E	256	-	2019
Codelco Chile	Catchment water drainage hill black	Finished	-	Asset	P, P & E	306	-	2019
Codelco Chile	Construction canal outline DL east	In Progress	2,887	Asset	P, P & E	4,234	2,342	2021
Codelco Chile	Construction site emergency plan	In Progress	1,896	Asset	P, P & E	3,860	588	2020
Codelco Chile	Expansion dam	In Progress	28,291	Asset	P, P & E	36,314	7,631	2020
Codelco Chile	Construction Structure and instruments	In Progress	910	Asset	P, P & E	245	929	2020
Codelco Chile	Water injection system	Finished	-	Asset	P, P & E	685	-	2019
Codelco Chile	construction of pits containment of spills	In Progress	320	Asset	P, P & E	119	-	2020
Codelco Chile	Valve and works rating	In Progress	1,024	Asset	P, P & E	618	2,331	2021
Codelco Chile	Construction of catchment tower N.5	Finished	-	Asset	P, P & E	188	-	2019
Codelco Chile	Solid waste	In Progress	1,646	Expenditure	Operational expenses	2,023	-	2020
Codelco Chile	Water treatment plant	In Progress	2,781	Expenditure	Operational expenses	2,833	-	2020
Codelco Chile	Trailing	In Progress	55,078	Expenditure	Operational expenses	47,339	-	2020
Codelco Chile	Acid drainage	In Progress	24,502	Expenditure	Operational expenses	20,290	-	2020
Codelco Chile	Environmental monitoring	In Progress	646	Expenditure	Operational expenses	623	-	2020
Codelco Chile	Sustainability and external matters management	In Progress	1,295	Expenditure	Operational expenses	2,049	-	2020
Codelco Chile	DLN conditioning works	In Progress	7,599	Asset	P, P & E	-	9,295	2021
Codelco Chile	Construction works mitigation water shortage	In Progress	6,654	Asset	P, P & E	-	1,010	2020
Codelco Chile	Excavation operation improvement	In Progress	71	Asset	P, P & E	-	2,922	2021
Codelco Chile	Water dispatch tunnel modification	In Progress	474	Asset	P, P & E	-	6,182	2021
	Total Andina		**136,074**			**125,402**	**33,230**	
Subtotal			**302,607**			**655,990**	**137,785**	

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Entity	Proyect name	Disbursements 9/30/2020				12/31/2019	Future committed	
			Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
	El Teniente							
Codelco Chile	Construction of 7th phase of Carén	In Progress	34,541	Asset	P, P & E	43,920	288,444	2023
Codelco Chile	Construction of slag treatment plant	In Progress	28,579	Asset	P, P & E	76,833	5,908	2020
Codelco Chile	Smelting emissions network	In Progress	2	Asset	P, P & E	25,064	-	2020
Codelco Chile	Smoke capacity reduction	Finished	-	Asset	P, P & E	9,761	-	2019
Codelco Chile	Construction of slag treatment plant	In Progress	966	Asset	P, P & E	576	-	2020
Codelco Chile	Acid plants	In Progress	43,849	Expenditure	Operational expenses	60,964	-	2020
Codelco Chile	Solid waste	In Progress	2,084	Expenditure	Operational expenses	2,260	-	2020
Codelco Chile	Water treatment plant	In Progress	10,646	Expenditure	Operational expenses	10,000	-	2020
Codelco Chile	Tailings	In Progress	46,766	Expenditure	Operational expenses	46,767	-	2020
Codelco Chile	Well construction and hydrogeology modification Colihue-Cauquenes	In Progress	60	Asset	P, P & E	-	4,643	2022
Codelco Chile	Improvement of the container washing system for filter plants	In Progress	33	Asset	P, P & E	-	-	2020
Codelco Chile	Land acquisition	In Progress	6,791	Asset	P, P & E	-	-	2020
	Total El Teniente		**174,317**			**276,145**	**298,995**	
	Gabriela Mistral							
Codelco Chile	Environmental monitoring	In Progress	51	Expenditure	Operational expenses	45	-	2020
Codelco Chile	Solid waste	In Progress	1,316	Expenditure	Operational expenses	1,395	-	2020
Codelco Chile	Environmental consultancy	In Progress	18	Expenditure	Operational expenses	99	-	2020
Codelco Chile	Water treatment plant	In Progress	1	Expenditure	Operational expenses	-	-	2020
Codelco Chile	Garbage dump extension	In Progress	-	Asset	P, P & E	17,966	-	2020
Codelco Chile	Improved dust collection system	Finished	-	Asset	P, P & E	389	-	2019
	Total Gabriela Mistral		**1,386**			**19,894**	**-**	
	Ventanas							
Codelco Chile	Acid plants	In Progress	18,860	Expenditure	Operational expenses	18,143	-	2020
Codelco Chile	Solid waste	In Progress	1,045	Expenditure	Operational expenses	1,321	-	2020
Codelco Chile	Environmental monitoring	In Progress	982	Expenditure	Operational expenses	1,097	-	2020
Codelco Chile	Water treatment plant	In Progress	4,167	Expenditure	Operational expenses	4,205	-	2020
Codelco Chile	Distribution system replacement	Finished	-	Asset	P, P & E	268	-	2019
Codelco Chile	Main chimney implementation	In Progress	254	Asset	P, P & E	236	75	2020
Codelco Chile	Implementation of abatement water system	In Progress	79	Asset	P, P & E	-	-	2020
Codelco Chile	Stockpile improvement	In Progress	97	Asset	P, P & E	-	-	2020
Codelco Chile	Improvement closure facilities and crusher belts	In Progress	131	Asset	P, P & E	-	-	2020
Codelco Chile	Stabilized road operations	In Progress	76	Asset	P, P & E	-	-	2020
	Total Ventanas		**25,691**			**25,270**	**75**	
	Radomiro Tomic							
Codelco Chile	Solid waste	In Progress	663	Expenditure	Operational expenses	1,395	-	2020
Codelco Chile	Environmental monitoring	In Progress	466	Expenditure	Operational expenses	144	-	2020
Codelco Chile	Water treatment plant	In Progress	800	Expenditure	Operational expenses	-	-	2020
	Total Radomiro Tomic		**1,929**			**1,539**	**-**	
	Ministro Hales							
Codelco Chile	Solid waste	In Progress	1,354	Expenditure	Operational expenses	1,433	-	2020
Codelco Chile	Environmental monitoring	In Progress	-	Expenditure	Operational expenses	349	-	2020
Codelco Chile	Water treatment plant	In Progress	129	Expenditure	Operational expenses	106	-	2020
Codelco Chile	Pit drainage wells mine	In Progress	191	Asset	P, P & E	900	-	2020
Codelco Chile	Implementation monitoring acuifero pit	In Progress	187	Asset	P, P & E	140	2,967	2021
Codelco Chile	Silice barn extension and dome control room	In Progress	7	Asset	P, P & E	-	1,569	2021
	Total Ministro Hales		**1,868**			**2,928**	**4,536**	
	Ecometales Limited							
Codelco Chile	Smelting powders leaching plant	In Progress	344	Expenditure	Operational expenses	547	204	2020
Codelco Chile	Smelting powders leaching plant	In Progress	6	Expenditure	Operational expenses	7	2	2020
	Total Ecometales Limited		**350**			**554**	**206**	
Subtotal			**205,541**			**326,330**	**303,812**	
Total			**508,148**			**982,320**	**441,597**	

33. Subsequent events

- On October 2, 2020, it is reported as an essential fact that as of October 16, 2020, Mr. Alvaro Aliaga Jobet, Vice President of North Operations and Mr. José Robles Becerra, Vice President of Productivity and Costs will cease to work at Codelco.

  From that same date, Mr. Mauricio Barraza Gallardo will assume as acting t Vice President of North Operations and Mr. Alejandro Rivera Stambuck as acting Vice President of Productivity and Costs, notwithstanding the foregoing, both will continue to hold their positions as Vice President of South Central Operations and Vice President of Administration and Finance, respectively.

- On October 27, 2020, the Corporation filed appeals and cassation in the form of the sentence of the 25th Civil Court of Santiago, which dismissed the action for annulment of Public Law filed by the copper company against Report No. 900 of 2016 of the Comptroller General of the Republic.

Management of the Corporation is not aware of other significant events of a financial nature or of any other nature that could affect these financial statements, occurring between October 1, 2020 and the date of issue of these consolidated financial statements as of October 29, 2020.

Octavio Araneda Osés
Chief Executive Officer

Alejandro Rivera Stambuk
Chief Financial Officer

Juan Ogas Cabrera
Accounting Manager

Cristóbal Parrao Cartagena
Accounting Director (I)

CORPORACION NACIONAL DEL COBRE DE CHILE

Consolidated financial statements
As of and for the years ended
December 31, 2019 and 2018
and independent auditors’ report

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INDEPENDENT AUDITORS' REPORT

To the Chairman and Board of Directors of
Corporación Nacional del Cobre de Chile

We have audited the accompanying consolidated financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We performed our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the entity's consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of the accounting policies used and the reasonableness of the significant estimates made by the Company's Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corporación Nacional del Cobre de Chile and its subsidiaries as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. (“IASB”).

Other matter – Translation into English

The accompanying consolidated financial statements have been translated into English solely for the convenience of readers outside of Chile.

Deloitte

March 26, 2020
Santiago, Chile

CODELCO – CHILE

Consolidated Financial Statements as of and for the years ended December 31, 2019 and 2018

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

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CONSOLIDATED FINANCIAL STATEMENTS

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2019 and 2018
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	12/31/2019	12/31/2018
Assets			
Current Assets			
Cash and cash equivalents	1	1,303,105	1,229,125
Other current financial assets	11	172,951	231,409
Other current non-financial assets		20,969	6,805
Trade and other current receivables	2	2,588,268	2,212,209
Accounts receivable from related parties, current	3	20,874	92,365
Inventories	4	1,921,135	2,042,648
Current tax assets	6	22,719	13,645
Total current assets other than assets or groups of assets for disposition classified as held for sale or held as distributable to owners		6,050,021	5,828,206
Total current assets		**6,050,021**	**5,828,206**
Non-current assets			
Other non-current financial assets	11	91,800	145,751
Other non-current non-financial assets		4,561	6,817
Non-current receivables	2	98,544	84,731
Accounts receivable from related parties, non-current	3	15,594	20,530
Non-current inventories	4	585,681	457,070
Investments accounted for using equity method	8	3,483,523	3,568,293
Intangible assets other than goodwill	9	47,837	48,379
Property, plant and equipment	7	29,700,164	26,754,998
Investment property		981	981
Recoverable non-current tax assets	6	222,169	143,606
Deferred tax assets	5	43,736	31,443
Total non-current assets		**34,294,590**	**31,262,599**
Total Assets		**40,344,611**	**37,090,805**

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2019 and 2018
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	12/31/2019	12/31/2018
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	12	1,378,351	872,277
Trade and other current payables	15	1,420,915	1,546,584
Accounts payable to related parties, current	3	137,234	150,916
Other current provisions	16	502,172	384,249
Current tax liabilities	6	13,857	10,777
Current provisions for employee benefits	17	435,565	510,034
Other current non-financial liabilities		34,863	64,575
Total current liabilities		**3,922,957**	**3,539,412**
Non-current liabilities			
Other non-current financial liabilities	12	16,538,223	14,674,510
Non-current payables		8,346	26,613
Other non-current provisions	16	2,090,487	1,600,183
Deferred tax liabilities	5	4,860,881	4,586,168
Non-current provisions for employee benefits	17	1,283,357	1,315,520
Other non-current non-financial liabilities		5,693	4,530
Total non-current liabilities		**24,786,987**	**22,207,524**
Total liabilities		**28,709,944**	**25,746,936**
Equity			
Issued capital		5,619,423	5,219,423
Accumulated deficit		(196,260)	(198,917)
Other reserves	18	5,291,747	5,354,159
Equity attributable to owners of the parent		**10,714,910**	**10,374,665**
Non-controlling interests	18	919,757	969,204
Total equity		**11,634,667**	**11,343,869**
Total liabilities and equity		**40,344,611**	**37,090,805**

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the years ended December 31, 2019 and 2018
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	1/1/2019 12/31/2019	1/1/2018 12/31/2018
Revenue	19	12,524,931	14,308,758
Cost of sales		(10,051,441)	(11,194,341)
Gross profit		**2,473,490**	**3,114,417**
Other Income, by function	22.a	360,690	124,826
Provision established net, in accordance with IFRS 9		378	158
Distribution costs		(17,069)	(18,262)
Administrative expenses		(409,234)	(465,328)
Other expenses	22.b	(1,747,838)	(2,115,314)
Other gains		22,672	21,395
Income from operating activities		**683,089**	**661,892**
Finance income		36,871	51,329
Finance costs	23	(479,307)	(463,448)
Share of profit of associates and joint ventures accounted for using equity method	8	13,203	119,114
Foreign exchange difference	25	153,917	178,143
Income for the years before tax		**407,773**	**547,030**
Expense - income taxes	5	(393,245)	(357,283)
Net income for the years		**14,528**	**189,747**
Net income attributable to owners of parent		6,637	155,719
Net income attributable to non-controlling interests	18.b	7,891	34,028
Net income for the years		**14,528**	**189,747**

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
CONTINUED
For the years ended December 31, 2019 and 2018
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	1/1/2019 12/31/2019	1/1/2018 12/31/2018
Net income for the years		14,528	189,747
Components of other comprehensive income that will not be reclassified to profit or loss, before tax:			
Losses on remeasurement of defined benefit plans, before tax		(100,957)	(48,626)
Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method that will not be reclassified		2,363	(1,617)
Other comprehensive loss that will not be reclassified to profit or loss before tax		**(98,594)**	**(50,243)**
Components of other comprehensive income that will be reclassified to profit or loss, before tax:			
Gains (losses) on exchange difference on translation, before tax		191	(848)
(Losses) gains on cash flow hedges, before tax		(80,111)	104,160
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified		(3,275)	554
Other comprehensive (loss) income that will be reclassified to profit or loss before tax		**(83,195)**	**103,866**
Other comprehensive (loss) income, before tax		**(181,789)**	**53,623**
Income tax effect on component of other comprehensive income which will not be reclassified profit or loss			
Net income tax effect relating to benefit plans in other comprehensive income	5	69,667	33,148
Net income (loss) tax of components of other comprehensive income which will be reclassified to profit or loss			
Net income (loss) tax relating to cash flow hedges of the other comprehensive income	5	52,072	(67,704)
Total other comprehensive (loss) income		**(60,050)**	**19,067**
Total Comprehensive (loss) Income		**(45,522)**	**208,814**
Comprehensive (loss) income attributable to:			
Comprehensive (loss) income attributable to owners of the parent		(53,413)	174,786
Comprehensive income attributable to non-controlling interests	18.b	7,891	34,028
Total comprehensive (loss) income		**(45,522)**	**208,814**

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD
For the years ended December 31, 2019 and 2018
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2019 12/31/2019	1/1/2018 12/31/2018
Cash flows provided by (used in) operating activities:			
Receipts from sales of goods and rendering of services		12,553,666	15,428,893
Other cash receipts from operating activities	26	1,827,264	1,733,555
Payments to suppliers for goods and services		(7,917,563)	(8,870,763)
Payments to and on behalf of employees		(1,800,223)	(1,920,204)
Other cash payments from operating activities	26	(2,237,355)	(2,555,184)
Dividends received		87,434	188,749
Income taxes paid		(81,762)	(67,326)
Cash flows provided by operating activities		2,431,461	3,937,720
Cash flows provided by (used in) investing activities:			
Other payments to acquire equity or debt instruments of other entities		(240)	(338)
Other charges for the sale of interests in join ventures and associates	8	193,480	21,842
Purchase of property, plant and equipment		(4,102,073)	(3,893,851)
Interest received		33,874	47,259
Other cash outflows		(5,078)	(127,570)
Cash flows used in investing activities		(3,880,037)	(3,952,658)
Cash flows provided by (used in) financing activities:			
Proceeds from borrowings long term		3,918,199	900,000
Proceeds from borrowings short term		465,000	-
Total proceeds from borrowings		4,383,199	900,000
Repayment of borrowings		(2,234,446)	(259,011)
Payments of finance lease liabilities		(148,181)	(27,130)
Dividends paid		-	(602,461)
Interest paid		(656,705)	(634,289)
Other cash inflows		197,555	500,802
Cash flows provided by (used) in financing activities		1,541,422	(122,089)
Increase (decrease) in cash and cash equivalents before effects of exchange difference		92,846	(137,027)
Effect of exchange rate changes on cash and cash equivalents		(18,866)	(82,683)
Increase (decrease) in cash and cash equivalents		73,980	(219,710)
Cash and cash equivalents at beginning of years	1	1,229,125	1,448,835
Cash and cash equivalents at end of years	1	1,303,105	1,229,125

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2019 and 2018
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

December 31,2019	Issued capital	Reserve on exchange differences on translation	Reserve of cash flow hedges	Reserve of remeasurement of defined benefit plans Note 17	Other miscellaneous reserves	Total other reserves Note 18	Accumulated deficit	Equity attributable to owners of the parent	Non-controlling interests Note 18	Total Equity
Initial balance as of 1/1/2019	**5,219,423**	**(6,863)**	**47,792**	**(274,480)**	**5,587,710**	**5,354,159**	**(198,917)**	**10,374,665**	**969,204**	**11,343,869**
Changes in equity:										
Net income							6,637	6,637	7,891	14,528
Other comprehensive income (loss)		191	(28,039)	(31,290)	(912)	(60,050)		(60,050)	-	(60,050)
Comprehensive income								(53,413)	7,891	**(45,522)**
Dividends							-	-		-
Capital contributions	400,000	-	-	-	-	-	-	400,000	-	400,000
Increase (decrease) through transfers and other changes	-	-	(247)	-	(2,115)	(2,362)	(3,980)	(6,342)	(57,338)	(63,680)
Total changes in equity	**400,000**	**191**	**(28,286)**	**(31,290)**	**(3,027)**	**(62,412)**	**2,657**	**340,245**	**(49,447)**	**290,798**
Final balance as of 12/31/2019	**5,619,423**	**(6,672)**	**19,506**	**(305,770)**	**5,584,683**	**5,291,747**	**(196,260)**	**10,714,910**	**919,757**	**11,634,667**

December 31,2018	Issued capital	Reserve on exchange difference on translation	Reserve of cash flow hedges	Reserve of remeasurement of defined benefit plans Note 17	Other miscellaneous reserves	Total other reserves Note 18	Accumulated deficit	Equity attributable to owners of the parent	Non-controlling interests Note 18	Total Equity
Initial balance as of 1/1/2018	**4,619,423**	**(6,015)**	**11,336**	**(259,002)**	**5,588,773**	**5,335,092**	**(34,390)**	**9,920,125**	**1,007,495**	**10,927,620**
Changes in equity:										
Net income							155,719	155,719	34,028	189,747
Other comprehensive income (loss)		(848)	36,456	(15,478)	(1,063)	19,067		19,067	-	19,067
Comprehensive income								174,786	34,028	208,814
Dividends							(306,619)	(306,619)		(306,619)
Capital contributions	600,000	-	-	-	-	-	-	600,000	-	600,000
Increase (decrease) through transfers and other changes	-	-	-	-	-	-	(13,627)	(13,627)	(72,319)	(85,946)
Total changes in equity	**600,000**	**(848)**	**36,456**	**(15,478)**	**(1,063)**	**19,067**	**(164,527)**	**454,540**	**(38,291)**	**416,249**
Final balance as of 12/31/2018	**5,219,423**	**(6,863)**	**47,792**	**(274,480)**	**5,587,710**	**5,354,159**	**(198,917)**	**10,374,665**	**969,204**	**11,343,869**

The accompanying notes are an integral part of these consolidated financial statements.

I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile (hereinafter referred to as "Codelco", "Codelco - Chile", or the "Corporation"), is, in Management´s opinion, the largest copper producer in the world. Codelco's most important product is refined copper, primarily in the form of cathodes. The Corporation also produces copper concentrates, blister and anode copper and by-products such as molybdenum, anode slime and sulfuric acid.

The Corporation trades its products based on a policy aimed to sell refined copper to manufacturers or producers of semi-manufactured products.

These products contribute to diverse fields of community development, particularly those intended to improve areas such as public health, energy efficiency, and sustainable development, among others.

Codelco-Chile is registered under Securities Registry No. 785 of the Chilean Commission for the Financial Market (the "CMF"), and is subject to its supervision. According to Article No. 10 of Law No. 20392 (related to the new Corporate Governance of Codelco), such supervision shall be on the same terms as publicly traded companies, notwithstanding the provisions in Decree Law (D.L.) No.1349 of 1976, which created the Comisión Chilena del Cobre ("Chilean Copper Commission").

Codelco's head office is located in Santiago, Chile, at 1270 Huérfanos Street, telephone number (56-2) 26903000.

Codelco was incorporated through D.L. No. 1350 of 1976, which is the statutory decree applicable to the Corporation. In accordance with the statutory decree, Codelco is a government-owned mining, industrial and commercial company, which is a separate legal entity with its own equity. Codelco Chile currently carries out its mining business through its Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina, El Teniente and Ventanas divisions.

The Corporation also carries out similar activities in other mining deposits in association with third parties.

In accordance with letter e) of Article 10 of Law No. 20392, Codelco is governed by its organic standards set forth in Decree Law No. 1350 (D.L. No. 1350) and that of its by-laws, and in matters not covered by them and, insofar as they are compatible and do not contradict the provisions of such standards, by the rules that govern publicly traded companies and the common laws as applicable to them.

In accordance with D.L. No. 1350 Section IV related to the Company's Exchange and Budget Regulations. Codelco's financial activities are conducted following an annual budgeting program that is composed of an Operations Budget, an Investment Budget and a Debt Amortization Budget.

The tax system applicable to Codelco's taxable income is in accordance with Article 26 of D. L. No.1350 which refers to Decree Law No. 824 on Income Tax of 1974 and Decree Law No. 2398 (Article 2) of 1978, as applicable. The Corporation's taxable income is also subject to a Specific Mining Tax in accordance with Law No. 20026 of 2005.

The Corporation is subject to Law No. 13196, which mandates the payment of a 10% tax over the foreign currency return on the actual sale revenue of copper production, including its by-products. On January 27, 2017, Law No. 20989, article 3, establishes changes in the application of Law No. 13196 as of January 1, 2018, through which the Corporation will deposit annually, no later than December 15 of each year, the funds established in article 1 in that law.

On September 26, 2019, Law No. 21174 was published, which repeals Law No. 13,196 and establishes that the 10% tax to the tax benefit provided by the Corporation will continue to exist for a period of nine years, decreasing from year 10 2.5% per year until reaching 0% at the beginning of the thirteenth year. The validity of this law is as of January 1, 2020.

The subsidiaries whose financial statements are included in these audited consolidated financial statements correspond to companies located in Chile and abroad, which are detailed in Note II.2.d.

The associates and joint ventures located in Chile and abroad, are detailed in the Explanatory Notes Section III of Note 8.

2. Basis of Presentation of the Consolidated Financial Statements

The Corporation's consolidated statements of financial position as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and of cash flows for the years ended December 31, 2019 and 2018, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements include all information and disclosures required in annual financial statements.

These consolidated financial statements have been prepared from accounting records maintained by the Corporation.

The consolidated financial statements of the Corporation are presented in thousands of United States dollar ("U.S. dollar").

Responsibility for the Information and Use of Estimates

The Board of Directors of the Corporation has been informed of the information included in these consolidated financial statements and expressly declared its responsibility for the consistent and reliable nature of the information included in such financial statements as of and for the year ended December 31, 2019, which financial statements fully comply with IFRS as issued by the IASB. These consolidated financial statements as of December 31, 2019 and for the year then ended were approved by the Board of Directors at a meeting held on March 26, 2020.

Accounting Principles

These consolidated financial statements reflect the financial position of Codelco and its subsidiaries as of December 31, 2019 and 2018, and the results of their operations, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and their related notes, all prepared in accordance with IAS 1, "Presentation of Financial Statements," in consideration of the presentation instructions of the Commission for the Financial Markets, where not in conflict with IFRS.

For the convenience of the reader, these consolidated financial statements and their accompanying notes have been translated from Spanish into English.

II. SIGNIFICANT ACCOUNTING POLICIES

1. Significant Judgments and Key Estimates

In preparing these consolidated financial statements, the use of certain critical accounting estimates and assumptions that affect the amounts of assets and liabilities recognized as of the date of the financial statements and the amounts of revenue and expenses recognized during the reporting period is required. Such preparation also requires the Corporation's Management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

a) **Useful economic lives and residual values of property, plant and equipment -** The useful lives and residual values of property, plant and equipment that are used for calculating depreciation are determined based on technical studies prepared by specialists (internal or external). The technical studies consider specific factors related to the use of assets.

When there are indicators that could lead to changes in the estimates of the useful lives of such assets, these changes are made by using technical estimates to determine the impact of any change.

b) **Ore reserves -** The measurements of ore reserves are based on estimates of the ore resources that are legally and economically exploitable, and reflect the technical and environmental considerations of the Corporation regarding the amount of resources that could be exploited and sold at prices exceeding the total cost associated with the extraction and processing.

The Corporation applies prudent judgment in determining the ore reserves, and as such, possible changes in these estimates might significantly impact the estimates of net revenues over time. In addition, these changes might lead to modifications in usage estimates, which might have an effect on depreciation and amortization expense, calculation of stripping cost adjustments, determination of impairment losses, expected future disbursements related to decommissioning and restoration obligations, long term defined benefits plans' accounting and the accounting for financial derivative instruments.

The Corporation estimates its reserves and mineral resources based on the information certified by the Competent Persons of the Corporation, who are defined and regulated according to Law No. 20235. These estimates correspond to the application of the Certification Code of Ore Reserves, Resources and Exploration, issued by the Mining Committee which was instituted through the aforementioned law. This does not modify the global volume of the Corporation's ore reserves and resources.

Notwithstanding the above, the Corporation also periodically reviews such estimates, supported by world-class external experts, who certify the reserves as determined.

c) **Impairment of non-financial assets -** The Corporation reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss. In testing impairment, the assets are grouped into cash generating units ("CGUs") to which the assets belong, where applicable. The recoverable amount of these CGUs is calculated as the present value of the expected future cash flows from such assets, considering a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of the assets is lower than their carrying amount, an impairment loss is recognized. Goodwill and indefinitely-lived assets are tested for impairment at least annually.

The Corporation defines the CGUs and also estimates the timing and cash flows that such CGUs will generate. Subsequent changes in the grouping of the CGU, or changes in the assumptions supporting the estimates of cash flows or the discount rate, may impact the carrying amounts of the corresponding assets.

Estimates of assumptions influencing the calculation of cash flows, such as the price of copper or treatment charges and refining charges, among others, are determined based on studies conducted by the Corporation using uniform criteria over different periods. Any changes to these criteria may impact the estimated recoverable amount of the assets.

The Corporation has assessed and defined that the CGUs are determined at the level of each of its current operating divisions.

Impairment testing also is performed at the level of associates and joint arrangements.

d) **Provisions for decommissioning and site restoration costs -** The Corporation is obliged to incur decommissioning and site restoration costs when such site restoration or decommissioning is required due to a legal or constructive obligation. Costs are estimated on the basis of a formal closure plan and are reassessed annually or as of the date such obligations become known. The initial estimate of decommissioning and site restoration costs is recognized as property, plant and equipment in accordance with IAS 16, and simultaneously a liability in accordance with IAS 37, is recorded.

For these purposes, a defined list of mine sites, facilities and other equipment are studied under this process, considering the engineering level profile, the cubic meters of assets that will be subject to removal and restoration, weighted by a structure of market prices of goods and services, reflecting the best current knowledge related to carrying out such activities, as well as techniques and more efficient construction procedures to date. In the process of valuation of these activities, the assumptions of the exchange rate for tradable goods and services is made, as well as a discount rate, which considers the time value of money and the risks associated with the liabilities, which is determined based, where applicable, on the currency in which disbursements are expected to be made.

The liability amounts recognized at the end of each reporting date represent management's best estimate of the present value of the future decommissioning and site restoration costs. Changes to estimated future costs that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate are added to, or deducted from, the cost of the related asset in the current period (as well as the associated liability). The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

If the adjustment results in an addition to the cost of the asset, Codelco considers whether this is an indicator that the new carrying amount of the asset may not be fully recoverable. If it is considered such an indicator, Codelco tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss in accordance with IAS 36.

The decommissioning costs are initially recorded at the moment when a plant or other assets are installed. Such costs are capitalized as part of property, plant and equipment and discounted to their present value. These decommissioning costs are charged to net income over the life of the mine, through depreciation of the corresponding asset. Depreciation expense is included in cost of sales, while the unwinding of the discount in the provision is included in finance costs.

e) Provisions for employee benefits – Provisions for employee benefits related to severance payments and health benefits for services rendered by the employees are determined based on actuarial calculations using the projected unit credit method, and are recognized in other comprehensive income or profit or loss (depending on the accounting standards applicable).on accrual bases.

The Corporation uses assumptions to determine the best estimate of future obligations related to these benefits. Such estimates, as well as assumptions, are determined by management using the assistance of external actuaries. These assumptions include demographic assumptions, discount rate and expected salary increases and rotation levels, among other factors.

f) Accruals for open invoices - The Corporation uses information on future copper prices, through which it recognizes adjustments to its revenues and trade receivables, due to the conditions in provisional pricing arrangements. These adjustments are updated on a monthly basis, See Notes 2 r) "Revenue from contracts with customers" of Note 2 "Significant accounting policies" below.

g) **Fair value of derivatives and other financial instruments -** Management may use its judgment to choose an adequate and proper valuation method for financial instruments that are not quoted in an active market. In the case of derivative financial instruments, assumptions are based on observable market inputs, adjusted depending on factors specific to the instruments among others.

h) **Lawsuits and contingencies -** The Corporation assesses the probability of lawsuits and contingency losses on an ongoing basis according to estimates performed by its legal advisors. For cases in which management and the Corporation's legal advisors believe that a loss is not probable of occurring or where probable, may not be estimated reliably, no provisions are recognized. When it is considered more likely than not that a loss is probable and it may be reliably estimated, a provision is recognized.

i) **Application of IFRS 16** that include the following:

- Estimation of the lease term;
- Determine if it is reasonably certain that an extension or termination option will be exercised;
- Determination of the appropriate rate to discount lease payments.

j) **Revenue recognition –**The Corporation determines appropriate revenue recognition for its contracts with customers by analyzing the type, terms and conditions of each contract or agreement with a customer.

As part of the analysis, the management must make judgments about whether an agreement or contract is legally enforceable, and whether the agreement includes separate performance obligations. In addition, estimates are required in order to allocate the total price of the transaction to each performance obligation based on the stand-alone selling price of the promised goods or services underlying each performance obligation. (The Corporation applies the constraint on variable consideration as defined in IFRS 15, if applicable).

Although the abovementioned estimates have been made based on the best information available as of the date of issuance of these consolidated financial statements, it is possible that new developments could lead the Corporation to modify these estimates in the future. Such modifications, if applicable, would be adjusted prospectively, as required by IAS 8 "*Accounting Policies, Changes in Accounting Estimates and Errors*."

2. Significant accounting policies

a) **Period covered -** The accompanying consolidated financial statements of Corporación Nacional del Cobre de Chile include the following statements:

- Consolidated statements of financial position as of December 31, 2019 and 2018.
- Consolidated statements of comprehensive income for years ended December 31, 2019 and 2018.
- Consolidated statements of changes in equity for years ended December 31, 2019 and 2018.
- Consolidated statements of cash flows for years ended December 31, 2019 and 2018.

b) **Basis of preparation -** The consolidated financial statements of the Corporation as of December 31, 2019 and 2018, and for the years ended December 31, 2019 and 2018 have been prepared in accordance with the instructions from the Commission for the Financial Market which fully comply with IFRS as issued by the IASB.

The consolidated statement of financial position as of December 31, 2018, and the consolidated statement of comprehensive income for the year ended December 31, 2018, the consolidated statement of changes in equity and consolidated statement of cash flows for the year ended December 31, 2018, which are included for comparative purposes, have been prepared in accordance with IFRS issued by the IASB, on a basis consistent with the criteria used for the same period ended December 31, 2019, except for the adoption of the new IFRS standards and interpretations adopted by the Corporation as of and for the years ended December 31, 2019, which are disclosed in note II.3.

These consolidated financial statements have been prepared based on the accounting records kept by the Corporation.

c) **Functional Currency -** The functional currency of Codelco is the U.S. dollar, which is the currency of the primary economic environment in which the Corporation operates and the currency in which it receives its revenues.

The functional currency of subsidiaries, associates and joint ventures, is the currency of the primary economic environment in which those entities operate and the currency in which they receive their revenues. For those subsidiaries and associates that are an extension of the operations of Codelco (entities that are not self-sustaining and whose main transactions are with Codelco); the functional currency is also the U.S. dollar.

The presentation currency of Codelco's consolidated financial statements is the U.S. dollar.

d) **Basis of consolidation -** The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continue to be consolidated until the date such control ceases. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement from the date the Corporation gains control until the date when the Corporation ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Corporation, using consistent accounting policies.

All assets, liabilities, equity, income, expenses and cash flows related to transactions between consolidated companies are fully eliminated on consolidation. Non-controlling interests in equity and in the comprehensive income of the consolidated subsidiaries are presented, respectively, under the line items “Total Equity: Non-controlling interests” in the consolidated statement of financial position and “Net income attributable to non-controlling interests” and “Comprehensive income attributable to non-controlling interests” in the consolidated statement of comprehensive income.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The companies included in the consolidation are as follows:

Taxpayer ID Number	Company	Country	Currency	12/31/2019 % Ownership			12/31/2018 % Ownership
				Direct	Indirect	Total	Total
Foreign	Chile Copper Limited	England	GBP	100.00	0	100.00	100.00
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	0	100.00	100.00	100.00
Foreign	Codelco Group Inc.	United States of America	US$	100.00	0	100.00	100.00
Foreign	Codelco International Limited	Bermuda	US$	100.00	0	100.00	100.00
Foreign	Codelco Kupferhandel GmbH	Germany	EURO	100.00	0	100.00	100.00
Foreign	Codelco Metals Inc.	United States of America	US$	0	100.00	100.00	100.00
Foreign	Codelco Services Limited	England	GBP	0	100.00	100.00	100.00
Foreign	Codelco Shanghai Company Limited	China	RMB	100.00	0	100.00	100.00
Foreign	Codelco Technologies Ltd.	Bermuda	US$	0	-	-	100.00
Foreign	Codelco USA Inc.	United States of America	US$	0	100.00	100.00	100.00
Foreign	Codelco Canada	Canada	US$	0	100.00	100.00	100.00
Foreign	Ecometales Limited	Channel Islands	US$	0	100.00	100.00	100.00
Foreign	Exploraciones Mineras Andinas Ecuador EMSAEC S.A.	Ecuador	US$	0	100.00	100.00	100.00
Foreign	Cobrex Prospeccao Mineral	Brazil	BRL	0	51.00	51.00	51.00
78.860.780-6	Compañía Contractual Minera los Andes	Chile	US$	99.97	0.03	100.00	100.00
79.566.720-2	Isapre Chuquicamata Ltda.	Chile	CLP	0.00	0.00	-	100.00
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.69	0	96.69	96.69
88.497.100-4	Clínica San Lorenzo Limitada	Chile	CLP	99.90	0.10	100.00	100.00
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda.	Chile	CLP	0	100.00	100.00	100.00
89.441.300-K	Isapre Río Blanco Ltda.	Chile	CLP	0	0	-	100.00
96.817.780-K	Ejecutora Proyecto Hospital del Cobre Calama S.A.	Chile	US$	99.99	0.01	100.00	100.00
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	US$	99.99	0.01	100.00	100.00
96.991.180-9	Codelco Tec SpA	Chile	US$	99.91	0.09	100.00	100.00
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	US$	99.90	0.10	100.00	100.00
99.573.600-4	Clínica Río Blanco S.A.	Chile	CLP	99.00	1.00	100.00	100.00
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.00	1.00	100.00	100.00
77.773.260-9	Inversiones Copperfield SpA	Chile	US$	99.99	0.01	100.00	100.00
76.043.396-9	Innovaciones en Cobre S.A.	Chile	US$	0.05	99.95	100.00	100.00
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	US$	99.95	0.05	100.00	100.00
76.173.357-5	Inversiones Gacrux SpA	Chile	US$	100.00	0	100.00	100.00
76.231.838-5	Inversiones Mineras Nueva Acrux SpA	Chile	US$	0	67.80	67.80	67.80
76.237.866-3	Inversiones Mineras Los Leones SpA	Chile	US$	100.00	0	100.00	100.00
76.173.783-K	Inversiones Mineras Becrux SpA	Chile	US$	0	67.80	67.80	67.80
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	US$	0	100.00	100.00	100.00
76.255.061-K	Central Eléctrica Luz Minera SpA	Chile	US$	100.00	0	100.00	100.00
70.905.700-6	Fusat	Chile	CLP	0	0	0	0
76.334.370-7	Isalud Isapre de Codelco Ltda.	Chile	CLP	59.26	40.73	99.99	0
78.394.040-K	Centro de Servicios Médicos Porvenir Ltda.	Chile	CLP	0	99.00	99.00	99.00
77.928.390-9	Inmobiliaria e Inversiones Rio Cipreces Ltda.	Chile	CLP	0	99.90	99.90	99.90
77.270.020-2	Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	CLP	0	99.00	99.00	99.00
76.754.301-8	Salar de Maricunga SpA	Chile	CLP	100.00	0	100.00	100.00

On July 15, 2019, according to Bermuda Registration Certificate No. 28890, the merger between Codelco Technologies and Codelco International is reported, the latter being the absorbing company of Codelco Technologies, for which it acquires 9.99 % of subsidiary Codelco Brasil and 100% of Ecometales.

On December 2, 2019, by public deed, the partners approved the merger by incorporation of the Institución de Salud Previsional Chuquicamata Ltda., San Lorenzo Institución de Salud Previsional Ltda., Institución de Salud Previsional Río Blanco Ltda., and Institución de Salud Previsional Fusat Ltda., the latter being the absorbing Isapre (health insuring entity). In addition, the partners approved modifications to the statutes related to a change in the company name, capital increase due to the merger, contribution and participation of the partners in the share capital.

For the purposes of these consolidated financial statements, subsidiaries, associates, acquisitions and disposals and joint ventures are defined as follows:

- **Subsidiaries -** A subsidiary is an entity over which the Corporation has control. Control is exercised if, and only if, the following conditions are met: the Corporation has i) power to direct the relevant activities of the subsidiaries unilaterally; ii) exposure or rights to variable returns from these entities; and iii) the ability to use its power to influence the amount of these returns. The Corporation reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

  The consolidated financial statements include all assets, liabilities, revenues, expenses and cash flows of Codelco and its subsidiaries, after eliminating all inter-company balances and transactions.

  The value of the participation of non-controlling shareholders in equity, net income and comprehensive income of subsidiaries are presented, respectively, in the headings "Non-controlling interests" of the consolidated statement of financial position; "Net income attributable to non-controlling interests"; and “Comprehensive income attributable to non-controlling interests” in the statements of comprehensive income.

- **Associates -** An associate is an entity over which Codelco has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

  Codelco’s interest ownership in associates is recognized in the consolidated financial statements under the equity method. Under this method, the initial investment is recognized at cost and adjusted thereafter to recognize changes in Codelco’s share of the comprehensive income of the associate, less any impairment losses or other changes to the investment in net assets of the associate.

  Appropriate adjustments to the Codelco’s share of the associate’s profit or loss after acquisition are made in order to account for depreciation of the depreciable assets and related deferred tax balances based on their fair values at the acquisition date.

- **Acquisitions and Disposals -** The results of businesses acquired are incorporated in the consolidated financial statements from the date when control is obtained; the results of businesses sold during the period are included in the consolidated financial statements up to the effective date of disposal. Gains or losses on disposal is the difference between the sale proceeds (net of expenses) and the carrying amount of the net assets attributable to the ownership interest that has been sold (and, where applicable, the associated cumulative translation adjustment).
If control is lost over a subsidiary, the retained ownership interest in the investment will be recognized at its fair value.

  At the acquisition date of an investment in a subsidiary, associate or joint venture, any excess of the cost of the investment (consideration transferred) plus the amount of the non-controlling interest in the acquiree plus the fair value of any previously held equity interest in the acquiree, where applicable, over Codelco's share of the net fair value of the identifiable assets and acquired liabilities is recognized as goodwill. Any excess of Codelco´s share of the net fair value of the identifiable assets and acquired liabilities over the consideration transferred, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

- **Joint Ventures -** The entities that qualify as joint ventures are accounted for using the equity method.

e) Foreign currency transactions and Reporting currency conversion- Transactions in currencies other than the Corporation's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency transactions denominated in foreign currencies are converted at the rates prevailing at that date. Exchange differences on such transactions are recognized in profit or loss in the period in which they arise and are included in line item "Foreign exchange differences" in the consolidated statement of comprehensive income.

At the end of each reporting period, assets and liabilities denominated in Unidades de Fomento (UF or inflation index-linked units of account) are translated into U.S. dollars at the closing exchange rates at that date (12/31/2019: US$37.81; 12/31/2018: US$39.68). The expenses and revenues in Chilean pesos have been expressed in dollars at the observed exchange rate, corresponding to the date of the accounting recording of each operation.

The financial statements of subsidiaries, associates and jointly controlled entities, whose functional currency is other than the presentation currency of Codelco, are translated as follows for purposes of consolidation:

- Assets and liabilities are translated using the prevailing exchange rate on the closing date of the financial statements.
- Income and expenses for each statement of comprehensive income are translated at average exchange rates for the period.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

- All resulting exchange differences are recognized in other comprehensive income and accumulated in equity under the heading "Reserve on exchange differences on translation."

The exchange rates used in each reporting period were as follows:

Relation	Closing exchange ratios	
	12/31/2019	12/31/2018
USD / CLP	0.00134	0.00144
USD / GBP	1.31320	1.27000
USD / BRL	0.24910	0.25848
USD / EURO	1.12133	1.14390
USD / AUD	0.70018	-
USD / HKD	0.12844	-

f) **Offsetting balances and transactions -** In general, assets and liabilities, income and expenses, are not offset in the financial statements, unless required or permitted by an IFRS or when offsetting reflects the substance of the transaction as well as when it is the intention of the Corporation to settle a transaction net.

Income or expenses arising from transactions which, for contractual or legal reasons, permit the possibility of offsetting and which the Corporation intends to liquidate for their net value or realize the assets and settle the liabilities simultaneously, are stated net in the statement of comprehensive income.

g) **Property, plant and equipment and depreciation** – Items of property, plant and equipment are initially recognized at cost. Subsequent to initial recognition, they are measured at cost, less any accumulated depreciation and any accumulated impairment losses.

Extension, modernization or improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life of the assets are capitalized as increasing the cost of the corresponding assets.

Furthermore, assets acquired under finance lease contracts are included in property, plant and equipment.

The assets included in property, plant and equipment are depreciated, as a general rule, using the units of production method, when the activity performed by the asset is directly attributable to the mine production process. All other assets included in property, plant and equipment are depreciated using the straight-line method.

The assets included in property, plant and equipment and certain intangibles (software) are depreciated over their economic useful lives, as described below:

Category	Useful Life
Land	Not depreciated
Land on mine site	Units of production
Buildings	Straight-line over 20-50 years
Buildings in underground mine levels	Units of production level
Vehicles	Straight-line over 3-7 years
Plant and equipment	Units of production
Smelters	Straight-line
Refineries	Units of production
Mining rights	Units of production
Support equipment	Units of production
Intangibles – Software	Straight-line over 8 years
Open pit and underground mine development	Units of production

Leased assets are depreciated over the lease term or their estimated useful life, whichever is shorter.

Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and any change in estimates is recognized prospectively.

Additionally, depreciation methods and estimated useful lives of assets, especially plants, facilities and infrastructure may be revised at the end of each year or during the year according to changes in the structure of reserves of the Corporation and productive long-term plans updated as of that date.

This review may be made at any time if the conditions of ore reserves change significantly as a result of new known information, confirmed and officially released by the Corporation.

Gains or losses on the sale of disposal of an asset are calculated as the difference between the net disposal proceeds received and the carrying amount of the asset, and are included in profit or loss when the asset is derecognized.

Construction in progress includes the amounts invested in the construction of property, plant and equipment and in mining development projects. Construction in progress is transferred to assets in operation once the testing period has ended and when they are ready for use; at that point, depreciation begins to be recognized.

Borrowing costs that are directly attributable to the acquisition or construction of assets that require a substantial period of time before they are ready for use or sale are capitalized as part of the cost of the corresponding items of property, plant and equipment.

The ore deposits owned by the Corporation are recorded in the accounting records at US$1.

Notwithstanding the above, those reserves and resources acquired as part of acquisition of entities accounted for as business combinations, are recognized at their fair value.

h) **Intangible assets -** The Corporation initially recognizes these assets at acquisition cost. Subsequent to initial recognition, intangible assets are amortized in a systematic way over their economic useful life, except for those assets with indefinite useful life, which are not amortized. Indefinitely-lived intangible assets are tested for impairment at least annually, and whenever there is an indication that these assets may be impaired. Definitely-lived intangible assets are tested for impairment when an indicator of impairment has been identified. At the end of each reporting period, these assets are measured at their cost less any accumulated amortization (when applicable) and any accumulated impairment losses.

The main intangible assets are described as follows:

Research and Technological Development and Innovation Expenditures: The expenditures for the development of Technology and Innovation Projects are recognized as intangible assets at their cost and are considered to have indefinite useful lives.
Development expenses for technology and innovation projects are recognized as intangible assets at cost, if and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will available for use or sale;
- The intention to complete the intangible asset is to use or sell it;
- The ability to use or sell the intangible asset;
- That the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Research expenses for technology and innovation projects are recognized in profit or loss when incurred.

i) **Impairment of property, plant and equipment and intangible assets –** The carrying amounts of property, plant and equipment and intangible assets with finite useful lives are reviewed to determine whether there is an indication that those assets have suffered an impairment loss. If any such indicator exists, the Corporation estimates the asset's recoverable amount to determine the extent of the impairment loss which is then recorded.

For assets with indefinite useful lives, their recoverable amounts are annually estimated at the end of each reporting period.

When an asset does not generate cash flows that are independent from other assets, Codelco determines the recoverable amount of the CGU to which the asset belongs.

The Corporation has defined each of its divisions as a cash generating unit.

Recoverable amount of an asset is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. On the other hand, the fair value less cost of disposal is usually determined for operational assets considering the Life of Mine ("LOM"), based on a model of discounted cash flows, while the assets not included in LOM as resources and potential resources to exploit are measured by using a market model of multiples for comparable transactions.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, an impairment loss is recognized immediately in profit or loss, reducing the carrying amount to its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years.

The estimates of future cash flow for a CGU are based on future production forecasts, future prices of basic products and future production costs. Under IAS 36 "*Impairment of Assets",* there are certain restrictions for future cash flows estimates related to future restructurings and future cost efficiencies. When calculating value in use, it is also necessary to base the calculations on the spot exchange rate at the date of calculation.

j) Expenditures for exploration and evaluation of mineral resources, mine development and mining operations - The Corporation has defined an accounting policy for each of these expenditures.

Development expenses for deposits under exploitation whose purpose is to maintain production levels are recognized in profit or loss when incurred.

Exploration and evaluation costs such as: drillings of deposits, including expenses necessary to locate new mineralized areas and engineering studies to determine their potential for commercial exploitation are recognized in profit or loss, normally at the pre-feasibility stage.

Pre-operating and mine development expenses (normally after feasibility engineering is reached) incurred during the execution of a project and until its start-up are capitalized and amortized in relation to the future production of the mine. These costs include stripping of waste material, constructing the mine's infrastructure and other works carried out prior to the production phase.

Finally, costs for defining of new areas or deposit areas in exploitation and of mining operations (PP&E) are recognized in property, plant and equipment and are amortized through profit or loss over the period during which the benefits are obtained.

k) Stripping costs - Costs incurred in removing mine waste materials (overburden) in open pits that are in production, that provide access to mineral deposits, are recognized in property, plant and equipment, when the following criteria set out in IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine are met:

- It is probable that the future economic benefits associated with the stripping activity will flow to the entity.
- It is possible to identify the components of an ore body for which access has been improved as a result of the stripping activity.
- The costs relating to that stripping activity can be measured reliably.

The amounts recognized in property, plant and equipment are depreciated according to the units of production extracted from the ore body related to the specific stripping activity which generated this amount.

l) Income taxes and deferred taxes - Codelco and its Chilean subsidiaries recognize annually income taxes based on the net taxable income determined as per the standards established in the Income Tax Law and Article 2 of D.L. 2398, as well as, the specific tax on mining referred to in Law 20026 of 2005. Its foreign subsidiaries recognize income taxes according to the tax regulations in each country.

In addition, Codelco's taxable income in each period is subject to the tax regime established in Article 26 of D.L. No. 1350, which states that tax payments will be made on March, June, September and December of each year, based on a provisional tax calculation.

Deferred taxes on temporary differences and other events that generate differences between the accounting and tax bases of assets and liabilities are recognized in accordance with IAS 12 "*Income taxes*."

Deferred taxes are also recognized for undistributed profits of subsidiaries, associates and joint ventures, originated by withholding tax rates on remittances of dividends paid out by such companies to the Corporation.

m) Inventories - Inventories are measured at cost, when such does not exceed net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale (i,e,, marketing, sales and distribution expenses). Costs of inventories are determined according to the following methods:

- Finished products and products in process: These inventories are measured at their average production cost determined using the absorption costing method, including labor, depreciation of fixed assets, amortization of intangibles and indirect costs of each period. Inventories of products in process are classified in current and non-current, according to the normal cycle of operation.

- Materials in warehouse: These inventories are measured at their acquisition cost. The Corporation estimates an allowance for obsolescence considering the turnover rate of slow-moving materials in the warehouse.

- Materials in transit: These inventories are measured at cost incurred until the end of reporting period. Any difference as a result of an estimate of net realizable value of the inventories lower than its carrying amount is recognized in profit or loss.

n) Dividends – In accordance with Article 6 of D.L. 1350, the Corporation has a mandatory obligation to distribute its net income as presented in the financial statements. The payment obligation is recognized on an accrual basis.

o) Employee benefits - Codelco recognizes a provision for employee benefits when there is a present obligation (legal or constructive) as a result of services rendered by its employees.

The employment contracts stipulate, subject to compliance with certain conditions, the payment of an employee termination indemnity when an employment contract ends. In general, this corresponds to one monthly salary per year of service and considers the components of the final remuneration which are contractually defined as the basis for the indemnity. This employee benefit has been classified as a defined benefit plan.

Codelco has also agreed to post-employment medical care benefits for certain retirees, which are paid based on a fixed percentage applied to the monthly taxable salary of retirees covered by this agreement. This employee benefit has been classified as a defined benefit plan.

These plans continue to be unfunded as of December 31, 2019.

The employee termination indemnity and the post-employment medical plan obligations are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. The defined benefit plan obligations recognized in the statement of financial position represent the present value of the accrued obligations. Actuarial gains and losses are recognized immediately in other comprehensive income and will not be reclassified to profit or loss.

The Corporation's management uses assumptions to determine the best estimate of these benefits. The assumptions include an annual discount rate, expected increases in salaries and turnover rate, among other factors.

In accordance with its operating optimization programs to reduce costs and increase labor productivity by incorporating new current technologies and/or better management practices, the Corporation has established employee retirement programs by amending certain employment contracts or collective union agreements to include benefits encouraging employees to early retire. Accordingly, these arrangements are accounted for as termination benefits and required accruals are established based on the accrued obligation at current value. In case of employee retirement programs which involve multi-year periods, the accrued obligations are updated using a discount rate determined based on financial instruments denominated in the same currency and similar maturities that will be used to pay the obligations.

p) Provisions for decommissioning and site restoration costs - The Corporation is obliged to incur decommissioning and site restoration costs when such site restoration or decommissioning is required due to a legal or constructive obligation. Costs are estimated on the basis of a formal closure plan and cost estimates are annually reviewed.

A provision is recognized for decommissioning and site restoration costs. The amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The provision is initially recognized with a corresponding increase in the carrying amount of the related assets.

The provision for decommissioning and site restoration costs is accreted over time to reflect the unwinding of the discount with the accretion expense included in finance costs in the statement of income. The carrying amount of the related asset is depreciated over its useful life.

Changes in the measurement of the decommissioning and site restoration provision that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are added to, or deducted from, the cost of the related assets in the period when changes occurred. The amount deducted from the cost of the related assets cannot exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

If the adjustment results in an addition to the cost of an asset, the Corporation considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If such an indicator exists, the Corporation tests the asset for impairment by estimating its recoverable amount, and recognizes an impairment loss, if any.

The effects of the updating of the liability, due to the effect of the discount rate and / or passage of time, is recorded as a financial expense.

q) Leases

Leases as of January 1, 2019 - Effective January 1, 2019, IFRS 16 Leases becomes effective, for which the Corporation evaluates its contracts at initial application to determine whether they contain a lease. The Corporation recognizes an asset for right of use and a corresponding liability for lease with respect to all lease agreements in which Codelco is the lessee, except for short-term leases (defined as a lease with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Corporation recognizes lease payments as an operating cost on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which the economic benefits of the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, the Corporation uses the incremental borrowing rate.

The incremental rate for loans used by Codelco is determined by estimating the interest rate that the Corporation would have to pay for borrowing the necessary funds to obtain an asset of an equivalent nature similar in value to the right-of-use asset of the respective lease, in a similar economic environment over a similar term.

Lease payments included in the measurement of the lease liability mainly include fixed payments, variable payments that depend on an index or a rate and the exercise price of a purchase option. Variable payments that do not depend on an index or a rate are excluded.

The lease liability is subsequently measured as follows: the carrying amount increased to reflect the interest on the lease liability (using the effective rate method) and the carrying amount is reduced to reflect the lease payments made.

The Corporation revalues the lease liability as to the discount rate (and makes the corresponding adjustments to the asset for respective right of use) when:

- There is a change in the term of the lease or;
- There is a change in the assessment of an option to purchase the underlying asset or;
- There is a change in an index or rate which generates a change in cash flows.

The right-of-use assets include the amount of the initial measurement of the lease liability, the lease payments made before or until the start date less the lease incentives received and any initial direct costs incurred. The assets for right to use are subsequently measured at cost less accumulated depreciation and accumulated losses due to impairment.

When the Corporation incurs a cost obligation to dismantle or remove a leased asset, restore the location in which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured in accordance with IAS 37. Costs are included in the corresponding asset for right of use, unless those costs are incurred to produce inventories.

The right-of-use assets are depreciated during the shorter period between the term of the lease and the useful life of the underlying asset. If a lease transfers the ownership of the underlying asset or the cost of the asset for right of use reflects that the Corporation expects to exercise its option to purchase, the right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation is made from the start date of the lease.

The assets for right of use and the lease liability are presented under "Property, plant and equipment" and "Other financial liabilities", respectively, in the consolidated statement of financial position.

Leases until December 31, 2018- Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Corporation. All other leases are classified as operating leases. Operating lease costs are recognized as an expense on a straight-line basis over the lease term.

Assets held under finance leases are initially recognized as assets at the inception of the lease at either their fair value or the present value of the minimum lease payments (discounted at the interest rate implicit in the lease), whichever is lower. Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of return on the remaining balance of the liability. Lease obligations are included in other current or non-current liabilities, as appropriate.

In accordance with IFRIC 4 "*Determining whether an Arrangement contains a Lease*", an arrangement is, or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and if the arrangement conveys the right to use the asset, even if that right is not explicitly specified.

r) Revenue from Contracts with Customers - Revenue is recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to customers.

- **Sale of mineral goods and / or by-products:** Contracts with customers for the sale of mineral goods and / or by-products include the performance obligation for the delivery of the physical goods and the associated transportation service, at the place agreed with the customers. The Corporation recognizes revenue from the sale of goods when the performance obligation is satisfied according to the shipment or dispatch of the products, in accordance with the agreed conditions, such revenue being subject to variations related to the content and / or sale price at the date of its liquidation. Notwithstanding the foregoing, there are some contracts where the performance obligation is satisfied when there is receipt of the product (FOB ship point) instead of the buyer's corresponding destination, thus recognizing revenue at the time of said transfer. When services of transport of goods are provided, the Corporation recognizes revenue when the service obligation is satisfied.

  Sales that have discounts associated with volume subject to compliance with goals are recognized net, estimating the probability that the volume target will be reached.

  Sales contracts include a provisional price at the shipment date. The final price is generally based on the London Metals Exchange ("LME") price. Revenue from sales of copper is measured using estimates of the future spread of metal prices on the LME and/or the spot price at the date of shipment, with subsequent adjustments made upon final pricing recognized as revenue. The terms of sales contracts with customers contain provisional pricing arrangements whereby the selling price for metal concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (the "quotation period"). Consequently, the final price is set at the dates indicated in the contracts. Adjustments to provisional sale prices occur based on movements in quoted market prices on the LME up to the date of final pricing. The period between provisional invoicing and final pricing is typically between one and nine months. Changes in fair value over the quotation period and until final pricing are estimated by reference to forward market prices for applicable metals.

In terms of hedge accounting established by IFRS 9, the Corporation has opted to continue applying the hedge accounting requirements of IAS 39 instead of the requirements of the new standard. Therefore, there were no generated effects either at the level of account balances or at the level of disclosures.
Sales in the Chilean market are recognized in conformity with the regulations that govern domestic sales as indicated in Articles 7, 8 and 9 of Law No. 16624, modified by Article 15 of Decree Law No. 1349 of 1976, on the determination of sales prices for the internal market which does not differ from IFRS 15.

As indicated in the note related to hedging policies in the market of metal derivatives, the Corporation enters into operations in the market of metal derivatives. Gains and losses from those which are fair value hedges contracts are recognized as revenues.

- **Rendering of services:** Additionally, the Corporation recognizes revenue for rendering services, which are mainly related to the processing of minerals bought from third parties. Revenue from rendering of services is recognized when the amounts can be measured reliably and when the services have been provided.

s) Derivative contracts - Codelco uses derivative financial instruments to reduce the risk of fluctuations in sales prices of its products and of exchange rates.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in equity under the item "Cash flow hedge reserve.” The gain or loss relating to the ineffective portion is immediately recognized in profit or loss, and included in the “Finance cost” or “Finance income” line items. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the effect for the fluctuation in the recognized hedged item.

A hedge relationship is considered highly effective when changes in fair value or in cash flows of the underlying item directly attributable to the hedged risk are offset by changes in fair value or cash flows of the hedging instrument, with an effectiveness ranging from 80% to 125%. Changes in fair value accumulated in other comprehensive income are subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Upon discontinuation of hedge accounting and depending on the circumstances, the cumulative gain or loss on the hedging instrument remains in equity until the hedged transaction occurs or, if the hedged transaction is not expected to occur, the amount accumulated in other comprehensive income is reclassified to profit or loss.

The total fair value of hedging derivatives is classified as “non-current financial asset or liability”, if the remaining maturity of the hedged item is greater than 12 months, and as “current financial asset or liability”, if the remaining maturity of the hedged item is less than 12 months.

The derivative contracts held by the Corporation have been entered into to apply the risk hedging policies and are accounted for as indicated below:

- ***Hedging policies for exchange rate risk:*** The Corporation enters into exchange rate derivatives to hedge exchange rate variations between the U.S. dollar and the currencies of transactions the Corporation undertakes. In accordance with the policies established by the Board of Directors, these hedge transactions are only entered into when there are recognized assets or liabilities, forecasts of highly probable transactions or firm commitments. The Corporation does not enter into derivative transactions for non-hedging purposes.

- ***Hedging policies for metal market prices risk:*** In accordance with the policies established by the Board of Directors, the Corporation entered into derivative contracts to reduce the inherent risks in the fluctuations of metal prices.

  The hedging policies seek to cover expected cash flows from the sale of products by fixing the sale prices for a portion of future production. When the sales agreements are fulfilled and the derivative contracts are settled, the results from sales and derivative transactions are offset in profit or loss in revenue.

  Hedging transactions carried out by the Corporation in the metal derivatives market are not undertaken for speculative purposes.

- ***Embedded derivatives:*** The Corporation has established a procedure that allows for evaluation of the existence of embedded derivatives in financial and non-financial contracts. Where there is an embedded derivative, and the host contract is not a financial instrument and the characteristics and risks of the embedded derivative are not closely related to the host contract, the derivative is required to be recognized separately.

t) **Financial information by segment –** The Corporation has defined its Divisions as its operating segments in accordance with the requirements of IFRS 8, Operating Segments. The mining deposits in operation, where the Corporation conducts its extractive and processing activities are managed by the following Divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina and El Teniente, In addition, the smelting and refining activities are managed at the Ventanas Division. All these Divisions have a separate operational management, which reports to the Chief Executive Officer, through the North and South Central Vice-President of Operations, respectively. Income and expenses of the Head Office are allocated to the defined operating segments.

u) Presentation of Financial Statements - The Corporation presents (i) its statements of financial position classified as "current and non-current", (ii) profit or loss or loss and other comprehensive income in one statement and the classification of expenses within profit or loss by function, and (iii) its statement of cash flows using the direct method.

v) Current and non-current financial assets - The Corporation determines the classification of its financial assets at the time of initial recognition. The classification depends on the business model in which the investments are managed and the contractual characteristics of their cash flows.

The Corporation's financial assets are classified into the following categories:

- ***Fair value through profit or loss*:**

  Initial recognition: This category includes those financial assets not qualifying under the categories of Fair Value through Other Comprehensive Income or Amortized Cost. These instruments are initially recognized at fair value.

  Subsequent recognition: Their subsequent recognition is at fair value, recording in the consolidated statement of comprehensive income, in the line "Other gains (losses)" any changes in fair value.

- ***Amortized cost*:**

  Initial recognition: This category includes those instruments with respect to which the objective of the business model of the Corporation is to hold the financial instrument to collect contractual cash flows and such cash flows consist of solely payments of principal and interest. This category includes certain Trade and other current receivables, and the loans included in other non-current financial assets.

  Subsequent recognition: These instruments are subsequently measured at amortized cost using the effective interest method. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any impairment allowance.

  Interest income is recognized in profit or loss and is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "Foreign exchange difference" line item.

- ***At fair value through other comprehensive income:***

  Initial measurement: Financial assets that meet the criteria "Solely payments of principal and interest" (SPPI) are classified in this category and must be maintained within a business model both to collect the cash flows and to sell the financial assets. These instruments are initially recognized at fair value.

  Subsequent recognition: Their subsequent valuation is at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in income. Other net gains and losses are recognized in other comprehensive income. On derecognition, the gains and losses accumulated in other comprehensive income for debt instruments are reclassified to income.

  Codelco did not irrevocably choose to designate any of its investment assets at fair value with effect on other comprehensive income.

w) Financial liabilities - Financial liabilities are initially recognized at fair value net of transaction costs. Subsequent to their initial recognition, the valuation of the financial liabilities will depend on their classification, within which the following categories are distinguished:

- **Financial liabilities at fair value through profit or loss:** This category includes financial liabilities defined as held for trading.

  Changes in fair value associated with own credit risk are recorded in other comprehensive income unless doing so creates an accounting mismatch.

- **Financial liabilities at amortized cost:** This category includes all financial liabilities other than those measured at fair value through profit or loss.

  The Corporation includes in this category bonds, obligations and other current payables.

  These financial liabilities are measured using the effective interest rate method, recognizing interest expense based on the effective rate.

  The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

  Trade and other current payables are financial liabilities that do not explicitly accrue interest and are recognized at their nominal value, which approximates its fair value.

  Financial liabilities are derecognized when the liabilities are paid or expire.

x) Impairment of financial assets - The Corporation measures the loss allowance at an amount equal to lifetime expected credit losses for certain of its trade receivables. For these, it uses the simplified approach as required under IFRS 9. The Corporation considers a trade receivable to be in default at 90 days.

The provision matrix is based on an entity's historical credit loss experience over the expected life of such trade receivables and is adjusted for forward-looking estimates taking into account the most relevant macroeconomic factors that affect bad debts.

Other accounts receivable and other financial assets are reviewed using reasonable and sustainable information that is available without cost or disproportionate effort in accordance with IFRS 9 to determine the credit risk of the respective financial assets. A provision is established for impairment losses in trade accounts receivable and other financial assets, when there is objective evidence that those amounts owed cannot be fully recovered.

y) Cash and cash equivalents and statement of cash flows prepared using the direct method - The statement of cash flows reflects changes in cash and cash equivalents that took place during the period, determined under the direct method. For the purposes of preparing the statement of cash flows, the Corporation has defined the following:

- **Cash flows:** inflows and outflows of cash or cash equivalents, which are defined as highly liquid investments maturing in less than three months with a low risk of changes in value.

- **Operating activities** are the principal revenue-producing activities of the Corporation and other activities that are not investing or financing activities.

- **Investing activities** are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

- **Financing activities** are activities that result in changes in the size and composition of net equity and borrowings of the Corporation.

Bank overdrafts are classified as external resources in current liabilities.

z) Law No. 13196 – Law No. 13196 requires the payment of a 10% special export tax on receivables of the sales proceeds that Codelco receives and transfers to Chile from the export of copper and related by-products produced by Codelco. The Chilean Central Bank deducts 10% of the amounts that Codelco transferred to its Chilean bank account. The amount recognized for this concept is presented in the statement of income within the line item “Other expenses.”

On January 27, 2017, Law No. 20989, article 3, establishes changes in the application of Law No. 13196 as of January 1, 2018, through which the Corporation will deposit annually, no later than December 15 of each year, the funds established in article 1 in that law.

On September 26, 2019, Law No. 21,174 was published, which repeals Law No. 13,196 and establishes that the 10% tax to the tax benefit provided by the Corporation will subsist for a period of nine years, decreasing from the tenth year 2.5% per year until reaching 0% in the twelfth year. The validity of this law is as of January 1, 2020.

aa) Cost of sales - Cost of sales is determined according to the absorption costing method, including the direct and indirect costs, depreciation, amortization and any other expenses directly attributable to the production process.

ab) Environment - The Corporation adheres to the principles of sustainable development, which foster the economic development while safekeeping the environment and the health and safety of its collaborators. The Corporation recognizes that these principles are central for the well-being of its collaborators, care for the environment and success in its operations.

ac) Classification of current and non-current balances - In the consolidated statement of financial position, the balances are classified according to their maturities, that is, as current for those with a maturity equal to or less than twelve months and as non-current for those with a greater maturity. Where there are obligations whose maturity is less than twelve months, but whose long-term refinancing is insured upon a decision by the Corporation whose intention is to refinance, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

ad) Non-current assets or groups of assets for disposition classified as held for sale: The Corporation classifies as non-current assets or groups of assets for disposal, classified as held for sale, properties, plants and equipment, investments in associates and groups subject to expropriation (group of assets that are going to be disposed of together with their directly related liabilities), for which, at the closing date of the financial statements, their sale has been committed to or steps have been initiated and it is estimated that it will be carried out within the twelve months following said date. These assets or groups subject to disposal are valued at book value or the estimated sale value minus the costs necessary for sale, whichever is less, and are no longer amortized from the moment they are classified as non-current assets held for sale. Non-current assets or groups of assets for disposal classified as held for sale and the components of the groups subject to disposal classified as held for sale are presented in the consolidated statement of financial position on a line for each of the following concepts: "Non-current assets or groups of assets for disposition classified as held for sale" and/or “Non-current liabilities or groups of liabilities for disposition classified as held for sale.”

3. New standards and interpretations adopted by the Corporation

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the Corporation's annual consolidated financial statements for the year ended December 31, 2018, except for the adoption of new standards, interpretations and amendments, effective from January 1, 2019, which are:

a) IFRS 16, Lease:

In the current period, the Corporation has applied IFRS 16 Leases for the first time.

IFRS 16 introduces new or modified requirements with respect to the accounting for leases. It introduces significant changes to lease accounting for lessees by removing the distinction between operating and financial leases; requires the recognition, at the outset, of an asset for right to use and a lease liability for all leases, allowing exemptions for short-term leases and leases of low-value assets. In contrast to the accounting for the lessee, the requirements for the accounting of the lessor remain largely unchanged. Details of these new requirements are described in Chapter II, note 2, letter q Leases. The impact of the adoption of IFRS 16 in the consolidated financial statements of the Corporation is described below.

The initial application date of IFRS 16 for the Corporation is January 1, 2019.

The Corporation has applied IFRS 16 with the cumulative effect of the initial application of the standard recognized as of January 1, 2019. Consequently, it has not restated the comparative financial information.

Impact of the new definition of a lease

The change in the definition of a lease is mainly related to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the client has the right to control the use of an identified asset for a period of time in exchange for consideration.

Impact on the accounting of leases

Operating Leases - IFRS 16 changes with respect to how the Corporation accounts for leases previously classified as operating leases under IAS 17, which, with this change, are recognized in the assets and liabilities of the statement of financial position.

The Corporation has re-evaluated all of its contracts at the date of initial application. As a result of the foregoing, leases have been re-assessed in accordance with the new requirements of IFRS 16.

Transition rules

As of the transition date of January 1, 2019, the Corporation recognizes its leases with the accumulated effect on the date of initial application, opting to recognize a right to use asset equal to the lease liability.

Practical expedients applied in the transition to operating leases

- Discount rate applied to a lease portfolio;
- Short-term lease exemption for those contracts whose term is less than twelve months;
- Exemption for leases of low-value;
- Review of lease contracts at transition under the “onerous contract” provisions of IAS 37 rather than undertaking an impairment review under IAS 36;
- Measurement of right-of-use assets at lease liability amount at date of initial application;

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Impact on assets, liabilities and equity as of January 1, 2019

	Balances prior to IFRS 16 ThUS$	Adjustment IFRS 16 ThUS$	Balances adjusted by IFRS 16 ThUS$
Property , plant and equipment (1)	26,754,998	373,889	27,128,887
Total Assets	**37,090,805**	**373,889**	**37,464,694**
Other current financial liabilities	872,277	96,404	968,681
Other non-current financial liabilities	14,674,510	277,485	14,951,995
Total Liabilities	**25,746,936**	**373,889**	**26,120,825**
Net Effect	**11,343,869**	**-**	**11,343,869**

Reconciliation of operating leases under IAS 17 disclosed as of December 31, 2018 and lease liabilities recognized as of January 1, 2019

Reconciliation of operating leases	**January 1, 2019 ThUS $**
Operating lease commitments as of December 31, 2018, as disclosed in the consolidated financial statements in accordance with IAS17.	266,351
Less initial recognition exceptions:	
Short-term leases	(55,360)
Leases with variable payments that do not depend on an index or a rate	(69,070)
Low-value leases	(220)
Total lease liabilities (undiscounted) recognized as of January 1, 2019	**141,701**
Plus:	
Leases identified in existing contracts as of January 1, 2019 under IFRS 16 (1)	421,608
Discounted using the incremental borrowing rate at the date of the initial application (January 1, 2019)	3.81%
Discounted financing lease liabilities recognized as of January 1, 2019	373,889
Lease liabilities related to leases previously classified as financial leases	107,839
Total lease liabilities recognized on January 1, 2019	**481,728**
Consisting of:	
Lease liabilities current portion	117,914
Lease liabilities non-current portion	363,814
Total lease liabilities recognized on January 1, 2019	**481,728**

(1) The Corporation has re-evaluated all of its contracts at the date of initial application, including those that under IAS 17 and IFRIC 4, had not been identified as leases. As a result of the foregoing, leases have been included in accordance with the new requirements of IFRS 16.

b) IFRIC 23 Uncertainty about treatment of income tax

IFRIC 23 establishes how to determine a tax position when there is uncertainty about the treatment for income tax. For this determination, the steps are as follows:

i. determine if uncertain tax positions should be evaluated separately or as a whole;
ii. evaluate if the tax authority is likely to accept an uncertain tax treatment used, or proposed to be used, by an entity in its tax returns:

- If acceptable, the entity must determine its accounting tax position in a manner consistent with the tax treatment used or planned to be used in its tax return.
- If uncertain, the entity must reflect the effect of uncertainty in the determination of its accounting tax position.

The Corporation has determined that it has no significant uncertain tax positions.

The application of IFRIC 23 has not materially affected the consolidated financial statements of Codelco.

c) Amendments to IFRS 9, Features of prepayment with negative compensation
The amendments to IFRS 9 clarify that for purposes of evaluating whether a prepaid feature meets the condition of cash flows that are only principal and interest payments (SPPI), the party exercising the option could pay or receive reasonable compensation for the prepayment regardless of the reason for the prepayment. The application of these amendments had no impact on the consolidated financial statements of the Corporation, however it could affect the accounting of future transactions or agreements.
d) Amendments to IAS 28, Long-term investments in associates and joint ventures
The amendments clarify that when applying IFRS 9 to long-term investments, an entity does not take into account the adjustments to its carrying amounts required by IAS 28. The application of these amendments had no impact on the consolidated financial statements of the Corporation, however, it could affect the accounting of future transactions or agreements.
e) Amendments to IAS 19, Employee Benefits Plan Amendment, Curtailment or Settlement
The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognized in the normal manner in other comprehensive income. The amendments to IAS 19 require the use of updated actuarial assumptions to remeasure the service cost and the net interest for the remainder of the reporting period after the change to the plan. The application of these amendments had no impact on the consolidated financial statements of the Corporation, however it could affect the accounting of future transactions or agreements.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

f) Annual improvements cycle 2015 - 2017 (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)

- Amendments to IFRS 3 and IFRS 11: Adds paragraphs on treatment for acquisitions in participations previously held in a joint operation.
- Amendments to IAS 12: Add paragraph on treatment of taxes related to dividends payable.
- Amendments to IAS 23: Modify wording on application of the capitalization rate.

The application of these amendments had no impact on the consolidated financial statements of the Corporation, however it could affect the accounting of future transactions or agreements.

4. New accounting pronouncements

a) The following new IFRS, amendments and interpretations had been issued by the IASB, but their application is not yet mandatory:

New IFRS	Date of mandatory application	Summary
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2021	Establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretional participating features and supersedes IFRS 4 *Insurance contracts.*

Amendments to IFRS	Date of mandatory application	Summary
Amendment to IFRS 10 and IAS 28: Sale or Contribution of Assets	Date to be determined by IASB.	Recognizes the profits or losses of sales of assets between an investor and an associate or a joint venture, which are recognized for the total when the transaction involves assets which constitute a business and are recognized partially when the assets do not constitute a business.
Definition of a Business (Amendments to IFRS 3)	Annual reporting periods beginning on or after January 1, 2020	Clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs
Definition of Material (Amendments to IAS 1 and IAS 8)	Annual reporting periods beginning on or after January 1, 2020	Clarifies the definition of 'material' and aligns the definition used in the Conceptual Framework and the standards.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Modifications Conceptual Framework for the Report Revised Financial	Annual periods initiated on or after the January 1, 2020	It incorporates some new concepts, provides updated definitions and recognition criteria for assets and liabilities. This modification accompanies a separate document, "Modifications to the References to Conceptual Framework in the Rules IFRS ", which establishes amendments to other IFRS in order to update the references to the new Conceptual Framework
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	Annual reporting periods beginning on or after 1 January 2020	The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

The Administration does not expect significant impacts with respect to standards, amendments and interpretations indicated above.

III. EXPLANATORY NOTES

1. Cash and cash equivalents

The detail of cash and cash equivalents as of December 31, 2019 and 2018, is as follows:

Item	12/31/2019 ThUS$	12/31/2018 ThUS$
Cash on hand	49,017	25,033
Bank balances	213,580	59,030
Time deposits	972,125	1,131,049
Mutual Funds - Money Market	2,158	1,698
Repurchase agreements	66,225	12,315
Total cash and cash equivalents	**1,303,105**	**1,229,125**

Interest on time deposits is recognized on an accrual basis using the contractual interest rate of each of these instruments.

The Corporation does not hold any significant amounts of cash and cash equivalents that have a restriction on use.
Cash and cash equivalents meet the low credit risk exemption under IFRS 9.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

2. Trade and other receivables

a) Accruals for open sales invoices

As mentioned in the Summary of Significant Accounting Policies Section, the Corporation adjusts its revenues and trade receivable balances, based on future copper prices through the recognition of an accrual for open sales invoices.

When future price of copper is lower than the provisional invoicing price, the accrual is presented in the statement of financial position as follows:

- For those customers that have due balances with the Corporation the accrual is presented as a deduction from the line item trade and other current receivables.
- For those customers that do not have due balances with the Corporation the accrual is presented in the line item trade and other current payables.

When the future copper price is higher than the provisional invoicing price, the accrual is added to the line item trade and other current receivables.

According to the foregoing, as of December 31, 2019 and for provisions for unfinalized sales invoices, a positive amount of ThUS$98,045 is presented intrade and other current receivables for open invoices related to customers with no outstanding amounts to Codelco.

As of December 31, 2018, a negative amount is presented in the trade and other current receivable of ThUS$96,396 and a provision of ThUS$5,025 in the trade accounts payable item of current liabilities, the latter associated with customers that do not present balances owed to Codelco; totaling a negative effect of ThUS$101,421 for open invoices related to customers..

b) Trade and other receivables

The following table sets forth trade and other receivables balances, with their corresponding allowances for doubtful accounts:

Items	Current		Non-Current	
	12/31/2019 ThUS$	12/31/2018 ThUS$	12/31/2019 ThUS$	12/31/2018 ThUS$
Trade receivables (1)	1,934,245	1,542,420	438	820
Allowance for doubtful accounts (3)	(7,530)	(37,811)	-	-
Subtotal trade receivables, net	**1,926,715**	**1,504,609**	**438**	**820**
Other receivables (2)	668,218	712,446	98,106	83,911
Allowance for doubtful accounts (3)	(6,665)	(4,846)	-	-
Subtotal other receivables, net	**661,553**	**707,600**	**98,106**	**83,911**
Total	**2,588,268**	**2,212,209**	**98,544**	**84,731**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

(1) Trade receivables correspond to the sales of copper and its by-products, those that in general are sold in cash or through banks transfers.

(2) Other receivables mainly consist of the following items:

- Corporation's employee short-term loans and mortgage loans, both monthly deducted from the employee's salaries. Mortgage loans granted to the Corporation's employees for ThUS$48,809 are secured with collateral.
- Reimbursement receivables from insurance companies.
- Advance payments to suppliers and contractors.
- Accounts receivable for tolling services (Ventanas Smelter).
- VAT credit and other refundable taxes of ThUS$179,486 and ThUS$201,274 as of December 31, 2019 and 2018, respectively.

(3) The Corporation recognizes an allowance for doubtful accounts based on its expected credit loss model.

The reconciliation of changes in the allowance for doubtful accounts for the year ended December 31, 2019 and 2018, were as follows:

Items	12/31/2019 ThUS$	12/31/2018 ThUS$
Opening balance	**42,657**	**40,100**
Net Increases	1,709	7,215
Write-offs/applications	(30,171)	(4,658)
Total movements	**(28,462)**	**2,557**
Closing balance	**14,195**	**42,657**

As of December 31, 2019 and 2018, the balance of past due but not impaired trade receivables, is as follows:

Maturity	12/31/2019 ThUS$	12/31/2018 ThUS$
Less than 90 days	9,510	3,473
Between 90 days and 1 year	1,211	4,789
More than 1 year	9,530	10,266
Total trade receivables past-due but not impaired	**20,251**	**18,528**

3. Balance and transactions with related parties

a) Transactions with related persons

In accordance with Law on New Corporate Governance, the members of Codelco's Board are, in terms of transactions with related persons, subject to the provisions of Title XVI of Law on Corporations, which sets the requirements regarding transactions with related parties in publicly traded companies and their subsidiaries.

Notwithstanding the foregoing, pursuant to the provisions of the final paragraph of Article 147 b) of Title XVI, which contains exceptions to the approval process for transactions with related parties, the Corporation has established a general policy over customary transactions (which were communicated through a significant event notice to the CMF), that defines customary transactions as those carried out with its related parties in the normal course of business, which contributes to the social interest and are necessary to the normal development of Codelco's activities.

Likewise, consistent with the legal framework, the Corporation maintains within its internal framework a specific policy about transactions between related persons and companies with Codelco's employees. Codelco's Corporate Policy No.18 ("CCP No. 18"), the latest version currently in force, was approved by the Chief Executive Officer and the Board of Directors.

Accordingly, Codelco without the authorization required in CCP No. 18 and of the Board of Directors, when required by Law or by the Corporation by-laws, shall not enter into any contracts or agreements involving one or more Directors, its Chief Executive Officer, the members of Division's Managing Committees, Vice-presidents, Legal Counsel, General Auditor, Division Chief Executive Officers, Advisors of Senior Management, employees who must make recommendations and/or have the authority to award tenders, assignments of purchases and/or contracting goods and services, and employees in management positions (up to fourth hierarchical level in the organization), including their spouses, children and other relatives up to second degree of relation, with a direct interest, represented by third parties or on behalf of another person. Likewise, CCP No. 18 requires administrators of Corporation's contracts to declare all related persons, and disqualify himself/herself if any related persons are involved within the field of his/her job responsibilities.

This prohibition also includes the companies in which such administrators are involved through ownership or management, either directly or through representation of other natural persons or legal entities, as well as those individuals who also have ownership or management in those companies.

The Board of Directors has been informed and approved certain transactions as defined in CCP No. 18.

The most significant transactions with related persons and the amounts involved are detailed in the following table:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2019 12/31/2019 Amount ThUS$	1/1/2018 12/31/2018 Amount ThUS$
Administración de Sistemas y Services Herman Yerko Valenzuela Rojas E.I.R.L	76.349.138-2	Chile	Employee´s relative	Services	-	200
Anglo American Sur S.A.	77.762.940-9	Chile	Associate	Supplies	16	55
Arcadis Chile S.A.	89.371.200-3	Chile	Employee´s relative	Services	-	3,511
Asociación Chilena de Seguridad	70.360.100-6	Chile	Member of Board of directors	Services	-	852
B.Bosch S.A.	84.716.400-K	Chile	Employee´s relative	Supplies	5,071	-
Centro de Capacitación y Recreación Radomiro Tomi	75.985.550-7	Chile	Other related	Services	62	847
Codelco Tec SpA	96.991.180-9	Chile	Subsidiary	Services	-	10,000
Ecometales Limited agencia en Chile.	59.087.530-9	Chile	Subsidiary	Services	43,495	20,040
Exploraciones Mineras Andinas S.A.	99.569.520-0	Chile	Subsidiary	Services	-	358,130
Flsmidth S.A.	89.664.200-6	Chile	Employee´s relative	Supplies	5,812	-
Fundacion Educacional de Chuquicamata.	72.747.300-9	Chile	Founder member donor	Services	134	-
Fundación Orquesta Sinfónica Infantil de los Andes.	65.018.784-9	Chile	Founder member donor	Services	270	297
Glasstech S.A.	87.949.500-8	Chile	Employee´s relative	Supplies	-	3
Highservice ingeniería y construcción ltda.	76.378.396-0	Chile	Employee´s relative	Services	11,803	-
Industrial Support Company Ltda	77.276.280-1	Chile	Employee´s relative	Services	76,389	-
Industrial y Comercial Artimatemb Ltda.	76.108.720-7	Chile	Employee´s relative	Services	20	28
Inoxa S.A.	99.513.620-1	Chile	Employee´s relative	Services	-	468
Institución de Salud Previsional Chuquicamata Ltda.	79.566.720-2	Chile	Subsidiary	Services	3,257	22
Institución de Salud Previsional Río Blanco Ltda.	89.441.300-K	Chile	Subsidiary	Services	-	47,028
Kairos Mining S.A.	76.781.030-K	Chile	Other related	Services	-	13,700
Komatsu Chile S.A.	96.843.130-7	Chile	Employee´s relative	Services y Supplies	20,446	138,962
Linde Gas Chile S.A.	90.100.000-K	Chile	Employee´s relative	Supplies	147	91
Marsol S.A.	91.443.000-3	Chile	Employee´s relative	Supplies	101	-
San Lorenzo Isapre Limitada	76.521.250-2	Chile	Subsidiary	Services	-	25,945
Services de Ingeniería IMA S.A.	76.523.610-K	Chile	Employee´s relative	Services	-	125
Soc. de Prod. y Serv. Solava Ltda	78.663..520-9	Chile	Employee´s relative	Supplies	57	-
Sociedad Contractual Minera El Abra.	96.701.340-4	Chile	Associate	Supplies	73	-
Sodimac S.A.	96.792.430-K	Chile	Employee´s relative	Supplies	1,644	-
Sonda S.A.	83.628.100-4	Chile	Employee´s relative	Services	221	-
Suez Medioambiente Chile S.A.	77.441.870-9	Chile	Employee´s relative	Supplies	57	-
Transelec Norte S.A.	99.521.950-6	Chile	Member of Board of directors	Services	-	4,411
S y S Ingenieros Consultores S.A.	84.146.100-2	Chile	Employee´s relative	Servicios	43	-

b) Key Management of the Corporation

In accordance with the policy established by the Board of Directors and its related regulations, the transactions with the Directors, the Chief Executive Officer, Vice Presidents, Corporate Auditor, the members of the Divisional Management Committees and Divisional General Managers shall be approved by the Board of Directors.
During the year ended December 31, 2019 and 2018, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Name	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2019 12/31/2019	1/1/2018 12/31/2018
					Amount ThUS$	Amount ThUS$
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Directors's fees	115	122
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Directors's fees	-	34
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Directors's fees	92	97
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Payroll	122	107
Hernán de Solminihac Tampier	6.263.304-2	Chile	Director	Directors's fees	92	63
Ignacio Briones Rojas	12.232.813-9	Chile	Director	Directors's fees	78	63
Isidoro Palma Penco	4.754.025-9	Chile	Director	Directors's fees	92	97
Juan Benavides Feliú	5.633.221-9	Chile	Chairman of the board	Directors's fees	138	95
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Directors's fees	92	97
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Directors's fees	-	34
Oscar Landerretche Moreno	8.366.611-0	Chile	Chairman of the board	Directors's fees	-	51
Paul Schiodtz Obilinovich	7.170.719-9	Chile	Director	Directors's fees	92	97
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Directors's fees	92	97
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	36	64

The Ministry of Finance through Supreme Decree No. 100, dated February 5, 2018, established the compensation for the Corporation's Directors. The compensation to Board of Director members, is as follows:

a. The Directors of Codelco will receive a fixed monthly compensation of Ch$3,931,757 (three million nine hundred and thirty one thousand, seven hundred and fifty seven Chilean pesos) for meeting attendance. The payment of the monthly compensation is dependent on meetings attended.

b. The Chairman of the Board will receive a fixed monthly compensation of Ch$7,863,513 (seven million eight hundred and sixty three thousand, five hundred and thirteen Chilean pesos).

c. Each member of the Directors' Committee, whether the one referred to in Article 50 bis) of Law No. 18046 or another established by the Corporation by-laws, will receive a fixed additional monthly compensation of Ch$1,310,584 for meeting attendance, regardless of the number of committees of which they are members. In addition, the Chairman of the Directors' Committee will receive a fixed monthly compensation of Ch$2,621,171 for meeting attendance.

d. The compensation established in the legal text is effective for a period of two years, as from June 1, 2018, and will be updated on January 1, 2019, in accordance with the same provisions that govern the general salary adjustments of officials of the public sector. For the year 2019, the readjustment is 3.5%.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

On the other hand, the short-term benefits of key management of the Corporation paid during the year ended December 31, 2019 and 2018, were ThUS$11,442 and ThUS$12,382, respectively.

The methodology to determine the remuneration of key management was approved by the Board of Directors at a meeting held on January 29, 2003.

During the year ended December 31, 2019 and 2018, severance indemnities were paid to key management of the Corporation for ThUS$1,619 and ThUS$1,084, respectively.

There were no payments to key management for other non-current benefits during the year ended December 31, 2019 and 2018.

There are no share based payment plans granted to Directors or key management personnel of the Corporation.

c) Transactions with companies in which Codelco has ownership interest

The Corporation undertakes commercial and financial transactions that are necessary for its activities with its subsidiaries, associates and joint ventures ("related parties"). The financial transactions correspond mainly to loans granted (mercantile current accounts).

Commercial transactions with related companies mainly consist of purchases/sales of products or rendering of services carried out under market conditions and prices, which do not bear any interest or indexation.

As of the date of these financial statements, the Corporation has not recognized any allowance for doubtful accounts with respect to receivable balances from its related companies.

The detail of accounts receivable and payable between the Corporation and its related parties as of December 31, 2019 and 2018, is as follows:

Accounts receivable from related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12/31/2019	12/31/2018	12/31/2019	12/31/2018
					ThUS$	ThUS$	ThUS$	ThUS$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	16,677	88,497	-	-
76.063.022-5	Inca de Oro S.A.	Chile	Associate	US$	438	380	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	1,677	3,099	15,370	20,306
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	2,077	383	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	US$	5.0	6	224	224
Totals					**20,874**	**92,365**	**15,594**	**20,530**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Accounts payable to related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12/31/2019 ThUS$	12/31/2018 ThUS$	12/31/2019 ThUS$	12/31/2018 ThUS$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	108,243	125,913	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	26,608	22,940	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	430	-	-	-
76.781.030-K	Kairos Mining S.A.	Chile	Associate	US$	1,953	2,063	-	-
Totals					**137,234**	**150,916**	**-**	**-**

The following table sets forth the transactions carried out between the Corporation and its related companies and their corresponding effects in profit or loss for the year ended December 31, 2019 and 2018:

Taxpayer number	Entity	Nature of the transaction	Country	Index. Currency	1/1/2019 12/31/2019		1/1/2018 12/31/2018	
					Amount ThUS$	Effects on net income (charges) / credits ThUS$	Amount ThUS$	Effects on net income (charges) / credits ThUS$
96.801.450-1	Agua de la Falda S.A.	Sales of services	Chile	CLP	3	3	4	4
96.801.450-1	Agua de la Falda S.A.	Capital contribution	Chile	US$	190	-	338	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	US$	84,372	-	182,903	-
77.762.940-9	Anglo American Sur S.A.	Dividends receivable	Chile	US$	-	-	84,372	-
77.762.940-9	Anglo American Sur S.A.	Sales of goods	Chile	US$	25,044	25,044	58,411	58,411
77.762.940-9	Anglo American Sur S.A.	Sales of services	Chile	CLP	8,661	8,661	8,162	8,162
77.762.940-9	Anglo American Sur S.A.	Purchase of products	Chile	US$	643,832	(643,832)	711,384	(711,384)
Extranjera	Deutsche Geissdraht GmbH	Dividends received	Alemania	EURO	-	-	946	
76.063.022-5	Inca de Oro S.A.	Sales of services	Chile	CLP	198	16	214	29
77.781.030-K	Kairos Mining	Services	Chile	CLP	21,050	(21,050)	31,281	(31,281)
77.781.030-K	Kairos Mining	Sales of services	Chile	CLP	1	1		
76.255.054-7	Planta Recuperadora de Metales SpA	Interest loans	Chile	US$	1,029	1,029	1,029	1,029
76.255.054-7	Planta Recuperadora de Metales SpA	Services	Chile	US$	23,656	(23,656)	23,443	(23,443)
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of services	Chile	CLP	8,087	8,087	940	940
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of goods	Chile	US$	65	65	4,077	4,077
76.255.054-7	Planta Recuperadora de Metales SpA	Loan recovery	Chile	CLP	5,966	-	3,242	-
96.701.340-4	Soc. Contractual Minera El Abra	Dividends received	Chile	US$	3,062	-	4,900	-
96.701.340-4	Soc. Contractual Minera El Abra	Buy shares	Chile	US$	4,000	4,000	-	-
96.701.340-4	Soc. Contractual Minera El Abra	Purchase of products	Chile	US$	242,900	(242,900)	293,173	(293,173)
96.701.340-4	Soc. Contractual Minera El Abra	Sales of goods	Chile	US$	39,046	39,046	24,796	24,796
96.701.340-4	Soc. Contractual Minera El Abra	Other sales	Chile	US$	1,493	1,493	1,493	1,493
96.701.340-4	Soc. Contractual Minera El Abra	Perceived commissions	Chile	US$	100	100	113	113
96.701.340-4	Soc. Contractual Minera El Abra	Other purchases	Chile	US$	39	(39)	-	-

d) Additional information

The current account receivable from Planta Recuperadora de Metales SpA. corresponds to the loan agreement granted to build its plant, which was signed on July 7, 2014.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The purchase/sales of products transactions with Anglo American Sur S.A., are regular business activity transactions to buy/sell copper and other products. On the other hand, there are certain transactions related to the contract entered into with the subsidiary Inversiones Mineras Nueva Acrux SpA (whose non-controlling shareholder is Mitsui) and Anglo American Sur S.A., under which the latter agreed to sell a portion of its annual copper output to said subsidiary.

4. Inventories

The detail of inventories as of December 31, 2019 and 2018, is as follows:

Items	Current		Non-current	
	12/31/2019 ThUS$	12/31/2018 ThUS$	12/31/2019 ThUS$	12/31/2018 ThUS$
Finished products	210,309	446,344	-	-
Subtotal finished products, net	**210,309**	**446,344**	**-**	**-**
Products in process	1,150,060	1,137,605	585,681	457,070
Subtotal products in process, net	**1,150,060**	**1,137,605**	**585,681**	**457,070**
Material in warehouse and other	723,264	555,504	-	-
Obsolescence allowance adjustment	(162,498)	(96,805)	-	-
Subtotal material in warehouse and other, net	**560,766**	**458,699**	**-**	**-**
Total Inventories	**1,921,135**	**2,042,648**	**585,681**	**457,070**

The amount of inventories of finished goods transferred to cost of sales for the year ended December 31, 2019 and 2018 was ThUS$10,007,361 and ThUS$11,145,242, respectively.

For the year ended December 31, 2019 and 2018, the Corporation has not reclassified strategic inventories to Property, Plant and Equipment.

The reconciliation of changes in the allowance for obsolescence is detailed below:

Changes in Allowance for Obsolescence	12/31/2019 ThUS$	12/31/2018 ThUS$
Opening Balance	**(96,805)**	**(94,083)**
Period provision	(65,693)	(2,722)
Closing Balance	**(162,498)**	**(96,805)**

For the year ended December 31, 2019 and 2018, the Corporation recognized write-offs of damaged inventories for ThUS$35.136 and ThUS$4,004, respectively.

The provision for the net realizable value of inventories was ThUS$38,144 for the year ended December 31, 2019 (ThUS$31,889 for the year ended December 31, 2018).

During the year ended December 31, 2019 and 2018, increases in the provision for net realizable value were ThUS$6,255 and ThUS$28,890, respectively.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of December 31, 2019 and 2018, there are no unrealized gains or losses recognized on the intercompany sales of inventories of finished products.

As of December 31, 2019 and 2018, there are no inventories pledged as security for liabilities.

5. Income taxes and deferred taxes

a) Composition of income tax expense

Items	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Current income tax	(7,484)	(92,270)
Effect of Deferred Taxes	(384,160)	(249,217)
Adjustments to current tax from the prior period	-	(19,956)
Other	(1,601)	4,160
Total tax expense	**(393,245)**	**(357,283)**

b) Deferred tax assets and liabilities:

The following table details deferred tax assets and liabilities:

Deferred tax assets	12/31/2019 ThUS$	12/31/2018 ThUS$
Provisions	1,556,662	1,429,060
Right of use liabilities	4,808	13,162
Tax loss	613,340	250,255
Other	2,906	4,603
Total deferred tax assets	**2,177,716**	**1,697,080**

Deferred tax liabilities	12/31/2019 ThUS$	12/31/2018 ThUS$
Tax on mining activity	235,931	163,280
Property, plant and equipment	1,386,874	889,841
Post-employment benefit obligations	14,676	10,346
Accelerated depreciation for tax purposes	5,198,975	5,017,532
Fair value of mining properties acquired	108,518	108,518
Hedging derivatives – future contracts	14,889	12,282
Undistributed profits of subsidiaries	34,998	50,006
Total deferred tax liabilities	**6,994,861**	**6,251,805**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following tables sets forth the deferred taxes as presented in the statement of financial position:

Deferred taxes	12/31/2019 ThUS$	12/31/2018 ThUS$
Non-current assets	43,736	31,443
Non-current liabilities	4,860,881	4,586,168
Net	**4,817,145**	**4,554,725**

The effects of deferred taxes on the components of other comprehensive income are as follows:

Deferred taxes on components of other comprehensive income	12/31/2019 ThUS$	12/31/2018 ThUS$
(Charge) credit cash flow hedge	52,072	(67,704)
Defined Benefit Plans	69,667	33,148
Total deferred tax effect on components of other comprehensive income (loss)	**121,739**	**(34,556)**

The following table sets forth the reconciliation of the effective tax rate:

Reconciliation of tax rate	12/31/2019						
	Taxable Base			At the Tax rate			
	25.0%	40.0%	5%	25.0%	40.0%	5%	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Tax effect on the income (loss) before taxes	404,692	404,692	404,692	(101,173)	(161,877)	(20,235)	(283,285)
Tax effect on the income (loss) before taxes of subsidiaries	3,081	3,081	3,081	(770)	(1,232)	(154)	(2,156)
Tax effect consolidated profit (loss) before taxes	407,773	407,773	407,773	(101,943)	(163,109)	(20,389)	(285,441)
Permanent differences:							
First category income tax (25%)	86,549	-	-	(21,637)	-	-	(21,637)
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)	-	60,799	-	-	(24,320)	-	(24,320)
Specific tax on mining activities	-	-	1,136,260	-	-	(56,813)	(56,813)
Single Tax Art. 21 Inc. N°1	-	-	-	-	-	-	(3,417)
Differences imposed previous years	-	-	-	-	-	-	(1,617)
TOTAL TAX EXPENSE				**(123,580)**	**(187,429)**	**(77,202)**	**(393,245)**

Reconciliation of tax rate	12/31/2018						
	Taxable Base			At the Tax rate			
	25.0%	40.0%	5%	25.0%	40.0%	5%	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Tax effect on the income (loss) before taxes	498,216	498,216	498,216	(124,554)	(199,286)	(24,911)	(348,751)
Tax effect on the income (loss) before taxes of subsidiaries	48,814	48,814	48,814	(12,204)	(19,526)	(2,441)	(34,171)
Tax effect consolidated profit (loss) before taxes	547,030	547,030	547,030	(136,758)	(218,812)	(27,352)	(382,922)
Permanent differences:							
First category income tax (25%)	(96,902)	-	-	24,226	-	-	24,226
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)	-	(114,392)	-	-	45,757	-	45,757
Specific tax on mining activities	-	-	868,189	-	-	(43,409)	(43,409)
Single Tax Art. 21 Inc. N°1	-	-	-	-	-	-	(3,856)
Others	-	-	-	-	-	-	2,921
TOTAL TAX EXPENSE				**(112,532)**	**(173,055)**	**(70,761)**	**(357,283)**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Pursuant to Article 2 of the Decree Law 2398, Codelco is subject to an additional tax rate of 40% on income before taxes and dividends received in accordance with the law.

For the calculation of deferred taxes, the Corporation has applied a General Tax Regime, with first-rate tax rates for the 2019 and 2018 business years of 25%. There is no option to avail of the regimes established in article 14, as a State Company. Meanwhile, the national subsidiaries and associates, by default, have applied the Partially Integrated Taxation system with a rate of 27% for both years. Foreign subsidiaries and associates have applied the tax rates in force in their respective countries.
In relation to the specific tax on mining activities the tax rate applicable is 5% under Law No. 20469.

The Corporation, as a Taxpayer of first category, is liable to the single Tax of 40%, contained in the first paragraph of Article 21 of the Income Tax Law No. 824, in numbers i), ii) and iii) , the disbursements incurred in said numerals.

6. Current and non-current tax assets and liabilities

The current tax balance is presented net of monthly provisional payments as an asset or liability in Current Taxes, as the case may be, determined as indicated in section II. Main accounting policies, 2.l):

Current Tax Assets	**12/31/2019** ThUS$	**12/31/2018** ThUS$
Taxes to be recovered	22,719	13,645
Total Current Tax Assets	**22,719**	**13,645**

Current Tax Liabilities	**12/31/2019** ThUS$	**12/31/2018** ThUS$
Monthly Provisional Payment Provision	10,672	6,910
Provision Tax	3,185	3,867
Total Current Tax Liabilities	**13,857**	**10,777**

Non-Current Tax Assets	**12/31/2019** ThUS$	**12/31/2018** ThUS$
Non-Current Tax Assets	222,169	143,606
Total Non-Current Tax Assets	**222,169**	**143,606**

Non-current recoverable taxes correspond to advance tax payments made provisionally and which are probable of realization through utilization on future income tax returns. These non-current recoverable taxes are not expected to be realized in the current period. The Corporation has tax loss carryforwards of ThUS$874,222.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

7. Property, Plant and Equipment

a) The items of property, plant and equipment as of December 31, 2019 and 2018, are as follows:

Property, Plant and Equipment, gross	12/31/2019 ThUS$	12/31/2018 ThUS$
Construction in progress	6,234,130	8,808,652
Land	173,316	173,926
Buildings	5,963,605	5,403,295
Plant and equipment	19,217,547	15,894,046
Fixtures and fittings	58,631	58,807
Motor vehicles	2,080,124	2,062,920
Land improvements	6,504,063	5,619,800
Mining operations	8,751,368	7,214,915
Mine development	4,546,765	4,117,362
Assets by right of use	692,262	-
Other assets	1,164,163	1,380,354
Total Property, Plant and Equipment, gross	**55,385,974**	**50,734,077**

Property, Plant and Equipment, accumulated depreciation	12/31/2019 ThUS$	12/31/2018 ThUS$
Construction in progress	-	-
Land	9,975	8,964
Buildings	3,152,227	3,048,902
Plant and equipment	10,618,524	10,125,253
Fixtures and fittings	47,431	43,878
Motor vehicles	1,480,020	1,378,911
Land improvements	3,482,960	3,267,244
Mining operations	5,253,285	4,728,591
Mine development	893,575	804,318
Assets by right of use	260,110	-
Other assets	487,703	573,018
Total Property, Plant and Equipment, accumulated depreciation	**25,685,810**	**23,979,079**

Property, Plant and Equipment, net	12/31/2019 ThUS$	12/31/2018 ThUS$
Construction in progress	6,234,130	8,808,652
Land	163,341	164,962
Buildings	2,811,378	2,354,393
Plant and equipment	8,599,023	5,768,793
Fixtures and fittings	11,200	14,929
Motor vehicles	600,104	684,009
Land improvements	3,021,103	2,352,556
Mining operations	3,498,083	2,486,324
Mine development	3,653,190	3,313,044
Assets by right of use	432,152	-
Other assets	676,460	807,336
Total Property, Plant and Equipment, net	**29,700,164**	**26,754,998**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b) Movement of Property, plant and equipment:

Movements ThUS$	**Construction in progress**	**Land**	**Buildings**	**Plant and equipment**	**Fixed installations and accessories**	**Motor vehicles**	**Ground improvements**	**Mining operations**	**Development of mines**	**Assets by right of use**	**Other assets**	**Total**
Reconciliation of changes in properties, plant and equipment												
Properties, plant and equipment at the beginning of the period. Opening Balance 1/1/2019	8,808,652	164,962	2,354,393	5,768,793	14,929	684,009	2,352,556	2,486,324	3,313,044	-	807,336	26,754,998
Changes in property, plant and equipment												
Increases other than those from business, property, plant and equipment combinations	3,602,113	-	1,750	14,525	23	7,852	19,128	521,191	-	109,505	14,917	4,291,004
Depreciation, property, plant and equipment	-	(1,010)	(162,340)	(649,076)	(3,663)	(109,913)	(215,641)	(796,714)	(87,933)	(143,369)	(47,606)	(2,217,265)
Increases (decreases) in transfers and other changes, properties, plant and equipment												
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(6,173,762)	-	646,591	3,511,039	6	17,702	816,773	1,176,508	5,049	-	94	-
Increases (decreases) by other changes, properties, plant and equipment	4,389	(611)	(23,221)	(28,739)	(94)	1,874	48,561	110,774	423,030	465,558	(95,338)	906,183
Increase (decrease) by transfers and other changes, properties, plant and equipment	**(6,169,373)**	**(611)**	**623,370**	**3,482,300**	**(88)**	**19,576**	**865,334**	**1,287,282**	**428,079**	**465,558**	**(95,244)**	**906,183**
Dispositions and withdrawals of service, property, plant and equipment												
Retirements, property, plant and equipment	(7,262)	-	(5,795)	(17,519)	(1)	(1,420)	(274)	-	-	458	(2,943)	(34,756)
Dispositions and withdrawals of service, property, plant and equipment	**(7,262)**	**-**	**(5,795)**	**(17,519)**	**(1)**	**(1,420)**	**(274)**	**-**	**-**	**458**	**(2,943)**	**(34,756)**
Increase (decrease) in properties, plant and equipment	**(2,574,522)**	**(1,621)**	**456,985**	**2,830,230**	**(3,729)**	**(83,905)**	**668,547**	**1,011,759**	**340,146**	**432,152**	**(130,876)**	**2,945,166**
Properties, plant and equipment at the end of the period. Closing balance 12/31/2019	**6,234,130**	**163,341**	**2,811,378**	**8,599,023**	**11,200**	**600,104**	**3,021,103**	**3,498,083**	**3,653,190**	**432,152**	**676,460**	**29,700,164**

Movements ThUS$	**Construction in progress**	**Land**	**Buildings**	**Plant and equipment**	**Fixed installations and accessories**	**Motor vehicles**	**Ground improvements**	**Mining operations**	**Development of mines**	**Assets by right of use**	**Other assets**	**Total**
Reconciliation of changes in properties, plant and equipment												
Properties, plant and equipment at the beginning of the period. Opening Balance 1/1/2018	7,004,522	167,086	2,490,529	5,660,185	17,842	743,542	2,247,481	2,607,039	3,495,230	-	842,056	25,275,512
Changes in property, plant and equipment												
Increases other than those from business, property, plant and equipment combinations	3,582,688	-	138	21,028	376	1,383	484	375,575	1,125	-	38,478	4,021,275
Depreciation, property, plant and equipment	-	(1,011)	(167,547)	(665,721)	(3,669)	(113,872)	(218,323)	(859,955)	(80,153)	-	(70,299)	(2,180,550)
Impairment losses recognized in profit or loss for the period	(2,179)	-	(82,585)	(98,677)	-	(140)	(4,786)	-	-	-	(10,531)	(198,898)
Increases (decreases) in transfers and other changes, properties, plant and equipment												
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(1,281,365)	-	102,865	812,901	647	51,758	191,986	21,168	99,681	-	359	-
Increases (decreases) by other changes, properties, plant and equipment	(351,945)	(1,113)	11,228	46,177	(68)	2,879	135,714	342,497	(202,839)	-	7,536	(9,934)
Increase (decrease) by transfers and other changes, properties, plant and equipment	**(1,633,310)**	**(1,113)**	**114,093**	**859,078**	**579**	**54,637**	**327,700**	**363,665**	**(103,158)**	**-**	**7,895**	**(9,934)**
Dispositions and withdrawals of service, property, plant and equipment												
Retirements, property, plant and equipment	(143,069)	-	(235)	(7,100)	(199)	(1,541)	-	-	-	-	(263)	(152,407)
Dispositions and withdrawals of service, property, plant and equipment	**(143,069)**	**-**	**(235)**	**(7,100)**	**(199)**	**(1,541)**	**-**	**-**	**-**	**-**	**(263)**	**(152,407)**
Increase (decrease) in properties, plant and equipment	**1,804,130**	**(2,124)**	**(136,136)**	**108,608**	**(2,913)**	**(59,533)**	**105,075**	**(120,715)**	**(182,186)**	**-**	**(34,720)**	**1,479,486**
Properties, plant and equipment at the end of the period. Closing balance 12/31/2018	**8,808,652**	**164,962**	**2,354,393**	**5,768,793**	**14,929**	**684,009**	**2,352,556**	**2,486,324**	**3,313,044**	**-**	**807,336**	**26,754,998**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

c) The balance of construction in progress, is directly associated with the operating activities of the Corporation, and relates to the acquisition of equipment for projects in construction and associated costs toward their completion.

d) The Corporation has signed insurance policies to cover the possible risks to which the various property, plant and equipment items are subject, as well as the possible claims that may arise for the period of its activities. Such policies sufficiently cover the risks to which they are subject in Management's opinion.

e) Borrowing costs capitalized for the year ended December 31, 2019 and 2018 were ThUS$367,548 and ThUS$311,399, respectively. The annual capitalization average rate for the year ended December 31, 2019 and 2018 was 4.19% and 4.42%, respectively.

f) Expenses on exploration and drilling of deposits recognized in profit or loss and the cash outflows disbursed for the same concepts are presented in the following table:

Expenditure on exploration and drilling reservoirs	**1/1/2019 12/31/2019** ThUS$	**1/1/2018 12/31/2018** ThUS$
Recognized in profit /(loss)	47,048	50,765
Cash outflows disbursed	47,551	62,857

g) The detail of "Other assets" under "Property, plant and equipment" is as follows:

Other assets, net	**12/31/2019** ThUS$	**12/31/2018** ThUS$
Leased assets (1)	-	93,334
Mining properties from the purchase of Anglo American Sur S.A.	402,000	402,000
Maintenances and other major repairs	217,079	235,091
Other assets – Calama Plan	54,174	72,225
Other	3,207	4,686
Total other assets, net	**676,460**	**807,336**

(1) As of January 1, 2019, the lease agreements under IAS 17 and IFRIC 4 become part of the lease agreements under IFRS 16 that are classified under the name of assets for right of use.

h) During the first quarter of 2018, US$103.6 million were reclassified from the line item Intangible assets other than goodwill, to Construction in Progress of Property, plant and equipment, corresponding to assets of the Continuous Mining project (see note 9 Intangible Assets other than goodwill) that could potentially be used in other operations and / or projects of the Corporation.

Subsequently, US$66.4 million (US$23 million after taxes) from the assets mentioned above were written off as of June 30, 2018.

i) The Corporation currently has no ownership restrictions relating to assets belonging to Property, plant and equipment, except for leased assets whose legal title corresponds to the lessor.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

j) Codelco has not pledged any items of property, plant and equipment as collateral to third parties in order to enable the realization of its normal business activities or as a commitment to support payment obligations.

k) According to the policy indicated in note 2 i), referring to impairment property, plant and equipment and intangible assets, and as indicated in note 21, for the year ended December 31, 2018, the Corporation recorded an impairment in the value of the Ventanas assets for an amount of ThUS$198,898 before taxes. At December 31, 2019, the property, plant and equipment assets showed no indicators of impairment or reversals of impairments recognized in previous years, so that no adjustments were made to the value of the assets at that date. (see note 21).

l) As of December 31, 2019, the composition by asset class of assets for right of use is:

Assets by right of use	12/31/2019 ThUS$	1/1/2019 ThUS$
Buildings	18,286	24,069
Plant and equipment	298,463	283,750
Motor vehicles	11,504	140,960
Fixtures and fittings	97,952	12,028
others assets by right of use	5,947	6,922
Total Assets by right of use	**432,152**	**467,729**

m) The Corporation presents at December 31, 2019 a reclassification of property, plant and equipment to the item intangible assets other than goodwill which amounts to ThUS$2,090.

8. Investments accounted for using the equity method

The following table sets forth the carrying amount and the share of profit (loss) of the investments accounted for using the equity method (all material associates' principal place of business is Chile) :

Associates	Taxpayer Numbers	Funct. Cuurenc.	Equity Interest 12/31/2019 %	Equity Interest 12/31/2018 %	Carrying Value 12/31/2019 ThUS$	Carrying Value 12/31/2018 ThUS$	Net income (loss) 1/1/2019 12/31/2019 ThUS$	Net income (loss) 1/1/2018 12/31/2018 ThUS$
Agua de la Falda S.A.	96.801.450-1	USD	42.26%	42.26%	4,864	4,953	(279)	(329)
Anglo American Sur S.A.	77.762.940-9	USD	29.5%	29.5%	2,850,171	2,835,412	19,852	99,709
Deutsche Geissdraht GmbH	Foreign	USD	0.0%	40.0%	-	-	-	1,159
Inca de Oro S.A.	73.063.022-5	USD	33.19%	33.19%	12,675	12,913	(101)	(42)
Kairos Mining S.A.	76.781.030-K	USD	40.00%	5.00%	82	-	29	-
Minera Purén SCM	76.028.880-2	USD	35.0%	35.0%	9,934	9,902	32	8
Planta Recuperadora de Metales SpA	76.255.054-7	USD	34.0%	34.0%	10,914	10,365	549	55
Sociedad Contractual Minera El Abra	96.701.340-4	USD	49.0%	49.0%	594,883	610,339	(12,799)	10,181
Sociedad GNL Mejillones S.A.	76.775.710-7	USD	0.0%	37.0%	-	84,409	5,920	8,373
TOTAL					**3,483,523**	**3,568,293**	**13,203**	**119,114**

a) Associates

Agua de la Falda S.A.

As of December 31, 2019, Codelco holds a 42.26% ownership interest in Agua de la Falda S.A., with the remaining 57.74% owned by Minera Meridian Limitada.
The corporate purpose of this company is to exploit deposits of gold and other minerals, in the third region of Chile.

Sociedad Contractual Minera El Abra

Sociedad Contractual Minera El Abra was incorporated in 1994. As of December 31, 2019, Codelco holds a 49% ownership interest, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

On October 9, 2019, El Abra increased its capital by ThUS$4,000 represented by 300 shares. Codelco bought all the shares and made payment through a contribution in the domain of Concesiones Mineras. Along with the subscription of shares, Codelco sold 153 shares (51%) to Cyprus El Abra Corporation, thus maintaining the structure and percentage participation of the company's shareholders.

The company business activities involve the extraction, production and selling copper cathodes.

Sociedad Contractual Minera Purén

As of December 31, 2019, Codelco holds a 35% ownership interest, with the remaining 65% owned by Compañía Minera Mantos de Oro.

This company’s corporate purpose is to explore, identify, survey, investigate, develop and exploit mining deposits in order to extract, produce and process minerals.

Sociedad GNL Mejillones S.A.

The corporate purpose of this company is the production, storage, marketing, transportation and distribution of all types of fuel, and the acquisition, construction, maintenance and operation of infrastructure facilities and construction projects necessary for transport, reception, processing and storage both in Chile and abroad, by itself or in partnership with third parties.

As of December 31, 2018, Codelco held a 37% ownership interest, with the remaining 63% owned by Suez Energy Andino S.A. These shareholdings were established on November 5, 2010, when the Corporation did not participate in the capital increase agreed to at Shareholders’ meeting of such company. Prior to the capital increase, the Corporation and Suez Energy Andino S.A. held a 50% ownership interest each.

The Corporation made, on August 6, 2019, the sale of its 37% stake in the company GNL Mejillones S.A. to the Ameris Capital AGF Investment fund, for an amount of US$193.5 million.
The sale of the LNG Mejillones stake generated a profit of US$103 million before tax (note 22) and a result after tax of US $ 36 million.

Inca de Oro S.A.

On June 1, 2009, Codelco's Board of Directors authorized the incorporation of a new company aimed to develop studies allowing the continuity of the Inca de Oro Project, which is a wholly-owned subsidiary of Codelco.

On February 15, 2011, the business association of Codelco and Minera PanAust IDO Ltda. in respect to the Inca de Oro deposit was approved. As a result Minera PanAust IDO Ltda holds 66% ownership interest and the remaining 34% is held by Codelco.

This transaction resulted in a gain after taxes of ThUS$33,668 recognized in the year ended December 31, 2011.

At the Extraordinary meeting of the shareholders held on December 30, 2014, a capital increase of ThUS$102,010 was agreed upon, reducing Codelco's ownership interest to 33.19%.

As of December 31, 2015, the Corporation reduced the carrying amounts of mining property and exploration and evaluation expenditures as a result of an impairment loss recognized.

As of December 31, 2019, Codelco holds a 33.19% ownership interest in this company.

Planta Recuperadora de Metales SpA

On December 3, 2012, Planta Recuperadora Metales SpA was incorporated by Codelco, which held a 100% ownership interest of this company.

On July 7, 2014, Codelco reduced its ownership interest in Planta Recuperadora de Metales SpA to 51%, with the remaining 49% ownership interest held by LS-Nikko Copper Inc.

On October 14, 2015, Codelco reduced its ownership interest to 34% interest, with LS-Nikko Copper Inc, holding the remaining 66%.

As of December 31, 2019, LS-Nikko Copper Inc, is the controlling shareholder of this company based on the control elements set out in the shareholders' agreement.

The principal business activity of the company is the processing of intermediate products of the refining and processing of copper and other metals aiming to recover the copper, other metals and other sub products, their transformation to commercial products and the selling and distribution of all classes of goods or inputs derived from such process.

Deutsche Giessdraht GmbH

On July 31, 2018 the share sale agreement was finalized representative of the shareholding in Deutsche Giessdraht GmbH maintained by Codelco Kupferhandel GmbH. (CK), which until before that date was the holder of a 40% stake in the capital of DG.

The acquiring company of the shares was the Aurubis Company AG, which was, until before the sale transaction, the majority shareholder of DG. The result after taxes of this transaction was Euro 15,214 Thousands (ThUS$18,172 in its equivalence to the exchange rate of the date of the transaction).

Anglo American Sur S.A.

As December 31, 2019, the controlling shareholder of Anglo American Sur S.A. is Inversiones Anglo American Sur S.A. holding a 50.06% ownership interest, while the non-controlling interest is held by Inversiones Mineras Becrux SpA., which in turn is a subsidiary controlled by Codelco with a 67.8% ownership interest. Consequently, Codelco exercises significant influence in Anglo American Sur S.A. through its indirect ownership interest of 29.5%.

On December 21, 2017, according to archive No. 12285 / 2017, by public deed, it was agreed between the shareholders to merge the Acrux SpA Mining Investment Company ("Absorbed Company") into the Investment Company Minera Becrux SpA ("Absorbing Company"), which took effect as of December 22, 2017, where the Absorbing Company acquired all the assets and liabilities of the Absorbed Company, which was to be dissolved without the need for its liquidation. In addition, the Absorbing Company is responsible for the payment of all taxes owed or which may be owed by the Absorbed Company.

The principal activities of the Company are the exploration, extraction, exploitation, production, processing and trading of minerals, concentrates, precipitates, copper bars and all metallic and non-metallic minerals, all fossil substances and liquid and gaseous hydrocarbons. This includes the exploration, exploitation and use of all natural energy sources capable of industrial use and the products or by-products obtained, as well as any other related, connected or complementary activities on which the shareholders agree.

Kairos S.A.

Until before November 26, 2012, the Corporation held a 40% stake in conjunction with Honeywell Chile S.A. who was the majority shareholder with 60% of the capital stock of Kairos Mining S.A.

On November 26, 2012, the Corporation sold part of its stake to Honeywell Chile SA, which implies that Codelco maintained a 5% interest as of December 31, 2012, while the remaining 95% was held Honeywell Chile S.A. The result of this pre-tax operation was ThUS$13.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

On June 6, 2019, Codelco purchased 350 shares of Kairos Mining from Honeywell Chile S.A., increasing its participation from 5% to 40%.
As of December 31, 2019, the control of the company lies in Honeywell Chile S.A. which owns 60% of the shares while Codelco owns the remaining 40%.

The purpose of the company is to provide automation and control services for industrial and mining activities and to provide technology and software licenses.

The following tables provide details of asset and liabilities of the associates as of December 31, 2019 and 2018, and their profit (loss) for the year ended December 31, 2019 and 2018:

Assets and Liabilities	**12/31/2019** ThUS$	**12/31/2018** ThUS$
Current Assets	1,735,588	1,805,003
Non-current Assets	5,248,569	5,637,321
Current Liabilities	618,644	1,008,086
Non-current Liabilities	1,793,879	1,699,529

Net Income	**1/1/2019** **12/31/2019** ThUS$	**1/1/2018** **12/31/2018** ThUS$
Revenue	2,825,062	3,256,402
Cost of sales	(2,646,416)	(2,665,805)
Profit for the year	178,646	590,597

Movements of Investment in Associates	**1/1/2019** **12/31/2019** ThUS$	**1/1/2018** **12/31/2018** ThUS$
Opening balances	**3,568,293**	**3,665,601**
Contributions	2,200	338
Dividends	(3,062)	(213,172)
Result of the period	13,203	119,114
Sales	(90,328)	-
Other comprehensive income	(6,648)	(710)
Other	(135)	(2,878)
Final balance	**3,483,523**	**3,568,293**

The following tables provide details of asset and liabilities of the principal associates as of December 31, 2019 and 2018, and their profit (loss) for the years ended December 31, 2019 and 2018.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Anglo American Sur S.A.

Assets and liabilities	12/31/2019 ThUS$	12/31/2018 ThUS$
Current Assets	1,099,695	1,164,724
Non-current Assets	4,083,739	4,104,271
Current Liabilities	531,089	890,874
Non-current Liabilities	1,405,143	1,226,503

Net Income	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Revenue	2,286,876	2,543,730
Cost of sales	(2,174,029)	(2,158,834)
Profit for the year	112,847	384,896

Sociedad Contractual Minera El Abra

Assets and liabilities	12/31/2019 ThUS$	12/31/2018 ThUS$
Current Assets	590,850	576,167
Non-current Assets	1,007,012	1,013,165
Current Liabilities	79,422	73,458
Non-current Liabilities	304,394	270,283

Net Income	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Revenue	493,531	596,060
Cost of sales	(519,651)	(575,283)
Profit (loss) for the year	(26,120)	20,777

b) Additional information on unrealized profits (losses)

Codelco enters into transactions for the purchase and sale of copper with Sociedad Contractual Minera El Abra. As of December 31, 2019 and 2018, there were no unrealized profits (losses) recognized in the carrying amount of inventories of finished products.

The Corporation has recognized unrealized profits for the purchase of rights to use the LNG terminal from the El Abra Mining Contract Company for ThUS$3,920 as of December 31, 2019, (as of December 31, 2018: ThUS$3,920).

c) Investments in associates acquired

On August 24, 2012, Codelco recognized the acquisition of ownership interest in Anglo American Sur S.A. which resulted in the initial recognition of the cost of the investment for ThUS$6,490,000 that corresponded to the proportionate share (29.5%) of the net fair value of the identifiable assets and liabilities acquired.

In determining the share of the fair value of the identifiable assets and liabilities acquired, the Corporation considered the resources and mineral reserves that could be measured reliably and the assessment of intangibles and all other considerations about contingent assets and liabilities.

The allocation of the purchase price at fair value between the identifiable assets and liabilities was prepared by management using its best estimate and taking into account all relevant and available information at the acquisition date of Anglo American Sur S.A.

The acquisition did not result in obtaining control of the acquired company.

The Corporation used a discounted cash flows model to estimate cash flow projections, based on the life of mine. These projections were based on estimated production and future prices of minerals, operating costs and capital costs, among other estimates made at the date of acquisition. Additionally, proven and probable resources to explore were not included in the mine plan, therefore, they were valued separately using a market model. Such resources are included in item "Mineral Resources."

As part of this process and by applying the valuation criteria indicated above, the fair value of the net assets of Anglo American Sur S.A. was US$22,646 million, therefore the proportionate share acquired by Inversiones Mineras Becrux SpA (29.5%) was equivalent to US$6,681 million at the acquisition date.

d) Additional information on impairment of investments accounted for using the equity method

As of December 31, 2015, the Corporation identified indicators of impairment in the operating units of Anglo American Sur S.A. Consequently, and with the purpose of making the corresponding adjustments to the investment in this associate, the Corporation estimated its recoverable amount.

In determining the recoverable amount, the Corporation applied the methodology of fair value less costs of disposal. The recoverable amount of the operating units was determined based on the life of mine by using a discounted cash flow model whose main assumptions included ore reserves declared by the associate, copper price, supply costs, foreign exchange rates, discount rate and market information for the long-term asset valuation. The discount rate used was annual rate of 8% after taxes.

Furthermore, the proven reserves not included in the LOM, as well as the probable reserves to explore, have been valued using a multiples market approach for comparable transactions. Such methodology is consistent with the methodologies used at the acquisition date, which is described in letter c) above.

The recoverable amount as estimated was less than the carrying amount of the identified assets of the associate, therefore, the Corporation recognized an impairment loss of ThUS$2,439,495, which was included within the line item “Share of profit or loss of associates and joint ventures accounted for using the equity method" in the consolidated statement of comprehensive income for the year ended December 31, 2015. The impairment loss was mainly attributable to the drop in copper prices during the year 2015.
Subsequent to recognition of the impairment, there have been no indicators requiring the recognition of further impairment losses on the recoverable amount of the investment held in Anglo American Sur S.A.

As of December 31, 2016, the parent company of Anglo American Sur S.A. reviewed the discounted cash flow model of its cash generating units (CGU), determining an impairment loss for the *El Soldado* CGU of US$200 million due to the uncertainty related to obtaining the required approval of its operational plan from the National Mining and Geology Service (“SERNAGEOMIN” in its Spanish acronym), which raised questions about the generation of future economic benefits to support the value of the assets related to such CGU.

Consequently, and with the purpose of making the corresponding adjustments to the recognition its investment in the associate, the Corporation estimated its recoverable amount by considering the fair value of the identified net assets of the associate *El Soldado*. The recoverable amount as estimated was less than the carrying amount of the identified assets of the associate, therefore, the Corporation recognized an impairment loss of ThUS$78,811 over the identified assets related to El Soldado operations, which was included within the line item “Share of profit or loss of associates and joint ventures accounted for using the equity method” in the statement of comprehensive income for the year ended December 31, 2016.

On April 27, 2017, the SERNAGEOMIN approved the updated mine plan for El Soldado, based on this resolution Anglo American Sur S.A. has resumed the operations of the mine. Consequently, the company recognized a reversal of an impairment loss for US$193 million.

As of December 31, 2017, Codelco made a corresponding adjustment to the identified assets at the acquisition date of the investment associated with El Soldado operations by recognizing a reversal of an impairment loss of ThUS$67,277, which is presented in the line item “Share of profit or loss of associates and joint ventures accounted for using the equity method.”

As of December 31, 2019 and 2018, there are no indicators of impairment nor reversal, therefore, there have been no adjustments recognized to the carrying amounts of the assets.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

e) Share of profit or loss for the year

The share in profit or loss of the associate Anglo American Sur S.A. recognized for the year ended December 31, 2019 was income of ThUS$33,290 (income of ThUS$113,544 for the year ended December 31, 2018). In addition, the Corporation has made appropriate adjustments to its share of profit or loss in the associate for depreciation of the depreciable assets based on the fair values at the acquisition date, which resulted in an expense of ThUS$13.438 for the year ended December 31, 2019 (an expense of ThUS$13,835 for year ended December 31, 2018) recognized within line item "Share of profit or loss of associates and joint ventures accounted using the equity method" in the consolidated statement of comprehensive income.

9. Intangible assets other than goodwill

As of December 31, 2019 and 2018, the intangible assets other than goodwill are described as follows:

a) This item is composed of the following:

Intangible assets composition	12/31/2019 ThUS$	12/31/2018 ThUS$
Intangible assets with finite useful lives, net	37,789	40,421
Intangible assets with indefinite useful lives	10,048	7,958
Total	**47,837**	**48,379**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b) Carrying amount and accumulated amortization:

	12/31/2019		
intangible assets	Gross ThUS$	Accumulated Amortization ThUS$	Net ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	10,048	-	10,048
Software	2,738	(1,745)	993
Other intangible assets	36,791	(23)	36,768
Total	**49,605**	**(1,768)**	**47,837**

	12/31/2018		
intangible assets	Gross ThUS$	Accumulated Amortization ThUS$	Net ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,958	-	7,958
Software	2,803	(1,351)	1,452
Other intangible assets	38,950	(9)	38,941
Total	**49,739**	**(1,360)**	**48,379**

c) Reconciliation of the carrying amount at beginning and end of the period:

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development and innovation	Other	Total
Reconciliation of changes in intangible assets other than goodwill						
Intangible assets other than goodwill. Opening balance (1/1/2019)	**28**	**7,958**	**1,452**	**-**	**38,941**	**48,379**
Changes in intangible assets other than goodwill						
Increases other than those arising from business combinations, intangible assets other than goodwill	-	-	13	-	40	53
Amortization, intangible assets other than goodwill	-	-	(594)	-	(2,210)	(2,804)
Increases (decreases) in transfers and other changes, intangible assets other than goodwill						
Increases (decreases) in transfers and other changes, intangible assets other than goodwill	-	2,090	-	-	-	2,090
Increases (decreases) due to other changes, intangible assets other than goodwill	-	-	122	-	(3)	119
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	**-**	**2,090**	**122**	**-**	**(3)**	**2,209**
Provisions and withdrawals of service, intangible assets other than goodwill						
Service retirements / retirements, intangible assets other than goodwill	-	-	-	-	-	-
Provisions and withdrawals of service, intangible assets other than goodwill	**-**	**-**	**-**	**-**	**-**	**-**
Increase (decrease) in intangible assets other than goodwill	**-**	**2,090**	**(459)**	**-**	**(2,173)**	**(542)**
Intangible assets other than goodwill. Final Balance 12/31/2019	**28**	**10,048**	**993**	**-**	**36,768**	**47,837**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development and innovation	Other	Total
Reconciliation of changes in intangible assets other than goodwill						
Intangible assets other than goodwill. Opening balance (1/1/2018)	**28**	**7,959**	**1,693**	**175,710**	**33,727**	**219,117**
Changes in intangible assets other than goodwill						
Increases other than those arising from business combinations, intangible assets other than goodwill	-	-	586	704	9,261	10,551
Amortization, intangible assets other than goodwill	-	-	(590)	-	-	(590)
Increases (decreases) in transfers and other changes, intangible assets other than goodwill						
Increases (decreases) in transfers and other changes, intangible assets other than goodwill	-	-	-	(103,638)	-	(103,638)
Increases (decreases) due to other changes, intangible assets other than goodwill	-	(1)	(62)	-	(359)	(422)
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	**-**	**(1)**	**(62)**	**(103,638)**	**(359)**	**(104,060)**
Provisions and withdrawals of service, intangible assets other than goodwill						
Service retirements / retirements, intangible assets other than goodwill	-	-	(175)	(72,776)	(3,688)	(76,639)
Provisions and withdrawals of service, intangible assets other than goodwill	**-**	**-**	**(175)**	**(72,776)**	**(3,688)**	**(76,639)**
Increase (decrease) in intangible assets other than goodwill	**-**	**(1)**	**(241)**	**(175,710)**	**5,214**	**(170,738)**
Intangible assets other than goodwill. Final Balance 12/31/2018	**28**	**7,958**	**1,452**	**-**	**38,941**	**48,379**

d) Additional Information

As of January 1, 2018, the balance of ThUS$175,710 corresponded mainly to the internally generated technological development project: Continuous Mining.

Continuous Mining is a project of the Corporation aimed toward development of an internal technological breakthrough associated with the exploitation of underground mines, the main characteristics of the project are: (1) reduction in the exposure of workers to mineral extraction areas; (2) increasing the pace of mineral extraction; and (3) simultaneous mineral extraction from different sections.

This project began in 2005, when the first conceptual tests were made, and in 2007 and 2008 it was applied at the pilot level and from 2009 the basic and detailed engineering and the construction phase for industrial validation at the West sector of third panel of Andina Division were performed, which was expected to be carried out through 2018. It was expected that its subsequent implementation would be at Chuquicamata Underground and of the new mining projects of Codelco. During the 2018 period, project studies were carried out and Management decided not to continue with it.

In view of the discontinuation of the project during the first quarter of 2018, a write-off of US$71.7 million before tax (US$25 million after taxes) associated with basic engineering, construction and equipment was recognized in profit or loss. In addition, US$103.6 million was reclassified to Property, plant and equipment in relation to those assets that might potentially be used in other operations and / or projects of the Corporation. As a result of a subsequent review, an additional write-off for US$66.4 million (see note 8 Property, plant and equipment) of assets was recognized. Consequently, the total write-offs as of December 31, 2018, related to this project was US$138.1 million (US$48 million after taxes).

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of December 31, 2019 and 2018, there are no fully amortized intangible assets that are still in use.

For the year ended December 31, 2019 and 2018, research and technological development and innovation expenditures recognized in assets were ThUS$7,536 and ThUS$6,816 (accrued), respectively. On the other hand, research recognized in expense was ThUS$4,956 and ThUS$10,042 (expended) for the year ended December 31, 2019 and 2018 respectively.

10. Subsidiaries

The following tables set forth a detail of assets, liabilities and profit (loss) of the Corporation's subsidiaries, prior to consolidation adjustments:

Assets and liabilities	12/31/2019 ThUS$	12/31/2018 ThUS$
Current assets	464,674	621,753
Non Current Assets	3,607,177	3,605,801
Current Liabilities	281,973	305,030
Non Current Liabilities	1,086,975	1,122,471

Profit (loss)	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Ordinary Income	1,140,473	2,119,617
Ordinary Expenses	(1,176,801)	(2,071,713)
Profit (loss) of year	(36,328)	47,904

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

11. Current and non-current financial assets

Current and non-current financial assets included in the statement of financial position are as follows:

Classification in the statement of financial position	12/31/2019				
	At fair value though profit and loss	Amortized Cost	Derivatives for hedging		Total financial assets
			Hedging derivatives	Cross currency swap	
	ThUS$	ThUS$	ThUS$	ThUS$	**ThUS$**
Cash and cash equivalents	2,158	1,300,947	-	-	**1,303,105**
Trade and other current receivables	723,619	1,864,649	-	-	**2,588,268**
Non – current receivables	-	98,544	-	-	**98,544**
Current receivables from related parties	-	20,874	-	-	**20,874**
Non – current receivables from related parties	-	15,594	-	-	**15,594**
Other current financial assets	-	171,636	1,315	-	**172,951**
Other non - current financial assets	-	8,691	525	82,584	**91,800**
TOTAL	**725,777**	**3,480,935**	**1,840**	**82,584**	**4,291,136**

Classification in the statement of financial position	12/31/2018				
	At fair value though profit and loss	Amortized Cost	Derivatives for hedging		Total financial assets
			Hedging derivatives	Cross currency swap	
	ThUS$	ThUS$	ThUS$	ThUS$	**ThUS$**
Cash and cash equivalents	1,698	1,227,427	-	-	**1,229,125**
Trade and other current receivables	789,710	1,422,499	-	-	**2,212,209**
Non – current receivables	-	84,731	-	-	**84,731**
Current receivables from related parties	-	92,365	-	-	**92,365**
Non – current receivables from related parties	-	20,530	-	-	**20,530**
Other current financial assets	-	187,870	43,539	-	**231,409**
Other non - current financial assets	-	23,089	14,962	107,700	**145,751**
TOTAL	**791,408**	**3,058,511**	**58,501**	**107,700**	**4,016,120**

- **Fair value through profit or loss:** As of December 31, 2019, this category mainly includes receivables from provisional invoicing sales. Section II.2.r.

- **Amortized cost:** It corresponds to financial assets held within a business model whose objective is to hold financial assets to collect contractual cash flows that are solely payments of principal and interest on the principal outstanding. These assets are not quoted in an active market.

  The effects on profit or loss recognized for these assets are mainly from financial income and exchange differences from balances denominated in currencies other than the functional currency.

  No material impairments were recognized in trade and other receivables.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

- **Derivatives for Hedging**: Corresponds to the balance for changes in the fair value of derivative contracts to cover existing transactions (cash flow hedges) and that affect the profit or loss when transactions are settled or when, to the extent required by accounting standards, a compensation effect is charged (credited) to the income statement. The detail of derivative hedging transactions is included in the Note 28.

As of December 31, 2019 and 2018, there were no reclassifications between the different categories of financial instruments, under the accounting standards at the respective dates.

12. Other financial liabilities

Current and non-current interest-bearing borrowings consists of loans from financial institutions, bond issuance obligations and finance leases, which are measured at amortized cost using the effective interest rate method.

The following tables set forth other current/non-current financial liabilities:

	12/31/2019					
	Current			Non-current		
Items	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial institutions	666,144	-	666,144	2,408,267	-	2,408,267
Bonds issued	572,587	-	572,587	13,617,358	-	13,617,358
Lease	127,761	-	127,761	305,110	-	305,110
Hedging derivatives	-	11,496	11,496	-	148,987	148,987
Other financial liabilities	363	-	363	58,501	-	58,501
Total	**1,366,855**	**11,496**	**1,378,351**	**16,389,236**	**148,987**	**16,538,223**

	12/31/2018					
	Current			Non-current		
Items	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial institutions	404,871	-	404,871	2,107,078	-	2,107,078
Bonds issued	435,429	-	435,429	12,310,307	-	12,310,307
Lease	21,510	-	21,510	86,329	-	86,329
Hedging derivatives	-	10,096	10,096	-	106,824	106,824
Other financial liabilities	371	-	371	63,972	-	63,972
Total	**862,181**	**10,096**	**872,277**	**14,567,686**	**106,824**	**14,674,510**

- **Loans from financial institutions:**

The loans obtained by the Corporation aim to finance production operations oriented towards the foreign market.

On August 23, 2012, the subsidiary Inversiones Gacrux SpA (Gacrux) signed a credit agreement with Oriente Copper Netherlands BV (a subsidiary of Mitsui & Co, Ltd, ("Mitsui")) for approximately US$1,863 million, renewable monthly until November 26, 2012, after which, if not paid or renegotiated, will automatically become a loan with a 7.5 year maturity from the date of disbursement, and an annual rate of Libor + 2.5%. This loan has no underlying guarantees given by Codelco.

The proceeds from the loan were used by Codelco's indirect subsidiary Inversiones Mineras Becrux SpA to acquire 24.5% of the shares of Anglo American Sur S.A., including other acquisition-related expenses.

On October 31, 2012, the credit agreement was amended, the new terms established an annual fixed interest rate of 3.25% and a 20-year maturity, to be paid in 40 semi-annual installments of principal and interest, and maintaining the "non-recourse" (no underlying guarantee) condition. Under previous agreements, Mitsui is entitled to an additional interest equivalent to one-third of the savings obtained by Gacrux under the renegotiated credit as compared to the conditions from the credit agreement originally signed. Thus, Mitsui (through its subsidiary) held an option to acquire from Gacrux an additional 15.25% of the shares of Inversiones Mineras Acrux SpA ("Acrux"), at a fixed price of approximately US$998 million. These funds were fully allocated to a portion of Gacrux's debt under the Credit Agreement.

On November 26, 2012, Mitsui exercised the call option and acquired the additional ownership interest in Acrux. The proceeds received were used by Codelco to partially pre-pay the debt with Mitsui.

On November 26, 2016, Codelco signed a credit agreement with Oriente Copper Netherlands BV renegotiating the payment of principal at the end of the contract. The terms established an annual interest rate of Libor +2.5% with a 5 year maturity to be payable in one installment at maturity with semi-annual interest payment.

On May 26, 2017, Codelco signed a credit agreement with Oriente Copper Netherlands BV renegotiating the semi-annual payment. The terms established an annual interest rate of Libor +2.5% with a 5 year maturity to be payable in one installment at maturity with semi-annual interest payment.
The credit agreements obtained in 2016 and 2017, mentioned above, were paid on May 23, 2018.

As of December 31, 2019, the outstanding balance of the credit agreements is ThUS$591,933.

- ***Bond issued:***

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF 6,900,000 of a single series labeled "Series B", which consists of 6,900 bonds for UF 1,000 each. These bonds are payable in a single installment on April 1, 2025, at an annual interest rate of 4% and semi-annual interest payments.

On September 21, 2005, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$500,000. These bonds are payable in a single installment on September 21, 2035, at an annual interest rate of 5.6250% and semi-annual interest payments.

On October 19, 2006, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$500,000. These bonds are payable in a single installment on October 24, 2036, at an annual interest rate of 6.15% and semi-annual interest payments.

On January 20, 2009, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$600,000. These bonds are payable in a single installment on January 15, 2019, at an annual interest rate of 7.5% and semi-annual interest payments. On August 3, 2017, principal was paid for an amount of ThUS$333,155.

On November 4, 2010, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$1,000,000. These bonds are payable in a single installment on November 4, 2020, at an annual interest rate of 3.75% and semi-annual interest payments. On August 3, 2017 and February 6, 2019, principal was paid for an amount of ThUS$414,763 and ThUS$183,051 respectively.

On November 3, 2011, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$1,150,000. These bonds are payable in a single installment on November 4, 2021, at an annual interest rate of 3.875% and semi-annual interest payments. On August 3, 2017 and February 6, 2019, principal was paid for an amount of ThUS$665,226 and ThUS$247,814 respectively.

On July 17, 2012, the Company issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$2,000,000. These bonds are payable in two installments (i) the first tranche on July 17, 2022 in the amount of US$1,250,000 at a 3% annual interest rate. On August 22, 2017, and February 6, 2019, principal was paid in the amounts of ThUS$412,514 and ThUS$314,219, respectively, and (ii) the other tranche matures on July 17, 2042 and is in the amount of ThUS$750,000 at an annual interest rate of 4.25%.

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On August 13, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$750,000, payable in a single installment on August 13, 2023, at an annual interest rate of 4.5% and semi-annual interest payments. On August 22, 2017, February 12 and February 26, 2019, principal in the amounts of ThUS$162,502, ThUS$228,674 and ThUS$270 respectively, was paid.

On October 18, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$950,000, payable in a single installment on October 18, 2043, at an annual interest rate of 5.625% and semi-annual interest payments.

On July 9, 2014, the Corporation issued and placed bonds in the international financial markets, under Rule 144-A and Regulation S, for a nominal amount of EUR$600,000,000, payable in a single installment on July 9, 2024, at an annual interest rate of 2.25% and annual interest payments.

On November 4, 2014, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$980,000, payable in a single installment on November 4, 2044, at an annual interest rate of 4.875% and semi-annual interest payments.

On September 16, 2015, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$2,000,000, payable in a single installment on September 16, 2025, at an annual interest rate of 4.5% and semi-annual interest payments. On August 22, 2017 and February 12, 2019, principal was paid for an amount of ThUS$378,655 and ThUS$552,754 respectively.

On August 24, 2016, the Corporation issued and placed bonds in the local market for a nominal amount of UF10,000,000 of single series labeled “Series C”, which consists of 20,000 bonds for UF500 each. These bonds are payable in a single installment on August 24, 2026, at an annual interest rate of 2.5% and semi-annual interest payments.

On July 25, 2017, the Corporation made an offer in New York to buy its bonds issued in dollars with maturities between 2019 and 2025, repurchasing US$2,367 million.

On August 1, 2017, the Corporation issued and placed bonds on the North American market, under standard 144-A and Regulation S, for a total, nominal, amount of ThUS$2,750,000. ThUS$1,500,000, with an annual coupon rate of interest of 3.625% and semi-annual interest payments which will mature on August 1, 2027, while ThUS$1,250,000, with an annual coupon of 4.5% and semi-annual interest payments, will mature on August 1, 2047.

These operations allowed optimizing the debt maturity profile of Codelco. As a result of these transactions, 86% of the funds from the new issue (US$2,367 million) were used to refinance old debt. The average interest rate of refinanced funds decreased from 4.36% to 4.02%.

The effect recognized in profit and loss associated with this refinancing was a charge of US$ 42 million after tax.

On May 18, 2018, Codelco issued a bond for US$600 million with 30 year maturity in the market of Formosa, Taiwan. The bond issued is denominated in US dollars, had a yield of 4.85% and a prepayment option at the issue value that can be exercised from the fifth year onwards at its par value.

On January 28, 2019, the Corporation in New York made an offer to purchase its bonds issued in dollars with maturities between 2020 and 2025, repurchasing US$1,527 millions.

Subsequently, on February 5, 2019, the Corporation issued and placed bonds in the North American market, under Rule 144-A and Regulation S, for a total nominal amount of ThUS$1,300,000, which maturity will be 5 February 2049 with a coupon of 4.375% per annum and interest payments on a semi-annual basis.

The effect recognized in results associated with this refinancing was a charge of US$10 million after taxes.

On July 22, 2019, the Corporation made a bond issue and placement, Regulation S, for a nominal amount of AUD $ 70,000,000, whose maturity will be in a single installment on July 22, 2039, with a coupon of 3.58% annual and interest payment annually.

On August 23, 2019, the Corporation made a bond issue and placement, Regulation S, for a nominal amount of US$130,000,000, whose maturity will be in a single installment on August 23, 2029, with a coupon of 2.869% annual and interest payment semiannually.

On September 30, 2019, the Corporation made an issue and placement of bonds in the North American market, under rule 144-A and Regulation S, for a total nominal amount of ThUS$2,000,000 whose maturity will be, under one tranche, on September 30, 2029 corresponding to an amount of ThUS$1,100,000 with a 3% annual coupon. The other tranche contemplates a maturity for January 30, 2050, corresponding to an amount of ThUS$900,000 with a coupon of 3.70% per year.

Along with this placement, Codelco launched a purchase offer, in which a repurchase amount of US$ 152 million was reached. The effect recognized in results associated with this refinancing was a charge of US$2 million after taxes.

As of December 31, 2019 and 2018, the Corporation is not required to comply with any financial covenants related to borrowings from financial institutions and bond obligations.

- ***Financial debt commissions and expenses:*** Transaction costs incurred in obtaining financial resources are deducted from the loan proceeds and are amortized using the effective interest rate.

- **Finance leases:** Leasing operations are generated by contracts, mainly for buildings and machinery.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of December 31, 2019, the details of loans from financial institutions and bond obligations are as follows:

12/31/2019													
Taxpayer ID Number	Country	Loans with financial entities	Institution	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of Interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
97.036.000-K	Chile	Bilateral Credit	Santander Chile	3/27/2020	Floating	US$	100,000,000	Maturity	Semi-annual	2.36%	2.36%	100,597	-
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	9/7/2020	Floating	US$	100,000,000	Maturity	Semi-annual	2.34%	2.34%	100,753	-
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	9/14/2020	Floating	US$	65,000,000	Maturity	Semi-annual	2.40%	2.40%	65,473	-
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	12/20/2020	Floating	US$	300,000,000	Maturity	Semi-annual	2.63%	2.63%	300,241	-
Foreign	USA	Bilateral Credit	MUFG Bank Ltd.	9/30/2021	Floating	US$	250,000,000	Maturity	Semi-annual	2.96%	3.06%	3,409	249,690
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2021	Floating	US$	300,000,000	Maturity	Semi-annual	2.54%	2.72%	1,205	299,265
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	4/13/2022	Floating	US$	300,000,000	Maturity	Quarterly	2.65%	2.86%	1,701	298,834
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US$	224,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	2.34%	2.53%	32,187	47,833
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2022	Floating	US$	300,000,000	Maturity	Semi-annual	2.83%	2.95%	3,774	299,550
Foreign	Panama	Bilateral Credit	Banco Latinoamericano de Comercio	12/18/2026	Floating	US$	75,000,000	Maturity	Semi-annual	3.10%	3.28%	77	74,401
Foreign	USA	Bilateral Credit	Export Dev Canada	10/25/2028	Floating	US$	300,000,000	Maturity	Semi-annual	3.40%	3.52%	4,505	298,390
Foreign	USA	Bilateral Credit	Export Dev Canada	7/25/2029	Floating	US$	300,000,000	Maturity	Semi-annual	3.42%	3.62%	4,393	296,200
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V.	11/26/2032	Fixed	US$	874,959,000	Semi-annual	Semi-annual	3.25%	5.42%	47,829	544,104
TOTAL												**666,144**	**2,408,267**

Taxpayer ID Number	Country	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
144-A REG.S	Luxembourg	11/4/2020	Fixed	US$	1,000,000,000	At Maturity	Semi-annual	3.75%	3.89%	396,742	-
144-A REG.S	Luxembourg	11/4/2021	Fixed	US$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.02%	1,377	226,416
144-A REG.S	Luxembourg	7/17/2022	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.16%	4,978	410,882
144-A REG.S	Luxembourg	8/13/2023	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.50%	4.74%	4,627	332,188
144-A REG.S	Luxembourg	7/9/2024	Fixed	EURO	600,000,000	At Maturity	Annual	2.25%	2.48%	7,236	666,384
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	2,595	270,374
144-A REG.S	Luxembourg	9/16/2025	Fixed	US$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.75%	14,003	1,055,236
BCODE-C	Chile	8/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	3,292	394,774
144-A REG.S	Luxembourg	8/1/2027	Fixed	US$	1,500,000,000	At Maturity	Semi-annual	3.63%	4.20%	22,607	1,443,875
REG.S	Luxembourg	8/23/2029	Fixed	US$	130,000,000	At Maturity	Semi-annual	2.87%	2.98%	1,328	128,808
144-A REG.S	Luxembourg	9/30/2029	Fixed	US$	1,100,000,000	At Maturity	Semi-annual	3.00%	3.14%	8,385	1,087,092
REG.S	Luxembourg	11/7/2034	Fixed	HKD	500,000,000	At Maturity	Annual	0.00%	0.00%	275	63,593
144-A REG.S	Luxembourg	9/21/2035	Fixed	US$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	7,804	492,115
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	5,713	496,544
REG.S	Luxembourg	7/22/2039	Fixed	AUD	70,000,000	At Maturity	Annual	0.00%	0.00%	783	48,519
144-A REG.S	Luxembourg	7/17/2042	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	14,465	733,450
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	10,804	933,573
144-A REG.S	Luxembourg	11/4/2044	Fixed	US$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	7,481	961,425
144-A REG.S	Luxembourg	8/1/2047	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	4.50%	4.73%	23,387	1,205,925
144 - REG.S	Luxembourg	5/18/2048	Fixed	US$	600,000,000	At Maturity	Semi-annual	4.85%	4.91%	3,438	594,487
144-A REG.S	Luxembourg	2/5/2049	Fixed	US$	1,300,000,000	At Maturity	Semi-annual	4.38%	4.97%	22,874	1,182,292
144-A REG.S	Luxembourg	1/30/2050	Fixed	US$	900,000,000	At Maturity	Semi-annual	3.70%	3.78%	8,393	889,406
TOTAL										**572,587**	**13,617,358**

Nominal and effective interest rates presented above correspond to annual rates.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of December 31, 2018, the details of loans from financial institutions and bond obligations are as follows:

12/31/2018													
Taxpayer ID Number	**Country**	**Loans with financial entities**	**Institution**	**Maturity**	**Interest Rate**	**Currency**	**Principal Amount**	**Type of amortization**	**Payment of Interest**	**Nominal Interest Rate**	**Effective Interest Rate**	**Current balance ThUS$**	**Non-current balance ThUS$**
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	12/20/2019	Floating	US$	300,000,000	Maturity	Semi-annual	3,60%	3,74%	300,059	-
Foreign	USA	Bilateral Credit	MUFG Bank Ltd	9/30/2021	Floating	US$	250,000,000	Maturity	Semi-annual	3.27%	3.37%	3,768	249,579
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2021	Floating	US$	300,000,000	Maturity	Semi-annual	3.44%	3.62%	1,604	298,875
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	4/13/2022	Floating	US$	300,000,000	Maturity	Quarterly	3.09%	3.30%	1,980	298,401
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2022	Floating	US$	300,000,000	Maturity	Semi-annual	3.38%	3.48%	1,915	299,432
Foreign	USA	Bilateral Credit	Export Dev Canada	10/25/2028	Floating	US$	300,000,000	Maturity	Semi-annual	3.96%	4.09%	2,212	298,250
Foreign	Japan	Bilateral Credit	MUFG Bank Ltd	5/24/2029	Floating	US$	96,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	3.44%	3.84%	12,016	-
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US$	224,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	3.34%	3.54%	32,363	79,674
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V.	11/26/2032	Fixed	US$	874,959,000	Semi-annual	Semi-annual	3.25%	5.42%	48,490	582,867
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	Euro				1.25%	1.25%	408	-
			Other institutions									56	-
TOTAL												**404,871**	**2,107,078**

Taxpayer ID Number	Country	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
144-A REG.S	Luxembourg	1/15/2019	Fixed	US$	600,000,000	At Maturity	Semi-annual	7.50%	7.78%	276,061	-
144-A REG.S	Luxembourg	11/4/2020	Fixed	US$	1,000,000,000	At Maturity	Semi-annual	3.75%	3.97%	3,456	582,989
144-A REG.S	Luxembourg	11/4/2021	Fixed	US$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.06%	2,958	482,430
144-A REG.S	Luxembourg	7/17/2022	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.17%	11,538	832,748
144-A REG.S	Luxembourg	8/13/2023	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.50%	4.75%	10,058	581,548
144-A REG.S	Luxembourg	7/09/2024	Fixed	EUR	600,000,000	At Maturity	Annual	2.25%	2.48%	7,404	678,446
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	2,737	285,436
144-A REG.S	Luxembourg	9/16/2025	Fixed	US$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.77%	21,364	1,596,926
BCODE-C	Chile	8/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	3,455	416,715
144-A REG.S	Luxembourg	1/8/2027	Fixed	US$	1,500,000,000	At Maturity	Semi-annual	3.63%	4.20%	22,607	1,437,938
144-A REG.S	Luxembourg	9/21/2035	Fixed	US$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	7,925	491,814
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	5,998	496,430
144-A REG.S	Luxembourg	7/17/2042	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	14,638	733,027
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	10,864	933,256
144-A REG.S	Luxembourg	11/4/2044	Fixed	US$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	7,522	961,050
144-A REG.S	Luxembourg	8/1/2047	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	4.50%	4.73%	23,387	1,205,156
REG.S	Taiwan	5/18/2048	Fixed	US$	600,000,000	At Maturity	Semi-annual	4.85%	4.91%	3,457	594,398
				TOTAL						**435,429**	**12,310,307**

Nominal and effective interest rates presented above correspond to annual rates.
The undiscounted amounts that the Corporation will have to disburse to settle the obligations with financial institutions, are as follows:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

12/31/2019					Current			Non-current			
Debtor's Name	Currency	Effective interest rate	Nominal Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Santander Chile	US$	2.36%	2.36%	Semi-annual	101,165	-	101,165	-	-	-	-
Scotiabank Chile	US$	2.34%	2.34%	Semi-annual	101,182	-	101,182	-	-	-	-
Scotiabank Chile	US$	2.40%	2.40%	Semi-annual	65,790	-	65,790	-	-	-	-
Scotiabank Chile	US$	2.63%	2.63%	Semi-annual	-	304,054	304,054	-	-	-	-
MUFG Bank LTD	US$	3.06%	2.96%	Semi-annual	3,840	3,737	7,577	261,212	-	-	261,212
Export Dev Canada	US$	2.72%	2.54%	Semi-annual	-	7,757	7,757	307,715	-	-	307,715
Scotiabank & Trust (Cayman) Ltd	US$	2.86%	2.65%	Quarterly	1,988	6,053	8,041	312,062	-	-	312,062
Japan Bank International Cooperation	US$	2.53%	2.34%	Semi-annual	-	33,720	33,720	49,137	-	-	49,137
Export Dev Canada	US$	2.95%	2.83%	Semi-annual	4,411	4,293	8,704	317,291	-	-	317,291
Export Dev Canada	US$	3.52%	3.40%	Semi-annual	5,213	5,156	10,369	20,683	20,711	346,607	388,001
Export Dev Canada	US$	3.62%	3.42%	Semi-annual	5,244	5,187	10,431	20,804	20,833	351,897	393,534
Banco Latinoamericano de Comercio	US$	3.28%	3.10%	Semi-annual	-	2,380	2,380	4,722	3,545	80,886	89,153
BONO 144-A REG.S 2020	US$	3.89%	3.75%	Semi-annual	-	409,690	409,690	-	-	-	-
BONO 144-A REG.S 2021	US$	4.02%	3.88%	Semi-annual	-	8,796	8,796	235,777	-	-	235,777
BONO 144-A REG.S 2022	US$	3.16%	3.00%	Semi-annual	6,187	6,187	12,374	437,224	-	-	437,224
BONO 144-A REG.S 2023	US$	4.74%	4.50%	Semi-annual	7,535	7,535	15,070	30,138	349,940	-	380,078
BONO 144-A REG.S 2025	US$	4.75%	4.50%	Semi-annual	24,044	24,044	48,088	96,174	96,174	1,116,688	1,309,036
BONO 144-A REG.S 2027	US$	4.20%	3.63%	Semi-annual	27,188	27,188	54,376	108,750	108,750	1,663,125	1,880,625
REG.S 2029	US$	2.98%	2.87%	Semi-annual	1,865	1,865	3,730	7,459	7,459	148,649	163,567
BONO 144-A REG.S 2029	US$	3.14%	3.00%	Semi-annual	16,500	16,500	33,000	66,000	66,000	1,265,000	1,397,000
BONO 144-A REG.S 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	809,375	921,875
BONO 144-A REG.S 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	869,000	992,000
BONO 144-A REG.S 2042	US$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,323,750	1,451,250
BONO 144-A REG.S 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	1,965,313	2,179,063
BONO 144-A REG.S 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	1,935,500	2,126,600
BONO 144-A REG.S 2047	US$	4.73%	4.50%	Semi-annual	28,125	28,125	56,250	112,500	112,500	2,543,750	2,768,750
BONO 144 REG.S 2048	US$	4.91%	4.85%	Semi-annual	-	29,100	29,100	58,200	58,200	1,283,850	1,400,250
BONO 144-A REG.S 2049	US$	4.97%	4.38%	Semi-annual	28,438	28,438	56,876	113,750	113,750	2,693,438	2,920,938
BONO 144-A REG.S 2050	US$	3.78%	3.70%	Semi-annual	11,100	22,261	33,361	66,782	66,782	1,745,911	1,879,476
Oriente Copper Netherlands B.V.	US$	5.42%	3.25%	Semi-annual		72,705	72,705	141,137	135,320	537,640	814,097
				Total ThUS$	**469,816**	**1,216,735**	**1,686,551**	**3,151,442**	**1,543,889**	**20,680,379**	**25,375,711**

BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,038,000	8,142,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	124,228	124,228	248,457	496,913	496,913	10,496,914	11,490,740
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	17,534,914	19,632,740
				Subtotal ThUS$	**9,915**	**9,915**	**19,830**	**39,661**	**39,660**	**662,997**	**742,318**
BONO 144-A REG.S 2024	EURO	2.48%	2.25%	Annual	-	13,500,000	13,500,000	27,000,000	27,000,000	600,000,000	654,000,000
				Subtotal ThUS$	**-**	**15,138**	**15,138**	**30,276**	**30,276**	**672,798**	**733,350**
REG.S 2039	AUD	3.65%	3.58%	Annual	-	2,506,000	2,506,000	5,012,000	5,012,000	107,590,000	117,614,000
				Subtotal ThUS$	**-**	**1,755**	**1,755**	**3,509**	**3,509**	**75,332**	**82,350**
REG.S 2034	HKD	2.92%	2.84%	Annual	-	14,238,904	14,238,904	28,400,000	28,438,904	642,077,808	698,916,712
				Subtotal ThUS$	**-**	**1,829**	**1,829**	**3,648**	**3,653**	**82,468**	**89,769**
				Total ThUS$	**479,731**	**1,245,372**	**1,725,103**	**3,228,536**	**1,620,987**	**22,173,974**	**27,023,498**

Nominal and effective interest rates presented above correspond to annual rates.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

12/31/2018					Current			Non-current			
Creditor Name	Currency	Effective Interest Rate	Nominal Interest Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Scotiabank Chile	US$	3,74%	3,60%	Semi-annual	-	310,893	310,893	-	-	-	-
Bank of Tokyo Mitsubishi Ltd.	US$	3,37%	3,27%	Semi-annual	4,176	4,108	8,284	270,701	-	-	270,701
Export Dev Canada	US$	3,62%	3,44%	Semi-annual	-	10,395	10,395	320,934	-	-	320,934
Scotiabank & Trust (Cayman) Ltd	US$	3,30%	3,09%	Quarterly	2,340	7,099	9,439	18,801	304,578	-	323,379
Export Dev Canada	US$	3,48%	3,38%	Semi-annual	-	10,279	10,279	20,586	310,251	-	330,837
Export Dev Canada	US$	4,09%	3,96%	Semi-annual	-	12,053	12,053	24,139	24,106	360,330	408,575
MUFG Bank Ltd	US$	3,84%	3,44%	Semi-annual	-	12,205	12,205	-	-	-	-
Japan Bank International Cooperation	US$	3,54%	3,34%	Semi-annual	-	35,496	35,496	67,793	16,268	-	84,061
BONO 144-A REG.S 2019	US$	7,78%	7,50%	Semi-annual	276,852	-	276,852	-	-	-	-
BONO 144-A REG.S 2020	US$	3,97%	3,75%	Semi-annual	-	21,946	21,946	607,183	-	-	607,183
BONO 144-A REG.S 2021	US$	4,06%	3,88%	Semi-annual	-	18,785	18,785	522,344	-	-	522,344
BONO 144-A REG.S 2022	US$	3,17%	3,00%	Semi-annual	12,562	12,562	25,124	50,249	862,611	-	912,860
BONO 144-A REG.S 2023	US$	4,75%	4,50%	Semi-annual	13,219	13,219	26,438	52,875	640,373	-	693,248
BONO 144-A REG.S 2025	US$	4,77%	4,50%	Semi-annual	36,480	36,480	72,960	145,922	145,922	1,767,277	2,059,121
BONO 144-A REG.S 2027	US$	4,20%	3,63%	Semi-annual	27,188	27,188	54,376	108,750	108,750	1,717,500	1,935,000
BONO 144-A REG.S 2035	US$	5,78%	5,63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	837,500	950,000
BONO 144-A REG.S 2036	US$	6,22%	6,15%	Semi-annual	-	30,750	30,750	61,500	61,500	899,750	1,022,750
BONO 144-A REG.S 2042	US$	4,41%	4,25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,355,625	1,483,125
BONO 144-A REG.S 2043	US$	5,76%	5,63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,018,750	2,232,500
BONO 144-A REG.S 2044	US$	5,01%	4,88%	Semi-annual	-	47,775	47,775	95,550	95,550	1,983,275	2,174,375
BONO 144-A REG.S 2047	US$	4,73%	4,50%	Semi-annual	28,125	28,125	56,250	112,500	112,500	2,600,000	2,825,000
REG.S. 2048	US$	4,91%	4,85%	Semi-annual	-	29,100	29,100	58,200	58,200	1,312,950	1,429,350
Oriente Copper Netherlands B.V.	US$	5,42%	3,25%	Semi-annual	-	72,705	72,705	141,137	135,320	537,640	814,097
				Total ThUS$	**430,943**	**824,602**	**1,255,545**	**2,906,039**	**3,102,804**	**15,390,597**	**21,399,440**
BONO BCODE-B 2025	U.F.	3,24%	4,00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,314,000	8,418,000
BONO BCODE-C 2026	U.F.	2,48%	2,50%	Semi-annual	124,228	124,228	248,457	496,913	496,913	10,745,370	11,739,197
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	18,059,370	20,157,197
				Subtotal ThUS$	**10,404**	**10,404**	**20,808**	**41,617**	**41,617**	**716,526**	**799,760**
BONO 144-A REG. S 2024	EUR	2,48%	2,25%	Annual		13,500,000	13,500,000	27,000,000	27,000,000	613,500,000	667,500,000
				Total EUR		13,500,000	13,500,000	27,000,000	27,000,000	613,500,000	667,500,000
				Subtotal ThUS$		**15,443**	**15,443**	**30,885**	**30,885**	**701,783**	**763,553**
				Total ThUS$	**441,347**	**850,449**	**1,291,796**	**2,978,541**	**3,175,306**	**16,808,906**	**22,962,753**

Nominal and effective interest rates presented above correspond to annual rates.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The present value of future lease payments are detailed in the following table:

Leases	12/31/2019			12/31/2018		
	Gross	Interest	Present Value	Gross	Interest	Present Value
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Less than 90 days	39,668	(4,557)	35,111	6,092	(1,735)	4,357
Between 90 days and 1 year	105,315	(12,665)	92,650	21,529	(5,186)	16,343
Between 1 and 2 years	107,218	(12,248)	94,970	23,385	(5,943)	17,442
Between 2 and 3 years	77,753	(9,881)	67,872	20,079	(4,807)	15,272
Between 3 and 4 years	60,078	(6,813)	53,265	13,628	(3,699)	9,929
Between 4 and 5 years	32,384	(4,780)	27,604	20,756	(2,812)	17,944
More than 5 years	70,857	(9,458)	61,399	35,126	(8,574)	26,552
Total	493,273	(60,402)	432,871	140,595	(32,756)	107,839

The expense related to short-term leases, low-value assets and variable leases not included in the measurement and or amortization of lease liabilities for year ended December 31, 2019 is presented in the following table:

Lease expense	**1/1/2019 12/31/2019**
	ThUS$
Short-term leases	84,252
Low value leases	5,684
Variable lease payments not included in the initial measurement or remeasurement of liabilities (excluding, where applicable, changes in indices or rates)	1,488,409
TOTAL	**1,578,345**

The operating lease expense recognized in the statement of comprehensive income for the year ended December 31, 2018 totaled ThUS$191,311.

The table below details changes in CODELCO's financing activities in the statement of cash flow, including both cash and non-cash changes for the year ended December 31, 2019 and 2018:

Liabilities forfinancing activities	Initial Balance at 1/1/2019	Flows of cash			Changes that do not represent cash flow					Final Balance at 12/31/2019
		From	Used	Total	Financial Cost (1)	Exchange	Adjustment	Effective Interest accretion/amortiza	Other	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans with financial institutions	2,511,949	840,000	(386,625)	453,375	104,592	-	-	1,606	2,889	3,074,411
Bond Obligations	12,745,736	3,543,199	(2,610,321)	932,878	591,920	(45,137)	-	(35,452)	-	14,189,945
Obligations for coverage	116,132	-	(21,167)	(21,167)	21,556	13,142	27,575	-	588	157,826
Paid Dividens	-	-	-	-	-	-	-	-	-	-
Financial assets for hedge derivatives	(107,700)	-	-	-	-	31,438	(6,322)	-	-	(82,584)
Leases	107,839	-	(148,181)	(148,181)	31,416	(18,114)	-	-	459,911	432,871
Capital contribution	-	400,000	-	400,000	-	-	-	-	-	-
Other	64,343	-	(75,483)	(75,483)	51,082	-	-	-	18,922	58,864
Total liabilities from financing activities	**15,438,299**	**4,783,199**	**(3,241,777)**	**1,541,422**	**800,566**	**(18,671)**	**21,253**	**(33,846)**	**482,310**	**17,831,333**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Liabilities forfinancing activities	Initial Balance at 1/1/2018	Flows of cash			Changes that do not represent cash flow					Final Balance at 12/31/2018
		From	Used	Total	Financial Cost (1)	Exchange	Adjustment	Effective Interest accretion/amortiza	Other	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans with financial institutions	2,460,384	300,000	(333,027)	(33,027)	84,592	-	-	-	-	2,511,949
Bond Obligations	12,249,406	600,000	(541,341)	58,659	543,874	(101,299)	-	(4,904)	-	12,745,736
Obligations for coverage	83,896	-	(18,930)	(18,930)	20,070	35,884	(4,788)	-	-	116,132
Paid Dividens	-	-	(602,461)	(602,461)	-	-	-	-	-	-
Financial assets for hedge derivatives	(137,544)	-	-	-	-	66,177	(36,333)	-	-	(107,700)
Leases	102,711		(27,130)	(27,130)	2,774	2,645	-	-	26,839	107,839
Capital contribution	-	600,000	-	600,000	-	-	-	-	-	-
Other	69,813	-	(99,200)	(99,200)	82,886	-	-	-	10,844	64,343
Total liabilities from financing activities	**14,828,666**	**1,500,000**	**(1,622,089)**	**(122,089)**	**734,196**	**3,407**	**(41,121)**	**(4,904)**	**37,683**	**15,438,299**

(1) The finance costs consider the capitalization of interest, which for the year ended December 31, 2019 and 2018, amounts to ThUS$367,548 and ThUS$311,399 respectively.

13. Fair Value of financial assets and liabilities

The carrying amount of financial assets is a reasonable approximation to their fair value, therefore, no additional disclosures are required in accordance with IFRS 7 with respect thereto.

Regarding financial liabilities, the following table shows a comparison as of December 31, 2019 between the carrying amount and the fair value of financial liabilities other than those whose carrying amount is a reasonable approximation of fair value.

Comparison value book vs fair value as of December 31, 2019	Accounting treatment for valuation	Carrying amount ThUS$	Fair value ThUS$
Financial liabilities:			
Bond Obligations	Amortized cost	14,189,945	15,522,523

14. Fair value hierarchy

The estimated fair value for the Corporation's portfolio of financial instruments is based on valuation techniques and observable inputs. Considering the hierarchy of the data used in these valuation techniques, the assets and liabilities measured at fair value can be classified into the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i,e, as prices) or indirectly (i,e, derived from prices).
- Level 3: Inputs are significant unobservable inputs for the asset or liability.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following table presents financial assets and liabilities measured at fair value as of December 31, 2019:

Financial instruments measured at fair value	12/31/2019			
	Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$	Total ThUS$
Financial Assets				
Provisional price sales contracts	-	723,619	-	723,619
Cross Currency Swap	-	82,584	-	82,584
Mutual fund units	2,158	-	-	2,158
Metal futures contracts	1,840	-	-	1,840
Financial Liabilities				
Metal futures contracts	1,801	857	-	2,658
Cross Currency Swap	-	157,825		157,825

There were no transfers between the different levels during the year ended December 31, 2019.

15. Trade and other payables

The detail of trade and other current payables as of December 31, 2019 and 2018, is as follows:

Items	Currents	
	12/31/2019 ThUS$	12/31/2018 ThUS$
Trade payables	1,150,047	1,317,623
Payables to employees	8,390	21,561
Withholdings	113,147	72,681
Withholding taxes	76,387	60,621
Other payables	72,944	74,098
Total	**1,420,915**	**1,546,584**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

16. Other provisions

The detail of other current and non-current provisions as of December 31, 2019 and 2018, is as follows:

Other Provisions	Current		Non-current	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
	ThUS$	ThUS$	ThUS$	ThUS$
Sales-related provisions (1)	2,932	2,692	-	-
Operating (2)	260,973	233,277	-	-
Law No. 13196	109,643	93,309	-	-
Other provisions	128,429	51,771	24,097	20,153
Onerous Contract (3)	195	3,200	81	4,534
Decommissioning and restoration (4)	-	-	2,016,625	1,506,162
Legal proceedings	-	-	49,684	69,334
Total	**502,172**	**384,249**	**2,090,487**	**1,600,183**

(1) Corresponds to a sales-related accruals, which includes charges for freight, loading, and unloading that were not invoiced at the end of the period.
(2) Corresponds to a provision for customs duties, freight on purchases, electricity, among others.
(3) Corresponds to a provision recognized for an onerous contract with Copper Partners Investment Company Ltd, See Note 29 b).
(4) Corresponds to the provision for future decommissioning and site restoration costs primarily related to tailing dams, closures of mine operations and other mining assets. The amount of the provision is the present value of future expected cash flows discounted at a pre-tax rate of 1.05% for the obligations in Chilean currency and 1.86% for the obligations in U.S. dollar. Both, discount rates reflect the corresponding assessments of the time value of money and the risks specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been made. The discount period varies between 9 and 54 years.

The Corporation determines and recognized this liability in accordance with the accounting policy described in Note 2, letter p) on Significant Accounting Policies.
Changes in Other provisions, were as follows:

Changes	1/1/2019 12/31/2019			
	Other Provisions, non-current	Decommissioning and restoration	Contingencies	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	24,687	1,506,162	69,334	1,600,183
Closing provision adjustment	-	507,062		507,062
Financial expenses	-	36,345	-	36,345
Payment of liabilities	(406)	-	(21,366)	(21,772)
Foreign currency translation	(91)	(32,160)	(1,657)	(33,908)
Provision increase	(4,452)	-	-	(4,452)
Other increases (decreases)	4,440	(784)	3,373	7,029
Closing Balance	**24,178**	**2,016,625**	**49,684**	**2,090,487**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Changes	1/1/2018 12/31/2018			
	Other Provisions, non-current ThUS$	Decommissioning and restoration ThUS$	Contingencies ThUS$	Total ThUS$
Opening balance	26,524	1,636,695	48,583	1,711,802
Closing provision adjustment	-	(117,174)	-	(117,174)
Financial expenses	-	34,754	-	34,754
Payment of liabilities	-	(827)	(5,100)	(5,927)
Foreign currency translation	(3,617)	(52,704)	(3,574)	(59,895)
Provision increase	(3,200)	-	-	(3,200)
Other increases (decreases)	4,980	5,418	29,425	39,823
Closing Balance	**24,687**	**1,506,162**	**69,334**	**1,600,183**

17. Employee benefits

a. Provisions for post-employment benefits and other long term benefits

Provision for post-employment benefits mainly corresponds to employee severance indemnities and medical care plans. The provision for severance indemnities recognizes the contractual obligation that the Corporation has with its employees/retirees regardless of the reason for employee's departure. The provision for medical care plans recognizes the contractual obligation that the Corporation has with its retirees/employees to cover their medical care costs.

Both long-term employee benefits are stated in the terms of employment contracts and collective bargaining agreements as agreed to by the Corporation and its employees.

These defined benefit liabilities are recognized in the statement of financial position, at the present value of the defined benefit obligation. The discount rate applied is determined by reference to the market yields of government bonds in the same currency and estimated term of the post-employment benefit obligations.

The defined benefit obligations are denominated in Chilean pesos, therefore the Corporation is exposed to foreign exchange rate risk.

Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income and are not subsequently reclassified to profit or loss.

For the year ended December 31, 2019, there were no significant changes in post-employment benefits plans.

The following actuarial assumptions were used in the actuarial calculation of the defined benefit plans:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Assumptions	12/31/2019		12/31/2018	
	Retirement plan	Health plan	Retirement plan	Health plan
Annual Discount Rate	3.68%	3.68%	4.49%	4.93%
Voluntary Annual Turnover Rate for Retirement (Men)	5.00%	5.00%	4.00%	4.00%
Voluntary Annual Turnover Rate for Retirement (Women)	4.70%	4.70%	3.70%	3.70%
Salary Increase (real annual average)	3.26%	-	4.03%	-
Future Rate of Long-Term Inflation	3.00%	3.00%	3.00%	3.00%
Inflation Health Care	-	5.05%	-	5.05%
Mortality tables used for projections	CB14-RV14	CB14-RV14	CB14-RV14	CB14-RV14
Average duration of future cash flows (years)	7.21	17.13	7.50	16.94
Expected Retirement Age (Men)	60	60	60	60
Expected Retirement Age (Women)	59	59	59	59

The discount rates correspond to the rates in the secondary market of government bonds issued in Chile. The annual inflation corresponds to the long-term expectation set by the Central Bank of Chile. The turnover rates were determined using the past three years of historical experience of the Corporation's employee departure behavior. The expected rate of salary increases has been estimated using the long-term behavior of historical salaries paid by the Corporation. The mortality tables used were those issued by the CMF, which are considered an appropriate representation of the Chilean market given the lack of comparable statistical series to develop independent studies. The period over which the obligation is being amortized corresponds to the estimate of the period over which the cash flows will occur.

b. The detail of current and non-current provisions for employment benefits as of December 31, 2019 and 2018, is as follows:

Accrual for employee benefits	Current		Non-current	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
	ThUS$	ThUS$	ThUS$	ThUS$
Employees' collective bargaining agreements	181,040	204,040	-	-
Employee termination benefit	21,904	27,247	704,877	802,260
Bonus	35,195	60,616	-	-
Vacation	143,971	183,628	-	-
Medical care programs (1)	497	460	561,709	496,323
Retirement plans (2)	37,479	17,620	8,181	8,355
Other	15,479	16,423	8,590	8,582
Total	**435,565**	**510,034**	**1,283,357**	**1,315,520**

(1) Corresponds to a provision recognized for the obligations with health care institutions as agreed with current and former employees.
(2) Correspond to the provision recognized for early retirement benefits provided to employees.

The reconciliation of the present value of the retirement plan and post-employment benefit obligation, is as follows:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Movements	1/1/2019 12/31/2019		1/1/2018 12/31/2018	
	Retirement plan ThUS$	Health plan ThUS$	Retirement plan ThUS$	Health plan ThUS$
Opening balance	**829,507**	**496,783**	**882,090**	**523,649**
Service cost	51,086	39,980	72,821	9,962
Financial cost	15,512	9,290	15,966	11,520
Paid contributions	(115,970)	(44,275)	(57,166)	(39,779)
Actuarial (gains)/losses	4,828	93,889	16,576	30,200
Transfer from other benefits	-	-	3,335	-
Subtotal	**784,963**	**595,667**	**933,622**	**535,552**
(Gains) Losses on foreign exchange rate	(58,182)	(33,461)	(104,115)	(38,769)
Final Total	**726,781**	**562,206**	**829,507**	**496,783**

The technical revaluation (actuarial gain/loss as defined under IAS 19) of the liability for compensation benefits for years of service has been made, for the year ended December 31, 2019. Such was charged to equity, which consists of an actuarial loss of ThUS$4,828, corresponding primarily to a change in financial assumptions; this is broken down into a loss of ThUS$7,262 from the revaluation of financial assumptions, specifically a profit of ThUS$11,513 from the revaluation of demographic assumptions and a loss from experience of ThUS$9,079.

For the obligation generated by health benefit plans, an actuarial loss of ThUS$93,889 has been determined, consisting primarily of an adjustment for experience loss made up of a loss to changes in financial assumptions of ThUS$9,365; and an adjustment for experience loss of ThUS$84,524.

The balance of the defined benefit liability as of December 31, 2019, comprises a short term portion of ThUS$21,904 and ThUS$497 for the termination indemnities plan and the medical care plan, respectively. The expected amount of the defined benefit liability projected at December 31, 2020, consists of ThUS$766,732 for the termination indemnities plan and ThUS$540,109 for the medical care plan. The expected monthly average future disbursements related to defined benefit plans are of ThUS$1,825 for termination indemnities and of ThUS$41 for medical care.

The following table sets forth the sensitivity analysis of the value of the each line item for a change in estimates, respectively, from the medium (used in the estimate recorded) to the low and from the medium to the high; the second to the last column represents the change between the low and medium and the last column represents the change between the medium and the high:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Severance Benefits for Years of Service	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.430%	3.680%	3.930%	1.25%	-1.21%
Financial effect on the real increase in income	3.008%	3.258%	3.508%	-1.07%	1.10%
Demographic effect of job rotations	4.470%	4.970%	5.470%	0.95%	-0.74%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	-0.04%	0.04%
Health Benefits and Other	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.430%	3.680%	3.930%	3.37%	-3.28%
Financial effect on health inflation	4.550%	5.050%	5.550%	-6.79%	7.64%
Demographic effect, planned retirement age	58 / 57	60 / 59	62 / 61	3.93%	-3.91%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	11.91%	-8.23%

c. Retirement benefits and conflict termination bonus

The Corporation under its operational optimization programs seeks to reduce costs and increase labor productivity, and through the incorporation of modern technologies and/or best management practices has established employee retirement programs by making corresponding modifications to employment contracts or collective bargaining agreements, with benefits encouraging early retirement. The early retirement plans are recognized as a liability and expense as the Corporation can no longer withdraw the offer of those benefits.

As of December 31, 2019 and 2018, the retirement plan provision current balance was ThUS$37,479 and ThUS$17,620, respectively, while the non-current balance was ThUS$8,181 and ThUS$8,355, respectively. The non-current portion is associated with the provision related to the term of the collective bargaining process that Codelco's management negotiated during the month of December 2012 with the employee unions of the Chuquicamata Division. The non-current amounts recognized have been discounted using a discount rate equivalent to that used for calculating employee benefits provisions and whose outstanding balances are part of the balances as of December 31, 2019 and 2018.

d. Employee benefits expenses

The employee benefit expenses recognized for the year ended December 31, 2019 and 2018, are as follows:

Expense by Nature of Employee Benefits	**1/1/2019 12/31/2019** ThUS$	**1/1/2018 12/31/2018** ThUS$
Benefits - Short term	1,519,659	1,731,593
Benefits - Post employment	39,980	9,962
Benefits - Termination	100,747	54,594
Benefits by years of service	51,086	72,821
Total	**1,711,472**	**1,868,970**

18. Equity

The Corporation's total equity as of December 31, 2019 is ThUS$11,634,677 (ThUS$11,343,869 as of December 31, 2018).

In accordance with article 6 of Decree Law 1350 of 1976, it is established that, before March 30 of each year, the Board must approve the Corporation's Business and Development Plan for the next three-year period. Taking that plan as a reference, and keeping in mind the Corporation's balance sheet for the immediately preceding year and aiming to ensure its competitiveness, before June 30 of each year the amounts that the Corporation shall allocate to the formation of capitalization funds and reserves shall be determined by decree from the Ministries of Mining and Treasury.

Net income shown in the balance sheets, after deducting the amounts referred to in the previous paragraph, shall belong to the State and becomes part of the Nation's general income.

Pursuant to the Exempt Decree No. 184 of June 27, 2014 of the Ministry of Finance, the Corporation was authorized to capitalize US$200 million of the net profit of the financial statements as of December 31, 2013.
Those resources were charged to the profits of 2014.

On October 24, 2014, the President of the Republic of Chile signed Law No. 20790. Such Law sets forth an extraordinary capital contribution of up to US$3 billion for the Corporation during the period of 2014-2018. The resources obtained from such capital contribution, together with the capitalization of the profits obtained during such period – up to US$800 million – generated in that period, will serve to boost the Investment Plan in mining projects, sustainability, mining development and renewal of equipment and industrial plants. At December 31, 2014, there were no capitalized resources under such statute.

Pursuant to the Exempt Finance Decree (Decree No. 197 of December 31, 2015 issued by the Ministry of Finance), the Corporation was authorized to capitalize US$225 million of the net profit registered in the financial statements as of December 31, 2014.

Those resources were to be taken from the profits for year 2015 for their capitalization.

Pursuant to the ORD Finance Ministry Officio No. 1410 dated on May 27, 2016, it was established that the aforementioned Decree confirms the impossibility of capitalizing the aforementioned US$225 million, consequently the capitalization fund comprised of said amount was reversed.

On October 28, 2015, it was reported that after reviewing the Development Business Plan 2014-2018 for Codelco, it was decided to make a capital contribution of US$600 million that was made effective on December 2, 2015.

On December 1, 2016, it was informed that, pursuant to Article 1 of Law No. 20790, it was decided to make an extraordinary capital contribution of US$500 million, which was made effective on December 28, 2016.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Both capital contributions were funded by the Public Treasury through the sale of financial assets.

On January 27, 2017, Law No. 20989 on extraordinary capitalization was enacted. The Law authorizes the transferring of funds from application of the Copper Reserved Law to the Public Treasury, allowing an extraordinary capitalization to Codelco of up to US$950 million for year 2017 aiming to reduce Codelco's indebtedness in an amount equivalent to the difference between the funds transferred as required by the Reserved Law No. 13196 and cash flow surpluses obtained by the Corporation.

On March 13, 2017, through Decree No. 322 an extraordinary capital contribution was authorized under Article 2 of Law No. 20989, for a total amount of US$475 million. The capital contribution was made effective on April 13, 2017.

By Exempt Decree of Treasury No. 1698, dated November 17, 2017, in accordance with the provisions of Article 1 of Law No. 20790, it was decided to make an extraordinary contribution of capital for an amount of US$520 million, which were recorded on December 22, 2017.

On October 16, 2018, the Ministry of Finance issued Exempt Decree 311 in which it has an extraordinary capital contribution for Codelco pursuant to Law No. 20,790 of US$1,000 million, which will be made in a first part for US$600 million and in a second part for US$400 million, and that will be transferred in installments that will not be timed later than December 31, 2018 and February 28, 2019 respectively.

On December 26, 2018 the Corporation received the first part of the contribution to capital for US$600 million.

On February 26, 2019 the Corporation received the second part of the contribution to capital for US$400 million.

As of 2019, the Corporation has established that dividend payments will not be made as long as there are prepayments of dividends paid in excess.

As of December 31, 2019, the Corporation has not paid dividends, due to the fact that in 2018 there were advances of dividends paid in excess as follows:

	ThUS$
Dividends payable as of December 31, 2017	295,842
Advance dividends as of December 31, 2018	155,719
Advance dividends overpaid as of December 31, 2018	150,900
Total dividends paid as of December 31, 2018	**602,461**

The consolidated statement of changes in equity discloses the changes in the Corporation's equity.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The movement and composition of other equity reserves is presented in the consolidated statement of changes in equity.

Reclassification adjustments from other comprehensive income to profit or loss resulted in an income of ThUS$3,337 and a loss of ThUS$4,597 for the year ended December 31, 2019 and 2018, respectively.

a) Other reserves

The detail of other reserves as of December 31, 2019 and 2018, is as follows:

Other Reserves	12/31/2019	12/31/2018
	ThUS$	ThUS$
Reserve on exchange differences on translation	(6,672)	(6,863)
Reserve of cash flow hedges	19,506	47,792
Capitalization fund and reserves	4,962,393	4,962,393
Reserve of remeasurement of defined benefit plans	(305,770)	(274,480)
Other reserves	622,290	625,317
Total other reserves	**5,291,747**	**5,354,159**

b) Non-controlling interests

The detail of non-controlling interests, included in equity and profit or loss, as of and for each reporting period, is as follows:

Societies	Non-controlling participation		Net equity		Gain (loss)	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	1/1/2019 12/31/2019	1/1/2018 12/31/2018
	%	%	ThUS$	ThUS$	ThUS$	ThUS$
Inversiones Gacrux SpA	32.20%	32.20%	919,764	969,203	7,905	34,031
Others	-	-	(7)	1	(14)	(3)
Total			**919,757**	**969,204**	**7,891**	**34,028**

For the year ended December 31, 2019, Inversiones Gacrux SpA did not distribute any dividends to non-controlling interests.

The percentage of non-controlling interest in Inversiones Mineras Becrux SpA (previously Inversiones Mineras Acrux SpA) generates a non-controlling interest in our subsidiary Inversiones Gacrux SpA, which presents the following figures relating to its statement of financial position, statement of comprehensive income and cash flows:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Assets and liabilities	12/31/2019	12/31/2018
	ThUS$	ThUS$
Current Assets	227,367	361,568
Non-current assets	2,855,708	2,839,764
Current liabilities	157,345	176,742
Non-current liabilities	554,890	593,078

Results	1/1/2019	1/1/2018
	12/31/2019	12/31/2018
	ThUS$	ThUS$
Revenues	682,079	836,195
Expenses	(681,954)	(762,557)
Profit of the year	125	73,638

Cash flow	1/1/2019	1/1/2018
	12/31/2019	12/31/2018
	ThUS$	ThUS$
Net cash flow from operating activities	84,426	142,997
Net cash flow from (using) investing activities	(42,403)	-
Net cash flow from (using) financing activities	(128,413)	(204,961)

19. Revenue

Revenues for the years ended December 31, 2019 and 2018, are as follows:

Item	1/1/2019	1/1/2018
	12/31/2019	12/31/2018
	ThUS$	ThUS$
Revenue from sales of own copper	10,392,975	11,195,340
Revenue from sales of third-party copper	1,006,199	1,900,899
Revenue from sales of molybdenum	595,967	651,305
Revenue from sales of other products	520,351	537,562
Gain in futures market	9,439	23,652
Total	**12,524,931**	**14,308,758**

The Corporation's revenue is recognized at a point in time.

The breakdown of revenue is presented in explanatory note No.24 Operating Segments.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

20. Expenses by nature

Expenses by nature for the years ended December 31, 2019 and 2018, are as follows:

Item	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Short-term benefits to employees	1,519,659	1,731,593
Depreciation	2,217,265	2,180,550
Amortization	2,804	590
Total	**3,739,728**	**3,912,733**

21. Impairment of Assets

As of December 31, 2018, the Corporation made a calculation of the recoverable amount of its cash generating unit Ventanas Division, for the purpose of checking the existence of a deterioration in the value of the assets associated with said division, the carrying amount of which amounted to US$323 million.

The aforementioned calculation of the recoverable amount determined a value of US$124 million, which compared with the amount in books, implied an acknowledgment of an impairment loss of assets for ThUS$198,898 (before tax), which was recorded in the Other item expenses by function, of the comprehensive income statement for the year 2018.

The recoverable amount determined for the calculation of the impairment loss corresponds to value in use using a 7.2% annual discount rate before taxes. The main variables used to determine the recoverable amount of this asset correspond to the price of acid, cost of treatment and refining, exchange rates and discount rates.

The aforementioned loss due to impairment is mainly generated by the fall in the costs of treatment and refining.

During the years ended December 31, 2019 and there were no indicators of additional deterioration or reversals of impairment recognized in previous years.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

22. Other income and expenses by function

Other income and expenses by function for the years ended December 31, 2019 and 2018, are as follows:

a) Other income by function

Item	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Penalties to suppliers	27,954	18,920
Delegated Administration	4,713	5,346
Miscellaneous sales (net)	39,870	25,973
Insurance claims for claims	27,054	-
Customer recovery	7,836	-
Gain on sale of shares of related companies (Note 8)	103,151	18,279
Material return	43,510	-
Reverse site closure update	33,993	-
Other miscellaneous income	72,609	56,308
Total	**360,690**	**124,826**

b) Other expenses by function

Item	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Law No. 13196	(935,599)	(1,108,209)
Research expenses	(85,621)	(103,649)
Bonus for the end of collective bargaining	(109,651)	(204,623)
Expenses plan	(100,747)	(54,594)
Write-off of investment projects	(7,261)	(212,587)
Write-off of property, plant & equipment	(27,495)	(7,357)
Medical care plan	(39,979)	(9,962)
Impairment of assets (note 21)	-	(198,898)
Write-off inventories	(35,136)	(4,004)
Customer bad debt	(1,307)	-
Contingency expenses	(20,482)	(37,030)
Fixed indirect costs, low production level	(313,917)	(96,285)
Other	(70,643)	(78,116)
Total	**(1,747,838)**	**(2,115,314)**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

23. Finance costs

The detail of finance costs for the years ended December 31, 2019 and 2018, is as follows:

Item	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Bond interest	(301,060)	(265,001)
Bank loan interest	(54,683)	(69,869)
Unwinding of discount on severance indemnity provision	(12,332)	(16,497)
Unwinding of discount on other non-current provisions	(43,798)	(46,959)
Other	(67,434)	(65,122)
Total	**(479,307)**	**(463,448)**

24. Operating segments

The Corporation has defined its Divisions as its operating segments in accordance with the requirements of IFRS 8, *Operating Segments*. The revenues and expenses of the Head Office are allocated among the defined operating segments.

The mining deposits in operation, where the Corporation conducts its extractive and processing activities are managed by the following Divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina and El Teniente. In addition, the smelting and refining activities are managed at the Ventanas Division. All these Divisions have a separate operational management, which reports to the Chief Executive Officer, through the North and South Central Vice-President of Operations, respectively.
The information on each Division and their corresponding mining deposits is as follows:

Chuquicamata
Types of mine sites: Open pit mines
Operating: since 1915
Location: Calama – Region II
Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Radomiro Tomic
Types of mine sites: Open pit mines
Operating: since 1997,
Location: Calama – Region II
Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Ministro Hales
Type of mine: Open pit mine
Operating: since 2014
Location: Calama – Region II
Products: Calcined copper, copper concentrates
Gabriela Mistral
Type of mine: Open pit mine
Operating: since 2008

Location: Calama – Region II
Products: Electrolytic (electro-obtained) cathodes

Salvador
Type of mine: Underground mine and open pit mine
Operating: since 1926
Location: Salvador – Region III
Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Andina
Type of mines: Underground and open pit mines
Operating: since 1970
Location: Los Andes – Region V
Product: Copper concentrate

El Teniente
Type of mine: Underground mine
Operating: since 1905
Location: Rancagua – Region VI
Products: Fire-refined copper and copper anodes

a) Allocation of Head Office revenue and expenses

Revenue and expenses controlled by the Head Office are allocated to the Divisions based on following criteria.

The main items are assigned based on the following criteria:

Revenue and Cost of Sales of Head Office commercial transactions

- Allocation to the operating segments is made in proportion to revenues of each Division.

Other income, by function

- Other income by function, associated and identified with each Division, is directly allocated.
- Recognition of realized profits and other income by way of subsidiaries are allocated in proportion to the revenues of each Division.
- The remaining other income is allocated in proportion to the aggregate of balances of “other income” and “finance income” of each Division.

Distribution costs

- Expenses associated and identified with each Division are directly allocated.
- Distribution costs of subsidiaries are allocated in proportion to the revenues of each Division.

Administrative Expenses

- Administrative expenses associated and identified with each Division are directly allocated,
- Administrative expenses recorded in cost centers associated with the sales function and administrative expenses of subsidiaries are allocated in proportion to the revenues of each Division.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in proportion to inventory balances in warehouse in each Division.
- The remaining administrative expenses are allocated in proportion to operating cash outflows of each Division.

Other Expenses, by function

- Other expenses associated and identified with each Division are directly allocated.
- Expenses for pre-investment studies and other expenses by function of subsidiaries are allocated in proportion to the revenues of each Division.

Other gains

- Other gains associated and identified with each Division are directly allocated.
- Other gains of subsidiaries are allocated in proportion to the revenues of each Division.

Finance Income

- Finance income associated and identified with each Division is directly allocated.
- Finance income of subsidiaries is allocated in proportion to the revenues of each Division.
- The remaining finance income is allocated in relation to the operating cash outflows of each Division.

Finance costs

- Finance costs associated and identified with each Division are directly allocated.
- Finance costs of subsidiaries are allocated in proportion to the revenues of each Division.

Share in profit (loss) of associates and joint ventures accounted for using the equity method

- Share in profit or loss of associates and joint ventures identified for each Division is directly allocated.

Foreign exchange differences

- Foreign exchange differences identifiable with each Division are directly allocated.
- Foreign exchange difference of subsidiaries is allocated in proportion to the revenues of each Division.
- The remaining foreign exchange differences are allocated in relation to operating cash outflows of each Division.

Contribution to the Chilean Treasury under Law No. 13196

- The amount of the contribution is allocated and accounted for in proportion to the invoiced and recorded amounts for copper and sub-product exports of each Division, that are subject to the surcharge.

Income tax benefit (expense)

- Corporate income tax under D.L. 2398 and specific mining tax are allocated based on the income before income taxes of each Division, considering for this purpose the income and expenses allocation criteria of the Head Office and subsidiaries mentioned above.

- Other tax expenses are allocated in proportion to the corporate income tax, specific mining tax and tax under D.L. 2398 of each Division.

b) Transactions between segments

Transactions between segments mainly related to products processing services (or tolling services), are recognized as revenue for the segment rendering the tolling services and as the cost of sales for the segment that receives the service. Such recognition is made in the period in which these services are rendered, as well as its elimination in the consolidated corporate financial statements.

Additionally, the reallocation of the profit and loss assumed by Ventanas Division, associated with the corporate mineral processing contract between Codelco and Enami, in which a distribution is applied based on the revenue of each division is included as a transaction between segments.

c) Cash flows by segments

The operating segments defined by the Corporation, has a cash management which refers mainly to operational activities that need to be covered periodically with funds constituted in each of these segments and whose amounts are not significant in relation to corporate balances of cash and cash equivalents.

Conversely, activities such as obtaining financing, investment and payment of relevant financial obligations are mainly based at the Head Office.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following tables details the financial information organized by operating segments:

From 1/1/2019 12/31/2019											
Segments	**Chuquicamata**	**R. Tomic**	**Salvador**	**Andina**	**El Teniente**	**Ventanas**	**G. Mistral**	**M. Hales**	**Total Segments**	**Subsidiaries and Head Office, net**	**Total Consolidated**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Revenue from sales of own copper	3,341,305	1,655,359	344,116	916,542	2,496,457	65,680	666,997	906,516	10,392,972	3	10,392,975
Revenue from sales of third-party copper	1,634	-	-	-	-	19,233	-	-	20,867	985,332	1,006,199
Revenue from sales of molybdenum	297,324	10,251	20,026	67,524	194,153	-	-	-	589,278	6,689	595,967
Revenue from sales of other products	138,935	-	35,741	2,107	109,344	192,567	3,520	31,229	513,443	6,908	520,351
Revenue from futures market	5,859	3,023	418	(69)	29	(733)	805	107	9,439	-	9,439
Revenue between segments	35,928	-	24,103	2,554	1,330	105,184	-	-	169,099	(169,099)	-
Revenue	**3,820,985**	**1,668,633**	**424,404**	**988,658**	**2,801,313**	**381,931**	**671,322**	**937,852**	**11,695,098**	**829,833**	**12,524,931**
Cost of sales of own copper	(2,842,594)	(1,244,908)	(355,946)	(918,185)	(1,594,596)	(55,974)	(675,313)	(731,320)	(8,418,836)	622	(8,418,214)
Cost of sales of copper third-party copper	(1,704)	-	-	-	-	(20,225)	-	-	(21,929)	(974,448)	(996,377)
Cost of sales of molybdenum	(83,780)	(13,937)	(9,241)	(25,982)	(47,803)	-	-	-	(180,743)	(25,256)	(205,999)
Cost of sales of other products	(130,612)	-	(20,442)	(597)	(60,816)	(197,169)	(3,390)	(10,616)	(423,642)	(7,209)	(430,851)
Cost of sales between segments	(102,971)	42,164	(26,515)	(1,589)	6,770	(98,331)	(1,720)	13,093	(169,099)	169,099	-
Cost of sales	**(3,161,661)**	**(1,216,681)**	**(412,144)**	**(946,353)**	**(1,696,445)**	**(371,699)**	**(680,423)**	**(728,843)**	**(9,214,249)**	**(837,192)**	**(10,051,441)**
Gross profit	**659,324**	**451,952**	**12,260**	**42,305**	**1,104,868**	**10,232**	**(9,101)**	**209,009**	**2,480,849**	**(7,359)**	**2,473,490**
Other income, by function	100,500	8,817	20,493	24,001	42,197	1,853	6,878	5,535	210,274	150,416	360,690
Impairment gains determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	378	378
Distribution costs	(5,680)	(214)	(826)	(270)	(1,761)	(1,262)	(90)	(1,323)	(11,426)	(5,643)	(17,069)
Administrative expenses	(50,451)	(28,061)	(13,913)	(16,504)	(45,847)	(8,484)	(28,135)	(25,215)	(216,610)	(192,624)	(409,234)
Other expenses, by function	(440,991)	(17,273)	(96,233)	(17,305)	(104,232)	(13,520)	(18,937)	(15,871)	(724,362)	(87,877)	(812,239)
Law No. 13.196	(304,321)	(148,096)	(32,023)	(89,524)	(222,475)	(18,931)	(64,906)	(55,323)	(935,599)	-	(935,599)
Other gains	-	-	-	-	-	-	-	-	-	22,672	22,672
Finance income	(1,209)	(97)	89	251	874	202	18	(347)	(219)	37,090	36,871
Finance costs	(64,411)	(47,344)	(15,309)	(64,068)	(172,137)	(9,899)	(15,300)	(46,784)	(435,252)	(44,055)	(479,307)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	-	-	(403)	(1,255)	(1,201)	-	-	-	(2,859)	16,062	13,203
Exchange differences	52,099	10,535	9,807	18,840	56,738	5,586	8,113	13,565	175,283	(21,366)	153,917
Income (loss) before taxes	**(55,140)**	**230,219**	**(116,058)**	**(103,529)**	**657,024**	**(34,223)**	**(121,460)**	**83,246**	**540,079**	**(132,306)**	**407,773**
Income tax expenses	**29,969**	**(162,974)**	**76,094**	**61,658**	**(479,456)**	**20,763**	**83,454**	**(59,847)**	**(430,340)**	**37,095**	**(393,245)**
Income (loss)	**(25,171)**	**67,245**	**(39,964)**	**(41,871)**	**177,568**	**(13,460)**	**(38,006)**	**23,399**	**109,739**	**(95,211)**	**14,528**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

From 1/1/2018 12/31/2018											
Segments	**Chuquicamata**	**R. Tomic**	**Salvador**	**Andina**	**El Teniente**	**Ventanas**	**G. Mistral**	**M. Hales**	**Total Segments**	**Subsidiaries and Head Office, net**	**Total Consolidated**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Revenue from sales of own copper	3,100,186	2,058,291	365,850	1,102,898	2,778,189	13,497	641,681	1,125,496	11,186,088	9,252	11,195,340
Revenue from sales of third-party copper	177	-	-	-	-	14,597	-	23,123	37,897	1,863,002	1,900,899
Revenue from sales of molybdenum	359,996	15,751	20,356	88,841	164,388	-	-	-	649,332	1,973	651,305
Revenue from sales of other products	142,143	-	42,781	3,483	91,443	196,436	-	59,416	535,702	1,860	537,562
Revenue from futures market	8,474	10,322	687	(106)	1,210	64	2,316	685	23,652	-	23,652
Revenue between segments	122,767	-	73,379	1,487	94	105,787	-	-	303,514	(303,514)	-
Revenue	**3,733,743**	**2,084,364**	**503,053**	**1,196,603**	**3,035,324**	**330,381**	**643,997**	**1,208,720**	**12,736,185**	**1,572,573**	**14,308,758**
Cost of sales of own copper	(2,880,603)	(1,343,886)	(397,189)	(931,698)	(1,637,057)	(3,889)	(540,134)	(896,470)	(8,630,926)	(15,076)	(8,646,002)
Cost of sales of copper third-party copper	(192)	-	-	-	-	(16,345)	-	(23,123)	(39,660)	(1,841,680)	(1,881,340)
Cost of sales of molybdenum	(79,793)	(8,902)	(9,530)	(25,980)	(51,627)	-	-	-	(175,832)	(18,048)	(193,880)
Cost of sales of other products	(140,063)	-	(27,477)	(738)	(74,274)	(214,792)	-	(14,166)	(471,510)	(1,609)	(473,119)
Cost of sales between segments	(198,829)	52,328	(79,004)	4,217	17,831	(117,771)	(1,228)	18,942	(303,514)	303,514	-
Cost of sales	**(3,299,480)**	**(1,300,460)**	**(513,200)**	**(954,199)**	**(1,745,127)**	**(352,797)**	**(541,362)**	**(914,817)**	**(9,621,442)**	**(1,572,899)**	**(11,194,341)**
Gross profit	**434,263**	**783,904**	**(10,147)**	**242,404**	**1,290,197**	**(22,416)**	**102,635**	**293,903**	**3,114,743**	**(326)**	**3,114,417**
Other income, by function	10,994	5,769	4,497	14,348	18,018	1,819	3,108	4,577	63,130	61,696	124,826
Impairment gains determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	158	158
Distribution costs	(3,010)	(570)	(1,049)	(944)	(1,140)	(597)	(139)	(1,043)	(8,492)	(9,770)	(18,262)
Administrative expenses	(60,412)	(32,429)	(17,676)	(22,649)	(66,815)	(9,796)	(22,361)	(32,077)	(264,215)	(201,113)	(465,328)
Other expenses, by function	(97,154)	(35,056)	(125,943)	(92,589)	(171,207)	(210,008)	(12,023)	(37,058)	(781,038)	(226,067)	(1,007,105)
Law No. 13.196	(314,516)	(201,452)	(34,027)	(118,451)	(265,868)	(15,137)	(63,789)	(94,969)	(1,108,209)	-	(1,108,209)
Other gains	-	-	-	-	-	-	-	-	-	21,395	21,395
Finance income	189	244	126	115	2,174	84	18	160	3,110	48,219	51,329
Finance costs	(62,271)	(46,437)	(14,073)	(61,517)	(155,965)	(8,625)	(17,075)	(46,664)	(412,627)	(50,821)	(463,448)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	174	-	(475)	(466)	(2,253)	-	-	-	(3,020)	122,134	119,114
Exchange differences	88,760	14,668	15,552	33,218	45,160	10,859	5,344	11,678	225,239	(47,096)	178,143
Income (loss) before taxes	**(2,983)**	**488,641**	**(183,215)**	**(6,531)**	**692,301**	**(253,817)**	**(4,282)**	**98,507**	**828,621**	**(281,591)**	**547,030**
Income tax expenses	**2,070**	**(329,166)**	**128,918**	**1,928**	**(476,388)**	**181,869**	**2,890**	**(68,015)**	**(555,894)**	**198,611**	**(357,283)**
Income (loss)	**(913)**	**159,475**	**(54,297)**	**(4,603)**	**215,913**	**(71,948)**	**(1,392)**	**30,492**	**272,727**	**(82,980)**	**189,747**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The assets and liabilities related to each operating segment, including the Corporation's head office as of December 31, 2019 and 2018, are detailed in the following tables:

12/31/2019										
Category	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries and Head Office, net	Total Consolidated
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	1,318,498	673,058	409,962	269,730	959,041	63,802	264,389	342,614	1,748,927	6,050,021
Non-current assets	9,079,665	2,097,006	1,022,033	4,828,805	7,521,778	268,457	1,149,763	3,247,562	5,079,521	34,294,590
Current liabilities	821,067	179,649	140,456	214,350	474,126	76,222	103,484	139,946	1,773,657	3,922,957
Non-current liabilities	765,850	262,729	255,063	588,841	1,257,577	138,455	152,528	115,909	21,250,035	24,786,987

12/31/2018										
Category	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries and Head Office, net	Total Consolidated
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	1,278,051	715,681	278,481	247,676	696,341	89,148	239,493	291,782	1,991,553	5,828,206
Non-current assets	7,863,667	1,941,213	727,675	4,519,739	6,547,657	155,316	1,136,948	3,278,883	5,091,501	31,262,599
Current liabilities	729,319	192,735	115,908	218,550	441,255	61,363	111,615	117,624	1,551,043	3,539,412
Non-current liabilities	855,735	205,997	196,608	472,713	910,005	53,084	116,005	81,958	19,315,419	22,207,524

The revenue segregated per geographical areas is the following:

Revenue per geographical areas	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Total revenue from domestic customers	2,616,605	1,313,064
Total revenue from foreign customers	9,908,326	12,995,694
Total	**12,524,931**	**14,308,758**

Revenue per geographical areas	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
China	2,315,772	3,867,505
Rest of Asia	1,673,357	1,982,163
Europe	3,673,299	3,482,755
America	3,932,012	3,764,467
Other	930,491	1,211,868
Total	**12,524,931**	**14,308,758**

During the periods January - December 2019 and 2018, there is no income from ordinary activities from transactions with a single client, representing 10 percent or more of the income of ordinary activities of the Corporation.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

25. Foreign exchange differences

The detail of foreign exchange differences for the years ended December 31, 2019 and 2018, is as follows:

Gain (loss) from foreign exchange differences recognized in income	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Gain from foreign exchange differences	254,314	277,780
Loss from foreign exchange differences	(100,398)	(99,637)
Total exchange difference, net	**153,916**	**178,143**

26. Statement of cash flows

The following table shows the items that comprise other collections and payments from operating activities in the Statement of Cash Flows:

Other collections from operating activities	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
VAT Refund	1,580,041	1,513,219
Sales hedge	12,357	-
Other	234,866	220,336
Total	**1,827,264**	**1,733,555**

Other payments from operating activities	1/1/2019 12/31/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Contribution to Chilean treasury Law N°13.196	(917,632)	(1,136,559)
Sales hedge	-	(29,843)
VAT and other similar taxes paid	(1,319,723)	(1,388,782)
Total	**(2,237,355)**	**(2,555,184)**

During the years ended December 31, 2019 and 2018, as indicated in the equity note, capital contributions were received for a total of ThUS$400,000 and ThUS$600,000, respectively, which are presented in other cash inflows (outflows) corresponding to the net cash flows provided by (used in) activities of financing.

27. Financial risk management, objectives and policies

Codelco has committees within its organization to set out strategies allowing to reduce the financial risks to which it may be exposed.

The risks to which Codelco is exposed and a brief description of the management procedures that are carried out in each case, are described below:

a. Financial risks

- Exchange rate risk:

  According to IFRS 7, exchange rate risk is understood to be the risk that arises from financial instruments that are denominated in foreign currencies, that is, a currency other than the Corporation's functional currency (US dollar).

  Codelco's activities that generate this exposure correspond to funding in UF, accounts payable and receivable in Chilean pesos, other foreign currencies used in its business operations and obligations with employees.

  The majority of transactions in currencies other than US$ are denominated in Chilean pesos. Also, there is another portion in Euro, which corresponds mainly to a long-term loan issued through the international market, which exchange rate risk is mitigated with hedging instruments (Swap).

  Taking into consideration the financial assets and liabilities as of December 31, 2019 as the base, a fluctuation (positive or negative) of 10 Chilean pesos against the U.S. dollar (keeping the other variables constant), could affect profits before taxes by US$34 million in net income, respectively. This result is obtained by identifying the main items (including assets and financial liabilities) denominated in foreign currencies in order to measure the impact on profit or loss that a variation of +/- 10 Chilean pesos would have in terms of US$, with respect to the closing exchange rate at the end of the reporting period.

  As of December 31, 2019 and 2018 the balance of time deposits denominated in Chilean pesos amounts to ThUS$56,308 and ThUS$270,021, respectively.

- Interest rate risk:

  This risk arises from interest rate fluctuations in Codelco's investment and financing activities. This movement can affect future cash flows or the market value of fixed rate financial instruments.

These rate variations refer to U.S. dollar variations, mostly with respect to the LIBOR rate. To manage this risk, Codelco maintains an adequate combination of fixed and variable rate debt, which is complemented by the possibility of using interest-rate derivatives to meet the strategic guidelines defined by Codelco's Corporate Finance Department.
It is estimated that, on the basis of net debt balance as of December 31, 2019, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US$23 million change in finance costs, before tax. This estimation is made by identifying the liabilities assigned variable interest, accrued at the end of the financial statements, which may vary with a change of one percentage point in variable interest rates.

Total fixed and variable interest rate obligations maintained by Codelco as of December 31, 2019 correspond to amounts of ThUS$14,189,945 and ThUS$3,074,411, respectively.

b. Market risks

- Commodity price risk:

  As a result of its commercial operations and activities, the Corporation's income is mainly exposed to the volatility of copper prices and certain sub-products such as gold and silver.

  Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing based on the monthly average market price for specified future periods. At the reporting date, the provisionally priced metal sales are marked-to-market, with adjustments (both gains and losses) being recorded in revenues in the consolidated statement of comprehensive income. Forward prices at the period-end are used for copper sales, while period-end average prices are used for molybdenum concentrate sales due to the absence of an assets futures market. (See Note 2.r) "Income from Activities Ordinary Procedures from Contracts with Customers "of section II" Main policies countable ").

  For the year ended December 31, 2019, if the future price of copper fluctuates by + / - 5% (with the other variables constant), the result would vary in an amount of US$97 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect as of December 31, 2019 (MTMF 314). For the estimate indicated, all of those physical sales contracts were valued according to the monthly average immediately following the close of the financial statements, and proceeds to be estimated regarding what the final settlement price will be if there is a difference of + / - 5% with respect to the future price known to date for this period.

  In order to protect cash flow and adjust, where necessary, its sales contracts to its trade policy, the Corporation holds operations in futures markets. At the end of the reporting period, these contracts are adjusted to fair value, recording this effect, at the settlement date of the hedging transactions as part of net product sales.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of December 31, 2019, a variation of U.S. ¢ 1 in the price per pound of copper, considering derivatives contracted by the Corporation, involves a change in income or payments for existing contracts (exposures) of US$194 before taxes. This calculation is obtained from a simulation curves of future copper prices, which are used to assess the subscribed derivative instruments by the Corporation; estimations would vary with respect to the exposure related these instruments if there is an increase of U.S. $0.01 decrease in the price per pound of copper.

The Corporation has not entered into any hedging transactions with the specific purpose of hedging the price risk caused by fluctuations in prices of production inputs.

c. Liquidity risk

The Corporation ensures that it has sufficient resources, such as pre-approved credit lines (including refinancing), in order to meet short-term requirements, after considering the necessary working capital for its operations and any other commitments it has.

In this sense, Codelco Chile maintains resources at its disposal sufficient to meet its obligations, whether in cash, liquid financial instruments or credit facilities.

In addition, the Finance Department constantly monitors the Corporation's cash flow projections based on short and long term projections and available financing alternatives. In addition, the Corporation estimates that it has enough headroom to increase the level of borrowing for the normal requirements of its operations and investments established in its development plan.

In this context, according to current existing commitments with creditors, the cash requirements to cover financial liabilities classified by maturity and presented in the statement of financial position are detailed as follows:

Maturity of financial liabilities as of 12/31/2019	Less than one year ThUS$	Between one and five years ThUS$	More than five years ThUS$
Loans from financial institutions	666,144	1,195,172	1,213,095
Bonds	572,587	1,635,870	11,981,488
Finance leases	127,761	243,711	61,399
Derivatives	11,496	-	148,987
Other financial liabilities	363	58,501	-
Total	**1,378,351**	**3,133,254**	**13,404,969**

d. Credit risk

This risk comprises the possibility that a third party does not fulfill its contractual obligations, thereby causing a loss for the Corporation.

Given the Corporation's sales policy, principally with cash and advance payments and bank letters of credit, the uncollectability of client debt balances is minimal. This is complemented by the familiarity the Corporation has with its clients and the length of time it has operated with them. Therefore, the credit risk of these transactions is not significant.

The indications with respect to the payment conditions to the Corporation are detailed in every sales contract and the negotiation management is under the charge of the Vice Presidency of Marketing.

In general, the Corporation's other accounts receivable have a high credit quality according to the Corporation's evaluations, based on each debtor's solvency analysis and payment history.

The maximum exposure to credit risk as of December 31, 2019 is represented by the financial asset items presented in the Corporation's Statement of Financial Position.

The Corporation's accounts receivable do not include customers with balances that could be classified as a significant concentration of debt and would represent a material exposure for Codelco. This exposure is distributed among a large number of clients and other counterparties.

In the customer items, the provisions, which are not significant, are included based on the review of the outstanding balances and characteristics of the clients, destined to cover eventual insolvencies.

In explanatory note 2, trade and other receivables presents past due balances that have not been impaired.

The Corporation estimates that unimpaired amounts overdue over 30 days are recoverable based on clients' historical payment behavior and their existing credit ratings.

As of December 31, 2019 and 2018, there are no receivable balances that have been renegotiated.

Codelco works with major banks, which have high national and international ratings, and continually assesses them; therefore, the risk that could affect the availability of the Corporation's funds and financial instruments is not significant.

Also, in some cases, to minimize credit risk, the Corporation has contracted credit insurance policies through which it transfers to third parties the commercial risk associated with some aspects of its business.

During the year ended December 31, 2019 and 2018, no guarantees have been executed to ensure the collection of third party debt.

Personnel loans mainly related to mortgage loans, according to programs included in union agreements, which are paid for through payroll discounts.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

28. Derivatives contracts

The Corporation has entered into transactions to hedge cash flows, to minimize the risk of foreign exchange rate variations and sales price variations, detailed as follows:

a. Hedges

The Corporation has taken measures to protect itself from exchange rate and interest rate variations, whose positive fair value, net of taxes, amounts to ThUS$19,792.

The following table summarizes the detail of the financial hedges contracted by the Corporation:

December 31, 2019

Hedged item	Bank	Type of derivative contract	Maturity	Currency	Amount ThUS$	Financial obligation: hedging instrument ThUS$	Fair value of hedging instruments ThUS$	Asset ThUS$	Liability ThUS$
Bond UF Mat. 2025	Credit Suisse (EE.UU)	Swap	4/1/2025	US$	260,890	208,519	75,608	329,480	(253,872)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US$	336,399	409,650	(73,114)	380,570	(453,684)
Bond EUR Mat. 2024	Deustche Bank (Inglaterra)	Swap	7/9/2024	US$	336,399	409,680	(72,756)	380,583	(453,339)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US$	378,101	406,212	6,976	461,581	(454,605)
Bond AUD Mat. 2039	Santander (Chile)	Swap	8/22/2039	US$	49,013	49,266	(1,558)	54,509	(56,067)
Bond HKD Mat. 2034	HSBC Bank USA N.A. (EE	Swap	11/7/2034	US$	64,220	63,792	(703)	64,220	(64,923)
Total					**1,425,022**	**1,547,119**	**(65,547)**	**1,670,943**	**(1,736,490)**

December 31, 2018

Hedged item	Bank	Type of derivative contract	Maturity	Currency	Amount ThUS$	Financial obligation: hedging instrument ThUS$	Fair value of hedging instruments ThUS$	Asset ThUS$	Liability ThUS$
Bond UF Mat. 2025	Credit Suisse (USA)	Swap	4/1/2025	US$	273,765	208,519	84,365	334,180	(249,815)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US$	343,170	409,650	(53,592)	388,339	(441,931)
Bond EUR Mat. 2024	Deustche Bank (England)	Swap	7/9/2024	US$	343,170	409,680	(53,170)	388,339	(441,509)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US$	396,761	406,212	23,335	458,627	(435,292)
Total					**1,356,866**	**1,434,061**	**938**	**1,569,485**	**(1,568,547)**

As of December 31, 2019, the Corporation does not maintains cash deposit guarantee balances.

The current methodology for valuing currency swaps is to use the bootstrapping technique from the mid - swap rate to construct the curves (zero) in UF and USD respectively, from market information.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The notional amounts are detailed below:

December 31, 2019	Notional amount of contracts with final maturity							
	Currency	Less than 90 days ThUS$	More than 90 days ThUS$	Current Total ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	More than 5 years ThUS$	Non-current Total ThUS$
Currency derivatives	ThUS$	13,156	48,151	61,307	122,611	122,611	1,629,037	1,874,259

b. Cash flows hedging contracts and commercial policy adjustment

The Corporation enters into metals hedging activities. Such results increase or decrease the total sales revenue based on the market prices of the metals. As of December 31, 2019, these operations generated a gain of ThUS$10,935.

b.1. Commercial flexibility operations of copper contracts

The purpose of these contracts is to adjust the price of shipments to the price defined in the Corporation's related policy, defined in accordance with the London Metal Exchange (LME). As of December 31, 2019, the Corporation performed derivative market transactions of copper that represent 432,800 metric tons of fine copper. These hedging operations are performed as part of the Corporation's commercial policy.

The current contracts as of December 31, 2019, present a negative fair value of ThUS$815 and their final result will only be known at their maturity, offsetting the hedging transactions with revenue from the sale of the hedged products.

The transactions settled as of year ended December 31, 2019 resulted in a net positive effect on net income of ThUS$11,960, which is comprised of the amounts received for sales contracts for ThUS$10,464 and the amounts net off against purchases contracts for ThUS$1,496.

b.2. Commercial Transactions of Current Gold and Silver Contracts

As of December 31, 2019, the Corporation maintains derivative contracts for the sale of gold and silver of ThOZT 2,720.

The contracts outstanding as of December 31, 2019 show a negative fair value of ThUS$1. The final result will only be known at the expiration of such operations, after offsetting between hedging and income from the sale of the goods. These hedging operations expire up until April 2020.

The operations completed between January 1 and December 31, 2019, generated a negative effect on results of ThUS$1,025, corresponding to values per physical sales contracts for a negative amount of ThUS$1,025.

b.3. Cash flow hedging operations backed by future production

The Corporation does not possess cash flow hedges backed by future production as of December 31, 2019.

The following tables set forth the maturities of metal hedging activities, as referred to in point b above:

December 31, 2019			Maturity date				
ThUS$	2020	2021	2022	2023	2024	Upcoming	Total
Flex Com Cobre (Asset)	1,315	525	-	-	-	-	1,840
Flex Com Cobre (Liability)	(1,799)	(844)	(12)	-	-	-	(2,655)
Flex Com Gold/Silver	(1)	-	-	-	-	-	(1)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	(485)	(319)	(12)	-	-	-	(816)

December 31, 2018			Maturity date				
ThUS$	2019	2019	2020	2021	2022	Upcoming	Total
Flex Com Cobre (Asset)	43,539	13,969	993	-	-	-	58,501
Flex Com Cobre (Liability)	(56)	(62)	-	-	-	-	(118)
Flex Com Gold/Silver	(671)	-	-	-	-	-	(671)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	42,812	13,907	993	-	-	-	57,712

December 31, 2019			Maturity date				
All figures in thousands of metric tons ounces	2020	2021	2022	2023	2024	Upcoming	Total
Copper Futures [MT]	335.65	96.65	0.50	-	-	-	432.80
Gold/Silver Futures [ThOZ]	2.72	-	-	-	-	-	2.72
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

December 31, 2018			Maturity date				
All figures in thousands of metric tons ounces	2019	2020	2021	2022	2023	Upcoming	Total
Copper Futures [MT]	300.10	110.45	10.30	-	-	-	420.85
Gold/Silver Futures [ThOZ]	349.57	-	-	-	-	-	349.57
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

29. Contingencies and restrictions

a) Litigations and contingencies

There are various lawsuits and legal actions initiated by or against the Corporation, which derive from its operations and the industry in which it operates. In general, these are civil, tax, labor and mining litigations, all related to the Corporation's activities.

In the opinion of Management and its legal advisors, the lawsuits where the Corporation is being sued and could have negative results do not represent significant loss contingencies or cash flows. Codelco defends its rights and employs all corresponding relevant legal instances, resources and procedures.
The most significant lawsuits that involve Codelco are related to the following matters:

- Tax proceedings: There is a tax proceeding for liquidation No.141 of tax year 2015 and Exempt Resolution No. 89 of 2016 issued by the Internal Revenue Service (SII), for which the Corporation presented the corresponding appeals, which were received and resolved in favor of the Tax and Customs Courts, a resolution that was appealed by the SII.

- Labor proceedings: Labor proceedings brought by the workers of the Andina Division against the Corporation with regard to occupational diseases (silicosis).

- Mining proceedings and others arising from the Operation: The Corporation has been participating, and will probably continue to participate, as plaintiff and defendant in given court proceedings involving its mining operation and activities, through which it seeks to exercise certain actions or set up certain defenses in relation to given mining concessions that have been established or are in the process of being established, as well as also with regard to its other activities. These proceedings currently do not involve any given amount and do not have any essential effect on Codelco's development.

- At the date of issuance of these financial statements, the Codelco faces various lawsuits and legal actions against it for a total of approximately US$306 million corresponding to 372 cases. According to the estimate made by the legal advisors of the Corporation, 298 cases, which represent 80.11% of the universe, have associated probable loss results amounting to ThUS$49,684. There are also 61 cases, representing 16.4% for an amount of ThUS$34,981, for which it is more likely than not, that the ruling will not be against the Corporation.

- Lawsuit under administrative law: On August 2, 2017, a Nullity in Public Law claim was filed in the 25th Civil Court of Santiago against Audit Report No. 900 of 2016, issued by the General Comptrollership of the Republic on May 10, 2017. At this date, the discussion stage has been completed and the evidence submitting stage should start soon.

For litigation with a probable unfavorable outcome for the Corporation, the necessary provisions has been recognized as "provisions for legal proceedings."

b) Other Commitments

i. On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, CuPIC, in which both companies have an equal equity interest. A 15-year copper cathode sales contract to that associated company was agreed upon, as well as a purchase contract from Minmetals to CupiC for the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid for by the buyer at a price formed by a fixed re-adjustable component plus a variable component, which depends on current copper prices at the time of shipment.

During the first quarter of 2006 and on the basis of the negotiated financial terms, financing contracts were formalized with the China Development Bank allowing CuPIC to make the US$550 million advance payment to Codelco in March 2006.

With regard to financial obligations incurred by the associate CuPIC with the China Development Bank, Codelco Chile and Codelco International Ltd, must meet certain commitments, mainly relating to the delivery of financial information. In addition, Codelco Chile must maintain 51% ownership of Codelco International Limited.

According to the Sponsor Agreement, dated March 8, 2006, the Codelco International Ltd. subsidiary gave its participation in CuPIC as a guarantee to the China Development Bank. Subsequently, on March 14, 2012, CuPIC paid off its debt to the abovementioned bank. As of December 31, 2017. Codelco does not hold any indirect guarantee regarding its participation in this associated company.

On December 17, 2015, the Codelco administration presented a restructuring for the Supply Contract, which implies the removal of its share in CUPIC.

On April 7, 2016, the Corporation formalized the removal of its share in CUPIC, of which Codelco retained 50% ownership through the subsidiary Codelco International. Until that date, Codelco shared the ownership of the Company in the same proportion with the company Album Enterprises Limited (a subsidiary of Minmetals).

In order to realize the above mentioned term of the shareholding, Codelco signed a set of agreements which formalized primarily the following issues:

- Copper sales contract modifications from Codelco to CUPIC signed in 2006, which establishes the reduction of half of the outstanding tonnage to deliver to this company and in which Codelco pays to CUPIC the amount of ThUS$99,330.

- Reduction of share capital in CuPIC, equivalent to the 50% of the Codelco International shares in said company and by which CuPIC repays to Codelco the amount of ThUS$99,330.

- Waiver of Codelco to any dividends associated with the profits generated by CuPIC from January 1, 2016 and the date of signing the agreement.

- Additionally, the cessation of dividends reception as a consequence of the removal of the Codelco share in the ownership of CuPIC since 2016, led to a reduction of the net profit estimated to Codelco until the end of the contract signed with that company (year 2021). This implied that such contract qualifies as an onerous contract, according to IAS 37, which negatively impacts on earnings before tax of Codelco in ThUS$22,184 (negative net tax effect of ThUS$6,599 as of April 7, 2016).

ii. Regarding the financing agreement signed on August 23, 2012, between the subsidiary, Gacrux Inversiones SpA and Mitsui & Co. Ltd. for the acquisition of the 24.5% stake in Anglo American Sur S.A. which was subsequently amended on October 31, 2012, a pledge is included over the shares that the subsidiary has on Acrux Inversiones SpA (shared participation with Mitsui and minority shareholder in Anglo American Sur S.A.), in order to ensure compliance with the obligations that the financial agreement contemplates.

This pledge extends to the right to collect and receive from Acrux dividends which have been agreed in the corresponding meetings of shareholders of the company and any other distributions paid or payable to Gacrux respect of the pledged shares.

On December 22, 2017 according to archive No. 12326 / 2017, it was established that, Gacrux, the Creditor and the Guarantee Agent, the latter representing the Guaranteed Parties, modified , by virtue of the Merger (see Note 2d), the Contract of Pledge and the Modified Pledge Agreement as to the pledge on transferable securities and the commercial pledge, as well as the restrictions and prohibitions established in the Pledge Contract and in the Modified Pledge Contract, making it subject to , by virtue of the Merger, to two thousand thirteen million two hundred and forty-five thousand four hundred and seventy-three shares pledge issued by Becrux, owned by Gacrux, hereinafter the "Pledged Becrux Shares."

iii. Law 19.993 dated December 17, 2004, authorized the purchase of the Refinery and Smelter Las Ventanas assets from ENAMI, establishing that the Corporation must ensure that the smelting and refining capacity required is maintained, without any restriction and limitation, for treating the products of the small and medium mining sector sent by ENAMI, under the form of toll production or another form agreed upon by the parties.

iv. Obligations with the public for bond issues means that the Corporation must meet certain restrictions related to limits on pledges and leaseback transactions on its principal assets and on its ownership interest in subsidiaries.

The Corporation has complied with these conditions as of December 31, 2019 and 2018.

v. On January 20, 2010, the Corporation signed two energy supply contracts with Colbún S.A., which includes energy and power sales and purchases for a total of 510 MW of power. The contract provides a discount for that unconsumed energy from Codelco's SIC divisions with respect to the amount of contracted power. The discount is equivalent to the value of the sale of that energy on the spot market.

The contracted power for supplying these Divisions is comprised by two contracts:
- Contract No.1 for 176 MW, current until December 2029
- Contract No.2 for 334 MW, current until December 2044. This contract is based on energy production from Colbún's Santa María thermal power station, which is currently in operation. This plant is coal-fired, and therefore the electric energy tariff rate applied for the energy supplied to Codelco is linked to the price of coal.

Both of these contracts comply with Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

Through these contracts, which operate through take or pay, the Corporation agrees to pay for the contracted energy and Colbún undertakes to reimburse at market price the energy not consumed by Codelco.

These contracts have maturity dates in 2029 and 2044.

vi. On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA S.A. (associate until January 2011), which matured in August 2017.
For the electric power supply of the Chuquicamata's work center, there are three contracts:
- Engie for a 15-year term from January 2010, that is maturing in December 2024, for 200 MW capacity, and another contract for a 200 MW capacity which was signed in January 2018 and will be effective as of January 2025 with maturity in December 2035.
- CTA effective from 2012 for 80 MW capacity, maturity in 2032.

vii. On August 26, 2011, Codelco signed two energy supply contracts with AESGener. The first one for the Minister Hales division for a 99 MW capacity and the second contract for the Radomiro Tomic work center, for a maximum capacity of 145 MW. Both contracts will mature in 2028.

viii. On November 11, 2011, Law No. 20551 was published in the Official Journal, which regulates the tasks and closure of mining facilities. Additionally, on November 22, 2012, the Supreme Decree No. 41 of the Minister of Mining, which approves the Regulations of this Law, was published in the Diario Oficial.

This law requires the Corporation, among other requirements, to provide financial guarantees to the State to ensure the implementation of closure plans. It also establishes the obligation to make contributions to a fund which aims to cover the costs of post-closure activities.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The Corporation, in accordance with the mentioned regulation, provided to SERNAGEOMIN the Mine Closure Plan (ARO) for all of the Codelco operating divisions in 2014, which were approved in 2015 in accordance with the provisions of the Act.
The mine closure plans delivered to SERNAGEOMIN were developed by invoking the transitional regime of the Act, which was specified for the affected mining companies under the general application procedure (extraction capacity > 10,000 tons per month), and which, at the date of enactment of the Law, will abide in operation and move forward with a mine closure plan previously approved under Mine Safety Regulations Supreme Decree No. 132.

The Corporation considers that the accounting liability recorded caused by this obligation differs from the law's requirement, mainly by differences concerning the horizon that is considered for the projection of flows, in which the law requires the determination of the obligations in terms of mineral reserves, while the financial-accounting approach incorporates some of its mineral resources. Therefore, the discount rate established by law, may differ from that used by the Corporation under the criteria set out in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and described in Note 2, letter p) of Main Accounting Policies.

As of December 31, 2019, the Corporation has agreed guarantees for an annual amount of U.F. 27,892,917 to comply with the aforementioned Law No. 20.551. The following table details the main given guarantees:

Transmitter	Mine site	Amount	Currency	Date	Maturity date	Emission rate %	ThUS$
Banco Estado	Radomiro Tomic	3,232,980	UF	11/8/2019	11/10/2020	0.09	122,239
Banco Itau	Ministro Hales	1,845,954	UF	11/6/2019	11/13/2020	0.09	69,796
Banco de Chile	Chuquicamata	4,191,593	UF	11/26/2019	11/26/2020	0.10	158,485
Banco Santander	El Teniente	5,000,000	UF	11/29/2019	12/2/2020	0.15	189,051
Banco Itau	El Teniente	2,367,016	UF	11/28/2019	12/2/2020	0.15	89,497
Banco Bci	El Teniente	1,800,000	UF	11/29/2019	12/2/2020	0.18	68,058
Banco Estado	Gabriela Mistral	1,978,180	UF	12/11/2019	12/15/2020	0.11	74,795
Banco Itau	Salvador	2,700,000	UF	8/8/2018	2/18/2020	0.10	102,087
Banco Santander	Salvador	611,647	UF	2/6/2019	2/18/2020	0.15	23,126
Banco Estado	Andina	3,310,724	UF	4/22/2019	5/3/2020	0.07	125,179
Banco Estado	Ventana	400,043	UF	12/19/2019	10/7/2020	0.10	15,126
Banco Bci	Ventana	454,782	UF	12/18/2019	10/7/2020	0.18	17,195
Total		**27,892,919**					**1,054,634**

ix. On August 24, 2012, Codelco through its subsidiary Inversiones Mineras Nueva Acrux SpA (Nueva Acrux) (which minority shareholder is Mitsui), signed a contract with Anglo American Sur S.A. Under this contract, Codelco agreed to sell a portion of its annual copper production to the mentioned subsidiary, who in turn agrees to purchase such production.

Such annual portion is determined by the share of Codelco's indirect subsidiary, Inversiones Mineras Becrux SpA (also shared ownership with Mitsui), maintained for the shares of Anglo American Sur S.A.

In turn, the subsidiary Nueva Acrux agrees to sell to Mitsui, the products purchased under the agreement described in the preceding paragraphs.
The contract expiration will occur when the shareholders agreement of Anglo American Sur S.A ends or other events related to the completion of mining activities of the company take place.

On June 11, 2019, Codelco and Anglo American Sur S.A. signed an agreement that ensures and optimizes the operation of their respective copper mines, Andina and Los Bronces, respectively. This agreement is similar to others that the same parties have signed during the last 40 years and that favor the independent, safe and sustainable operation of these neighboring mines.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

30. Guarantees

The Corporation as a result of its activities has received and given guarantees.

The following tables list the main guarantees given to financial institutions:

Direct Guarantees provided to Financial Institutions					
Creditor of the Guarantee	**Type of Guarantee**	**12/31/2019**			**12/31/2018**
		Currency	**Maturity**	**ThUS$**	**ThUS$**
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	3/1/2020	1,409	-
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	6/30/2020	2	-
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	7/15/2020	230	-
Minestry of Public Works	Building project	UF	12/31/2019	22,364	-
General Directorate of Maritime Territory and Merchant Marine	Building project	CLP	3/1/2019	-	1,783
Minestry of Public Works	Building project	UF	10/1/2019	-	566
Minestry of Public Works	Building project	UF	10/2/2021	516	-
Viability management	Building project	UF	3/1/2020	1	-
Viability management	Building project	UF	3/1/2020	1	-
Viability management	Building project	UF	3/1/2020	1	-
Viability management	Building project	UF	3/1/2020	1	-
Viability management	Building project	UF	4/22/2020	4	-
Viability management	Building project	UF	2/18/2020	1	-
Viability management	Building project	UF	4/8/2024	4	-
Viability management	Building project	UF	3/10/2020	2	-
Viability management	Building project	UF	3/10/2020	2	-
Viability management	Building project	UF	3/10/2020	4	-
Ministry of national goods	Project of exploitation	UF	6/19/2020	8	-
Ministry of national goods	Project of exploitation	UF	6/19/2020	8	-
Ministry of national goods	Project of exploitation	UF	6/19/2020	8	-
Oriente Copper Netherlands B.V.	Pledge on shares	US$	11/1/2032	877,813	877,813
Sernageomin	Environmental	UF	3/18/2019	-	17,920
Sernageomin	Environmental	UF	5/9/2019	-	137,355
Sernageomin	Environmental	UF	6/13/2019	-	73,210
Sernageomin	Environmental	UF	6/13/2019	-	11,980
Sernageomin	Environmental	UF	6/1/2019	-	110,322
Sernageomin	Environmental	UF	6/1/2019	-	273,875
Sernageomin	Environmental	UF	5/25/2019	-	192,789
Sernageomin	Environmental	UF	5/25/2019	-	103,290
Sernageomin	Environmental	UF	5/12/2019	-	39,150
Sernageomin	Environmental	UF	5/12/2019	-	38,215
Sernageomin	Environmental	UF	5/25/2019	-	96,395
Sernageomin	Environmental	UF	11/11/2019	122,239	-
Sernageomin	Environmental	UF	11/14/2019	69,796	-
Sernageomin	Environmental	UF	11/14/2019	158,485	-
Sernageomin	Environmental	UF	11/27/2019	189,051	-
Sernageomin	Environmental	UF	11/27/2019	89,497	-
Sernageomin	Environmental	UF	11/27/2019	68,058	-
Sernageomin	Environmental	UF	12/2/2019	74,795	-
Sernageomin	Environmental	UF	12/2/2019	102,087	-
Sernageomin	Environmental	UF	12/15/2019	23,126	-
Sernageomin	Environmental	UF	2/18/2020	125,179	-
Sernageomin	Environmental	UF	5/3/2020	15,126	-
Sernageomin	Environmental	UF	9/18/2020	17,195	-
Total				**1,957,167**	**1,974,663**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As for the documents received as collateral, they cover mainly obligations of suppliers and contractors related to the various development projects. Below are given the amounts received as collateral, grouped according to the Operating Divisions that have received these amounts:

Guarantees received from third parties		
Division	12/31/2019 ThUS$	12/31/2018 ThUS$
Andina	418	3,891
Chuquicamata	375	2,445
Casa Matriz	887,051	803,719
Salvador	387	1,311
El Teniente	447	4,137
Ventanas	52	105
Total	**888,730**	**815,608**

31. Balances in foreign currency

a) Assets by Type of Currency

Category	12/31/2019 ThUS$	12/31/2018 ThUS$
Liquid assets	**1,476,056**	**1,460,534**
US Dollars	1,385,451	1,383,897
Euros	49,773	25,482
Other currencies	4,674	4,547
Non-indexed Ch$	34,367	46,129
U.F.	1,791	479
Cash and cash equivalents	**1,303,105**	**1,229,125**
US Dollars	1,212,657	1,152,715
Euros	49,773	25,482
Other currencies	4,674	4,547
Non-indexed Ch$	34,348	46,109
U.F.	1,653	272
Other current financial assets	**172,951**	**231,409**
US Dollars	172,794	231,182
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	19	20
U.F.	138	207
Short and long term receivables	**2,723,280**	**2,409,835**
US Dollars	2,042,514	1,789,757
Euros	112,649	62,857
Other currencies	384	320
Non-indexed Ch$	547,809	482,180
U.F.	19,924	74,721
Trade and other receivables	**2,588,268**	**2,212,209**
US Dollars	2,006,046	1,676,862
Euros	112,649	62,580
Other currencies	384	320
Non-indexed Ch$	450,304	398,966
U.F.	18,885	73,481

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Category	12/31/2019 ThUS$	12/31/2018 ThUS$
Rights receivables, non-current	**98,544**	**84,731**
US Dollars	-	-
Euros	-	277
Other currencies	-	-
Non-indexed Ch$	97,505	83,214
U.F.	1,039	1,240
Due from related companies, current	**20,874**	**92,365**
US Dollars	20,874	92,365
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Due from related companies, non-current	**15,594**	**20,530**
US Dollars	15,594	20,530
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Rest of assets	**36,145,275**	**33,220,436**
US Dollars	35,353,960	32,171,442
Euros	191	705
Other currencies	65,714	279
Non-indexed Ch$	86,056	377,119
U.F.	639,354	670,891
Total assets	**40,344,611**	**37,090,805**
US Dollars	38,781,925	35,345,096
Euros	162,613	89,044
Other currencies	70,772	5,146
Non-indexed Ch$	668,232	905,428
U.F.	661,069	746,091

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b) Liability by type of currency:

Current liability by currency	12/31/2019		12/31/2018	
	Up to 90 days ThUS$	90 days to 1 year ThUS$	Up to 90 days ThUS$	90 days to 1 year ThUS$
Current liabilities	**3,031,838**	**891,119**	**3,049,854**	**489,558**
US Dollars	1,874,286	812,946	1,824,181	452,648
Euros	84,339	(7,238)	107,341	408
Other currencies	10,280	5,180	9,826	-
Non-indexed Ch$	1,041,933	73,518	1,088,536	31,419
U.F.	21,000	6,713	19,970	5,083
Other current financial liabilities	**508,466**	**869,885**	**412,451**	**459,826**
US Dollars	468,557	812,910	396,148	452,635
Euros	7,236	(7,238)	7,404	408
Other currencies	813	5,180	34	-
Non-indexed Ch$	21,818	52,661	879	1,700
U.F.	10,042	6,372	7,986	5,083
Bank loans	**326,228**	**339,916**	**5,739**	**399,132**
US Dollars	326,228	339,916	5,683	398,724
Euros	-	-	-	408
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	-	56	-
Obligations	**146,757**	**425,830**	**401,174**	**34,255**
US Dollars	132,851	419,842	387,578	34,255
Euros	7,236	-	7,404	-
Other currencies	783	5,988	-	-
Non-indexed Ch$	-	-	-	-
U.F.	5,887	-	6,192	-
Finance lease	**35,111**	**92,650**	**5,167**	**16,343**
US Dollars	9,478	27,224	2,887	9,560
Euros	-	-	-	-
Other currencies	30	242	-	-
Non-indexed Ch$	21,448	52,661	542	1,700
U.F.	4,155	12,523	1,738	5,083
Others	**370**	**11,489**	**371**	**10,096**
US Dollars	-	25,928	-	10,096
Euros	-	(7,238)	-	-
Other currencies	-	(1,050)	34	-
Non-indexed Ch$	370	-	337	-
U.F.	-	(6,151)	-	-
Other current liabilities	**2,523,372**	**21,234**	**2,637,403**	**29,732**
US Dollars	1,405,729	36	1,428,033	13
Euros	77,103	-	99,937	-
Other currencies	9,467	-	9,792	-
Non-indexed Ch$	1,020,115	20,857	1,087,657	29,719
U.F.	10,958	341	11,984	-

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Non-current liability by currency	12/31/2019				12/31/2018			
	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$
Non-Current liabilities	7,366,038	1,204,628	5,517,333	10,698,988	6,804,312	2,260,258	5,142,419	8,000,535
US Dollars	6,868,702	366,261	5,249,173	8,965,313	6,396,888	2,114,245	4,160,204	6,918,087
Euros	-	666,384	(672,798)	-	14	-	(7,832)	-
Other currencies	788	-	-	608,656	1	-	-	-
Non-indexed Ch$	456,079	154,879	247,001	548,174	390,088	141,392	277,356	505,603
U.F.	40,469	17,104	693,957	576,845	17,321	4,621	712,691	576,845
Other non-current financial liabilities	2,053,813	1,079,441	5,259,536	8,145,433	1,710,559	2,118,866	4,847,087	5,997,998
US Dollars	1,950,557	366,261	5,224,934	7,536,777	1,702,164	2,114,245	4,142,228	5,997,998
Euros	-	666,384	(672,798)	-	-	-	(7,832)	-
Other currencies	378	-	-	608,656	-	-	-	-
Non-indexed Ch$	75,474	29,692	13,538	-	219	-	-	-
U.F.	27,404	17,104	693,862	-	8,176	4,621	712,691	-
Bank loans	1,195,172	-	668,991	544,104	548,454	677,507	298,250	582,867
US Dollars	1,195,172	-	668,991	544,104	548,454	677,507	298,250	582,867
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	-	-	-	-	-	-
Obligations	637,298	998,572	4,380,159	7,601,329	1,065,419	1,414,296	4,415,461	5,415,131
US Dollars	637,298	332,188	3,715,011	6,992,673	1,065,419	1,414,296	3,034,864	5,415,131
Euros	-	666,384	-	-	-	-	678,446	-
Other currencies	-	-	-	608,656	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	665,148	-	-	-	702,151	-
Finance Lease	162,842	80,869	61,399	-	32,714	27,063	26,552	-
US Dollars	59,589	34,073	19,400	-	24,322	22,442	16,012	-
Euros	-	-	-	-	-	-	-	-
Other currencies	378	-	-	-	-	-	-	-
Non-indexed Ch$	75,471	29,692	13,538	-	216	-	-	-
U.F.	27,404	17,104	28,461	-	8,176	4,621	10,540	-
Others	58,501	-	148,987	-	63,972	-	106,824	-
US Dollars	58,498	-	821,532	-	63,969	-	793,102	-
Euros	-	-	(672,798)	-	-	-	(686,278)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	3	-	-	-	3	-	-	-
U.F.	-	-	253	-	-	-	-	-
Other liabilities non-current	5,312,225	125,187	257,797	2,553,555	5,093,753	141,392	295,332	2,002,537
US Dollars	4,918,145	-	24,239	1,428,536	4,694,724	-	17,976	920,089
Euros	-	-	-	-	14	-	-	-
Other currencies	410	-	-	-	1	-	-	-
Non-indexed Ch$	380,605	125,187	233,463	548,174	389,869	141,392	277,356	505,603
U.F.	13,065	-	95	576,845	9,145	-	-	576,845

32. Sanctions

As of December 31, 2019 and 2018, neither Codelco Chile nor its Directors and Managers have been sanctioned by the CMF or any other administrative authorities.

33. Environmental Expenditures

Each of Codelco's operations is subject to national, regional and local regulations related to protection of the environment and natural resources, including standards relating to water, air, noise and disposal and transportation of dangerous residues, among others. Chile has introduced environmental regulations that have obligated companies, including Codelco, to carry out programs to reduce, control or eliminate relevant environmental impacts. Codelco has executed and shall continue to execute a series of environmental projects to comply with these regulations.

Pursuant to the Letter of Values approved in 2010, Codelco is governed by a series of internal policies and regulations that frame its commitment to the environment, among which is the Corporate Sustainable Development Policy (2016).

The environmental management systems of the divisions, structure their efforts in order to comply with the commitments assumed by the corporation's environmental policies, incorporating elements of planning, operating, verifying and reviewing activities. As of December 31, 2019, Codelco is implementing a strategic change process in all divisions to manage the aspects and risks associated with environmental matters, under a corporate management system issued by Head Office, seeking to obtain the ISO 14001: 2015 certification.

In accordance with Supreme Decree D.S. No. 28, the Corporation is carrying out is environmental, maintenance and operating plans for its smelting plants.

To comply with the Circular No. 1901 of 2008 of the CMF, the details of the Corporation's main expenditures related to the environment during the years ended December 31, 2019 and 2018, respectively, and the projected future expenses are stated below.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Entity	Proyect name	Proyect Status	Disbursements 12/31/2019			12/31/2018	Future committed	
			Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
	Chuquicamata							
Codelco Chile	Talambre dam capacity extension, 8th stage	In Progress	76,611	Asset	P, P & E	148,715	65,157	2020
Codelco Chile	Emergency restoration system dust control crushing plant 2/3	Finished	-	Asset	P, P & E	345	-	-
Codelco Chile	Replacement of circulation pot 1A and 2A	In Progress	14,033	Asset	P, P & E	1,370	6,690	2020
Codelco Chile	Construction installation surplus management	In Progress	761	Asset	P, P & E	-	65	2019
Codelco Chile	Replacement of water treatment plant	In Progress	8,944	Asset	P, P & E	-	4,822	2019
Codelco Chile	Replacement gas management system	In Progress	9,671	Asset	P, P & E	745	1,724	2020
Codelco Chile	Acid plant tranformation 3-4 DC/DA	In Progress	160,546	Asset	P, P & E	200,844	7,291	2020
Codelco Chile	Enablement refining gas treatment system	In Progress	50,009	Asset	P, P & E	26,973	28,504	2020
Codelco Chile	Dryer replacement n ° 5 fuco	In Progress	39,136	Asset	P, P & E	23,204	16,603	2020
Codelco Chile	Management feeding and transport powders	Finished	-	Asset	P, P & E	1,363	-	-
Codelco Chile	Construction Relle Res Dom-Asim Montec	In Progress	2,181	Asset	P, P & E	599	8,408	2020
Codelco Chile	Construction IX stage Talambre tranque	In Progress	9,542	Asset	P, P & E	6,063	1,601	2019
Codelco Chile	Construction 8 Seg Montecristo	In Progress	11,393	Asset	P, P & E	799	7,875	2020
Codelco Chile	Acid plants	In Progress	35,823	Expenditure	Adm. Expense	30,989	-	2019
Codelco Chile	Solid waste	In Progress	2,388	Expenditure	Adm. Expense	6,595	-	2019
Codelco Chile	Tailings	In Progress	23,153	Expenditure	Adm. Expense	23,047	-	2019
Codelco Chile	Water treatment plant	In Progress	25,143	Expenditure	Adm. Expense	17,501	-	2019
Codelco Chile	Environmental monitoring	In Progress	2,152	Expenditure	Adm. Expense	3,811	-	2019
Codelco Chile	Normalization drainage system drill hole	In Progress	4,551	Asset	P, P & E	-	6,747	2020
Codelco Chile	Standard handling / feeding / transport powder	In Progress	61	Asset	P, P & E	-	21,595	2021
	Total Chuquicamata		**476,098**			**492,963**	**177,082**	
	Salvador							
Codelco Chile	Improved integration of the gas process	In Progress	87,710	Asset	P, P & E	91,755	45,224	2020
Codelco Chile	Concentrator filter plant construction	Finished	-	Asset	P, P & E	28	-	-
Codelco Chile	Water capture improvement	Finished	-	Asset	P, P & E	147	-	-
Codelco Chile	Tailings	In Progress	3,141	Expenditure	Adm. Expense	2,008	-	2019
Codelco Chile	Acid plants	In Progress	51,131	Expenditure	Adm. Expense	29,677	-	2019
Codelco Chile	Solid waste	In Progress	1,472	Expenditure	Adm. Expense	902	-	2019
Codelco Chile	Water treatment plant	In Progress	855	Expenditure	Adm. Expense	687	-	2019
Codelco Chile	Overhaul thickeners tailings sal-proy	In Progress	3,413	Asset	P, P & E	1,443	510	2019
Codelco Chile	Dangerous substances warehouse	In Progress	301	Asset	P, P & E	82	-	2019
Codelco Chile	Bell replacement	In Progress	23,639	Asset	P, P & E	11,185	5,664	2020
Codelco Chile	Ditch hazardous waste	In Progress	785	Asset	P, P & E	62	-	2019
Codelco Chile	DRPA Emergency	In Progress	4,564	Asset	P, P & E	177	22,295	2020
Codelco Chile	Compliance DS 43 storage dangerous substances	In Progress	68	Asset	P, P & E	-	2,213	2020
	Total Salvador		**177,079**			**138,153**	**75,906**	
	Andina							
Codelco Chile	Drain water treatment	Finished	-	Asset	P, P & E	171	-	-
Codelco Chile	Water Normative Phase 2	Finished	-	Asset	P, P & E	1,274	-	-
Codelco Chile	Construction site emergency plan	In Progress	3,886	Asset	P, P & E	11,176	541	2019
Codelco Chile	Construction site emergency plan	Finished	-	Asset	P, P & E	5,975	-	-
Codelco Chile	Improved water internal tip E2	In Progress	256	Asset	P, P & E	2,620	-	2019
Codelco Chile	Construction early alert plan	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Implementation in RCA compliance wells (Hydraulic Barrier)	Finished	-	Asset	P, P & E	3,010	-	-
Codelco Chile	Catchment water drainage hill black	In Progress	306	Asset	P, P & E	2,301	-	2019
Codelco Chile	Construction canal outline DL east	In Progress	5,133	Asset	P, P & E	6,136	9,725	2021
Codelco Chile	Standard fuel supply system	Finished	-	Asset	P, P & E	258	-	-
Codelco Chile	Construction site emergency plan	In Progress	4,436	Asset	P, P & E	7,942	3,675	2020
Codelco Chile	Oo Sbr Level 640 Msnm Tranq	Finished	-	Asset	P, P & E	16,720	-	-
Codelco Chile	Expansion dam	In Progress	49,430	Asset	P, P & E	-	63,343	2020
Codelco Chile	Construction Structure and instruments	In Progress	378	Asset	P, P & E	-	2,972	2020
Codelco Chile	Water injection system	In Progress	761	Asset	P, P & E	-	89	2019
Codelco Chile	construction of pits containment of spills	In Progress	441	Asset	P, P & E	-	804	2020
Codelco Chile	Valve and works rating	In Progress	1,097	Asset	P, P & E	-	4,037	2020
Codelco Chile	Collection tower construction No. 5	In Progress	336	Asset	P, P & E		173	2019
Codelco Chile	Solid waste	In Progress	2,833	Expenditure	Adm. Expense	2,735	-	2019
Codelco Chile	Water treatment plant	In Progress	4,063	Expenditure	Adm. Expense	3,927	-	2019
Codelco Chile	Trailing	In Progress	65,557	Expenditure	Adm. Expense	68,220	-	2019
Codelco Chile	Acid drainage	In Progress	27,615	Expenditure	Adm. Expense	30,894	-	2019
Codelco Chile	Environmental monitoring	In Progress	882	Expenditure	Adm. Expense	554	-	2019
Codelco Chile	Sustainability and external matters management	In Progress	2,410	Expenditure	Adm. Expense	2,880	-	2019
Codelco Chile	DLN conditioning works	In Progress	8	Asset	P, P & E	-	18,667	2021
Codelco Chile	Construction works mitigation water shortage	In Progress	7,605	Asset	P, P & E	-	20,638	2021
Codelco Chile	Excavation operation improvement	In Progress	34	Asset	P, P & E	-	3,645	2021
Codelco Chile	Water dispatch tunnel modification	In Progress	34	Asset	P, P & E	-	6,969	2021
	Total Andina		**177,501**			**166,793**	**135,278**	
Subtotal			**830,678**			**797,909**	**388,266**	

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Entity	Proyect name	Disbursements 12/31/2019				12/31/2018	Future committed	
			Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
	El Teniente							
Codelco Chile	Construction of 7th phase of Carén	In Progress	58,357	Asset	P, P & E	27,866	234,149	2022
Codelco Chile	Construction of 6th phase of Carén	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Construction of slag treatment plant	In Progress	122,158	Asset	P, P & E	108,854	98,653	2020
Codelco Chile	Construction of slag treatment plant	Finished	-	Asset	P, P & E	19,749	-	-
Codelco Chile	Smelting emissions network	In Progress	26,393	Asset	P, P & E	51,273	2,236	2020
Codelco Chile	Smoke capacity reduction	Finished	-	Asset	P, P & E	5,579	-	-
Codelco Chile	Smoke capacity reduction	In Progress	11,412	Asset	P, P & E	38,749	1,944	2019
Codelco Chile	Construction of slag treatment plant	In Progress	843	Asset	P, P & E	1,650	1,611	2020
Codelco Chile	Acid plants	In Progress	66,348	Expenditure	Adm. Expense	66,294	-	2019
Codelco Chile	Solid waste	In Progress	2,929	Expenditure	Adm. Expense	4,460	-	2019
Codelco Chile	Water treatment plant	In Progress	13,786	Expenditure	Adm. Expense	16,688	-	2019
Codelco Chile	Tailings	In Progress	65,003	Expenditure	Adm. Expense	66,632	-	2019
Codelco Chile	Well construction and hydrogeology modification Colihue-Cauquenes	In Progress	18	Asset	P, P & E	-	4,868	2022
Codelco Chile	Improvement of the container washing system for filter plants	In Progress	231	Asset	P, P & E	-	451	2020
	Total El Teniente		**367,478**			**407,794**	**343,912**	
	Gabriela Mistral							
Codelco Chile	Environmental monitoring	In Progress	54	Expenditure	Adm. Expense	6	-	2019
Codelco Chile	Solid waste	In Progress	2,031	Expenditure	Adm. Expense	2,420	-	2019
Codelco Chile	Environmental consultancy	In Progress	131	Expenditure	Adm. Expense	2,087	-	2019
Codelco Chile	Water treatment plant	In Progress	1	Expenditure	Adm. Expense	106	-	2019
Codelco Chile	Garbage dump extension	In Progress	25,270	Asset	P, P & E	7,446	9,137	2020
Codelco Chile	Improved dust collection system	In Progress	382	Asset	P, P & E	61	-	2019
	Total Gabriela Mistral		**27,869**			**12,126**	**9,137**	
	Ventanas							
Codelco Chile	Construction new warehouse of concentrate	Finished	-	Asset	P, P & E	2,072	-	-
Codelco Chile	Acid plants	In Progress	24,694	Expenditure	Adm. Expense	30,514	-	2019
Codelco Chile	Solid waste	In Progress	1,689	Expenditure	Adm. Expense	1,908	-	2019
Codelco Chile	Environmental monitoring	In Progress	1,362	Expenditure	Adm. Expense	1,586	-	2019
Codelco Chile	Water treatment plant	In Progress	5,573	Expenditure	Adm. Expense	5,340	-	2019
Codelco Chile	Distribution system replacement	In Progress	770	Asset	P, P & E	2,072	569	2019
Codelco Chile	Main chimney implementation	In Progress	474	Asset	P, P & E	-	714	2020
Codelco Chile	Implementation of abatement water system	In Progress	239	Asset	P, P & E	-	725	2020
Codelco Chile	Stockpile improvement	In Progress	525	Asset	P, P & E	-	828	2020
Codelco Chile	Improvement closure facilities and crusher belts	In Progress	219	Asset	P, P & E	-	722	2020
Codelco Chile	Stabilized road operations	In Progress	211	Asset	P, P & E	-	447	2020
	Total Ventanas		**35,756**			**43,492**	**4,005**	
	Radomiro Tomic							
Codelco Chile	Solid waste	In Progress	2,031	Expenditure	Adm. Expense	1,132	-	2019
Codelco Chile	Environmental monitoring	In Progress	54	Expenditure	Adm. Expense	725	-	2019
Codelco Chile	Water treatment plant	In Progress	1	Expenditure	Adm. Expense	949	-	2019
	Total Radomiro Tomic		**2,086**			**2,806**	**-**	
	Ministro Hales							
Codelco Chile	Solid waste	In Progress	1,961	Expenditure	Adm. Expense	664	-	2019
Codelco Chile	Environmental monitoring	In Progress	-	Expenditure	Adm. Expense	664	-	2019
Codelco Chile	Water treatment plant	In Progress	159	Expenditure	Adm. Expense	180	-	2019
Codelco Chile	Pit drainage wells mine	In Progress	3,148	Asset	P, P & E	10	3,213	2020
Codelco Chile	Implementation monitoring acuifero pit	In Progress	173	Asset	P, P & E	11	2,866	2020
Codelco Chile	Silice barn extension and dome control room	In Progress	45	Asset	P, P & E	-	4,130	2021
	Total Ministro Hales		**5,486**			**1,529**	**10,209**	
	Ecometales Limited							
Codelco Chile	Smelting powders leaching plant	In Progress	730	Expenditure	Adm. Expense	613	548	2020
Codelco Chile	Smelting powders leaching plant	In Progress	7	Expenditure	Adm. Expense	8	8	2020
	Total Ecometales Limited		**737**			**621**	**556**	
Subtotal			**439,412**			**468,368**	**367,819**	
Total			**1,270,090**			**1,266,277**	**756,085**	

34. Subsequent events

- On January 7, 2020, the Corporation reported an essential fact that on such date Don Roberto Ecclefield Escobar, current Vice President of Marketing has submitted his resignation to the Corporation, which will become effective on February 1, 2020.

- On January 7, 2020, the Corporation reported as an essential fact that Codelco accessed the international financial markets, through the placement of bonds in New York for US$1 billion for 10 years and US$1 billion for 30 years, through a reopening of the 30-year bond issued in September 2019, with yields of 3.175% and 3.958%, respectively. The rates represent spreads of 135 and 165 basis points on the American Treasury bond in each term. With this operation, Codelco's net debt is not increased and a new step is taken to a sustainable financing of the investment portfolio, in accordance with the guidelines given by the Board of Directors with respect to progress in the materialization of structural projects while maintaining a solid financial position.

  The issuance was led by banks HSBC Securtires (USA) Inc., JP Morgan Securities LLC, BofA Securities, and Scotia Capital (USA) Inc.

- On January 9, 2020, the Corporation reported as an essential fact, in accordance with the provisions of Circular No. 1,072, detail of the financing operation carried out on January 7, 2020.

- On January 29, 2020, the Corporation reported as an essential fact that S.E. the President of the Republic has designated as Director of Codelco, Mr. Rodrigo Cerda Norambuena, replacing Mr. Ignacio Briones Rojas.

- On January 31, 2020, the Corporation reported as an essential fact that Ms. Lorena Ferreiro Vidal has been appointed as Codelco's Legal Counselor from March 1, 2020.

  From such date, Ms. María Francisca Dominguez M. finishing practicing as Interim Legal Counselor.and will continue serving as Legal Director of the Corporation.

- On January 31, 2020, the Corporation reported as an essential fact, the creation of the Vice Presidency of Smelters and Refinery, reporting to the Executive President. From March 2020, Mr. José Sanhueza Reyes, who served up to such date, as General Manager of the Ventanas Division, was appointed Vice President in charge. Likewise, from such date, Mr. Gerardo Sanchez, is appointed as General Manager of the Ventanas Division.

- On February 28, 2020 and in relation to PE - 015/2020 dated January 31, 2020, the Corporation reported as an essential fact, that Mr. Gerardo Sánchez Sepúlveda will continue to serve as Manager of the Caletones Foundry of the El Teniente Division, for such reason, as of March 1, 2020, Mr. Cristián Cortés Egaña will assume in an interim capacity the position of General Manager of the Ventanas Division.

- On March 2, 2020, the Corporation reported as an essential fact, the appointment of Don Patricio Vergara Lara, as Vice President of Mining Resources and Development Management, from April 20, 2020.

- On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic that has resulted in a series of public health and emergency measures that have been put in place and are underway to combat the spread of the virus. The duration and impact of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact of the duration and severity of these developments in future periods.

  For several weeks now, Codelco has been permanently monitoring the aforementioned outbreak, its constant evolution, eventual impact on the Corporation's financial and operational indicators, possible effects on our workers, clients, suppliers, as well as collaborating with government actions that are being taken to reduce its spread, with no material impact observed to date on its ability to meet its financial, production or sale commitments. The foregoing is without prejudice to the impact on world demand for copper, which has meant a decrease in the price, which is public knowledge.

  Particularly, in relation to the Corporation's liquidity levels, and as a result of the last financing carried out in January this year, the Corporation finds itself in a solid cash position, which allows it to absorb the short-term negative impacts on the price of copper.

  Thus, we cannot currently estimate the overall duration of any resulting adverse impact on our business, financial condition and / or results of operations as well as its degree of materiality. However, given some scenarios that could materialize in the coming months, we cannot rule out that our financial results may be negatively affected by this contingency.

- On March 23, the Ministry of Finance issued Ordinary Letter No. 843, which modifies the payment method of the Law 13,196 funds to meet national needs generated by the COVID-19 crisis.

  Said Official Letter establishes the full amount of funds owed to the Treasury for the application of Law No. 13,196, equivalent to ThUS$240,168 (contribution for December 2019, January and February 2020), before March 31 this year. Subsequently and from the month of April, the Corporation should carry out the monthly transfer of the corresponding resources according to their recordkeeping, within a period not exceeding the last day of the month following its booking.

  Before the amendment established in this document, the payment method of the funds associated to Law 13,196, consisted in an annual payment no later than December 15 of each year.

- On March 25, the Corporation announced that it will temporarily suspend some of its projects, as part of the measures to prevent the spread of Coronavirus. The suspension will be carried out gradually starting from March 25 and will last for 15 days. Specifically, it deals with the construction of the remaining works of the Chuquicamata Underground Mine Project, the early works of Rajo Inca and the assembly works of Traspaso Andina. This measure has no impact on the production of the respective divisions that maintain operational continuity with the largest sanitary safeguards.

Management of the Corporation is not aware of other significant events of a financial nature or of any other nature that could affect these financial statements, occurring between January 1, 2020 and the date of issue of these consolidated financial statements as of March 26, 2020.

Octavio Araneda Osés
Chief Executive Officer

Alejandro Rivera Stambuk
Chief Financial Officer

Javier Tapia Avila
Accounting and Finance Control Manager

Juan Ogas Cabrera
Accounting Director

CORPORACION NACIONAL DEL COBRE DE CHILE

Consolidated Financial Statements
As of and for the years ended December 31, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

To the Chairman and Board of Directors of
Corporación Nacional del Cobre de Chile

We have audited the accompanying consolidated statements of financial position of Corporación Nacional del Cobre de Chile and its subsidiaries (the "Company") at December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Information

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We performed our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the entity's consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of the accounting policies used and the reasonableness of the significant estimates made by the Company's Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corporación Nacional del Cobre de Chile and its subsidiaries as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other-matter – Translation

The accompanying consolidated financial statements have been translated into English solely for the convenience of readers outside of Chile.

Deloitte

March 28, 2019
Santiago, Chile

CODELCO – CHILE

Consolidated Financial Statements as of and for the years ended December 31, 2018 and 2017

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

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CONSOLIDATED FINANCIAL STATEMENTS

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2018 and 2017
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	12/31/2018	12/31/2017
Assets			
Current Assets			
Cash and cash equivalents	1	1,229,125	1,448,835
Other current financial assets	13	231,409	1,327
Other current non-financial assets		6,805	25,638
Trade and other current receivables	2	2,212,209	2,815,352
Accounts receivable from related parties, current	3	92,365	64,344
Inventories	4	2,042,648	1,829,698
Current tax assets	6	13,645	21,623
Total current assets other than assets or groups of assets for disposition classified as held for sale or held as distributable to owners		5,828,206	6,206,817
Non-current assets or groups of assets for disposition classified as held for sale	7	-	4,236
Total current assets		**5,828,206**	**6,211,053**
Non-current assets			
Other non-current financial assets	13	145,751	149,526
Other non-current non-financial assets	12	6,817	11,575
Non-current receivables	2	84,731	91,442
Accounts receivable from related parties, non-current	3	20,530	25,830
Non-current inventories	4	457,070	428,447
Investments accounted for using equity method	9	3,568,293	3,665,601
Intangible assets other than goodwill	10	48,379	219,117
Property, plant and equipment	8	26,754,998	25,275,512
Investment property		981	981
Non-current tax assets	6	143,606	233,772
Deferred tax assets	5	31,443	43,285
Total non-current assets		**31,262,599**	**30,145,088**
Total Assets		**37,090,805**	**36,356,141**

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2018 and 2017
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	12/31/2018	12/31/2017
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	14	872,277	324,388
Trade and other current payables	17	1,546,584	1,915,768
Accounts payable to related parties, current	3	150,916	123,791
Other current provisions	18	384,249	324,631
Current tax liabilities	6	10,777	58,690
Current provisions for employee benefits	19	510,034	516,681
Other current non-financial liabilities		64,575	51,507
Total current liabilities		**3,539,412**	**3,315,456**
Non-current liabilities			
Other non-current financial liabilities	14	14,674,510	14,648,004
Non-current payables		26,613	44,983
Other non-current provisions	18	1,600,183	1,711,802
Deferred tax liabilities	5	4,586,168	4,314,237
Non-current provisions for employee benefits	19	1,315,520	1,392,659
Other non-current non-financial liabilities		4,530	3,662
Total non-current liabilities		**22,207,524**	**22,115,347**
Total liabilities		**25,746,936**	**25,430,803**
Equity			
Issued capital	20	5,219,423	4,619,423
Accumulated deficit		(198,917)	(36,672)
Other reserves	20	5,354,159	5,335,092
Equity attributable to owners of the parent		**10,374,665**	**9,917,843**
Non-controlling interests	20	969,204	1,007,495
Total equity		**11,343,869**	**10,925,338**
Total liabilities and equity		**37,090,805**	**36,356,141**

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31, 2018 and 2017

(In thousands of US dollars - ThUS$)

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	1/1/2018 12/31/2018	1/1/2017 12/31/2017
Revenue	21	14,308,758	14,641,555
Cost of sales		(11,194,341)	(10,380,403)
Gross profit		**3,114,417**	**4,261,152**
Other Income, by function	24.a	124,826	154,332
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9		158	-
Distribution costs		(18,262)	(10,403)
Administrative expenses		(465,328)	(428,140)
Other expenses	24.b	(2,115,314)	(1,557,473)
Other gains		21,395	32,605
Income from operating activities		**661,892**	**2,452,073**
Finance income		51,329	29,836
Finance costs	25	(463,448)	(644,610)
Share of profit of associates and joint ventures accounted for using equity method	9	119,114	185,428
Foreign exchange difference	27	178,143	(206,058)
Income for the years before tax		**547,030**	**1,816,669**
Expense - income Taxes	5	(357,283)	(1,193,067)
Net income for the years		**189,747**	**623,602**
Net income attributable to owners of parent		155,719	569,175
Net income attributable to non-controlling interests	20.b	34,028	54,427
Net income for the years		**189,747**	**623,602**

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
CONTINUED

For the years ended December 31, 2018 and 2017
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	1/1/2018 12/31/2018	1/1/2017 12/31/2017
Net income for the years		189,747	623,602
Components of other comprehensive income that will not be reclassified to profit or loss, before tax:			
(Losses) gains on remeasurement of defined benefit plans, before tax		(48,626)	25,106
Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method that will not be reclassified to profit or loss before tax		(1,617)	123
Other comprehensive (loss) income that will not be reclassified to profit or loss before tax		**(50,243)**	**25,229**
Components of other comprehensive income that will be reclassified to profit or loss, before tax:			
(Losses) gains on exchange difference on translation, before tax		(848)	4,592
Gains (losses) on cash flow hedges, before tax		104,160	(2,874)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, before tax		554	(604)
Other comprehensive income that will be reclassified to profit or loss before tax		**103,866**	**1,114**
Other comprehensive income, before tax		**53,623**	**26,343**
Net income tax effect of components of other comprehensive income which will not be reclassified to profit or loss:			
Income tax effect relating measurement of defined benefit plans in other comprehensive income	5	33,148	(16,937)
Net income (loss) tax of components of other comprehensive income which will be reclassified to profit or loss:			
Income tax effect relating to cash flow hedges of other comprehensive income	5	(67,704)	1,868
Total other comprehensive income		**19,067**	**11,274**
Total Comprehensive Income		**208,814**	**13,142**
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent		174,786	580,449
Comprehensive income attributable to non-controlling interests	20.b	34,028	54,427
Total comprehensive Income		**208,814**	**634,876**

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE

CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD

For the years ended December 31, 2018 and 2017

(In thousands of US dollars - ThUS$)

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2018 12/31/2018	1/1/2017 12/31/2017
Cash flows provided by operating activities:			
Receipts from sales of goods and rendering of services		15,428,893	14,521,538
Other cash receipts from operating activities	28	1,733,555	1,657,104
Payments to suppliers for goods and services		(8,870,763)	(7,822,093)
Payments to and on behalf of employees		(1,920,204)	(1,614,446)
Other cash payments from operating activities	28	(2,555,184)	(2,223,368)
Dividends received		188,749	227,843
Income taxes paid		(67,326)	(31,224)
Cash flows provided by operating activities		3,937,720	4,715,354
Cash flows used in investing activities:			
Other payments to acquire equity or debt instruments of other entities		(338)	-
Other charges for the sale of interests in joint ventures and associates	7	21,842	-
Purchase of property, plant and equipment		(3,893,851)	(3,411,496)
Interest received		47,259	15,290
Other outflows of cash		(127,570)	(49,897)
Cash flows used in investing activities		(3,952,658)	(3,446,103)
Cash flows used in financing activities:			
Total proceeds from borrowings		900,000	3,050,000
Repayment of borrowings		(259,011)	(3,375,216)
Payments of finance lease liabilities classified as financing activities		(27,130)	(25,565)
Dividends paid		(602,461)	(273,332)
Interest paid		(634,289)	(582,471)
Other cash inflow		500,802	790,149
Cash flows used in financing activities		(122,089)	(416,435)
(Decrease) Increase in cash and cash equivalents before effect of exchange rate		(137,027)	852,816
Effect of exchange rate changes on cash and cash equivalents		(82,683)	19,293
(Decrease) increase in cash and cash equivalents		(219,710)	872,109
Cash and cash equivalents at beginning of years	1	1,448,835	576,726
Cash and cash equivalents at end of years	1	1,229,125	1,448,835

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2018 and 2017
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

December 31, 2018	Issued capital	Reserve on exchange differences on translation	Reserve of cash flow hedges	Reserve of remeasurement of defined benefit plans Note 19	Other miscellaneous reserves	Total other reserves Note 20	Accumulated deficit	Equity attributable to owners of the parent	Non-controlling interests Note 20	Total Equity
Initial balance as of 1/1/2018	**4,619,423**	**(6,015)**	**11,336**	**(259,002)**	**5,588,773**	**5,335,092**	**(36,672)**	**9,917,843**	**1,007,495**	**10,925,338**
Increase (decrease) through changes in accounting policies							**2,282**	**2,282**	**-**	**2,282**
Initial balance restated	**4,619,423**	**(6,015)**	**11,336**	**(259,002)**	**5,588,773**	**5,335,092**	**(34,390)**	**9,920,125**	**1,007,495**	**10,927,620**
Changes in equity:										
Net income							155,719	155,719	34,028	189,747
Other comprehensive income (loss)		(848)	36,456	(15,478)	(1,063)	19,067		19,067	-	19,067
Comprehensive income								**174,786**	**34,028**	**208,814**
Dividends							(306,619)	(306,619)		(306,619)
Capital increases	600,000	-	-	-	-	-	-	600,000	-	600,000
Increase (decrease) through transfers and other changes	-	-	-	-	-	-	(13,627)	(13,627)	(72,319)	(85,946)
Total changes in equity	**600,000**	**(848)**	**36,456**	**(15,478)**	**(1,063)**	**19,067**	**(164,527)**	**454,540**	**(38,291)**	**416,249**
Final balance as of 12/31/2018	**5,219,423**	**(6,863)**	**47,792**	**(274,480)**	**5,587,710**	**5,354,159**	**(198,917)**	**10,374,665**	**969,204**	**11,343,869**

December 31, 2017	Issued capital	Reserve on exchange difference on translation	Reserve of cash flow hedges	Reserve of remeasurement of defined benefit plans Note 19	Other miscellaneous reserves	Total other reserves Note 20	Accumulated deficit	Equity attributable to owners of the parent	Non-controlling interests Note 20	Total Equity
Initial balance as of 1/1/2017	**3,624,423**	**(10,607)**	**12,342**	**(267,171)**	**5,582,828**	**5,317,392**	**(30,072)**	**8,911,743**	**978,666**	**9,890,409**
Changes in equity:										
Net income							569,175	569,175	54,427	623,602
Other comprehensive income (loss)		4,592	(1,006)	8,169	(481)	11,274		11,274	-	11,274
Comprehensive income								580,449	54,427	634,876
Dividends							(569,175)	(569,175)		(569,175)
Capital Increases	995,000	-	-	-	-	-	-	995,000	-	995,000
Increase (decrease) through transfers and other changes	-	-	-	-	6,426	6,426	(6,600)	(174)	(25,598)	(25,772)
Total changes in equity	**995,000**	**4,592**	**(1,006)**	**8,169**	**5,945**	**17,700**	**(6,600)**	**1,006,100**	**28,829**	**1,034,929**
Final balance as of 12/31/2017	**4,619,423**	**(6,015)**	**11,336**	**(259,002)**	**5,588,773**	**5,335,092**	**(36,672)**	**9,917,843**	**1,007,495**	**10,925,338**

The accompanying notes are an integral part of these consolidated financial statements.

I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile (hereinafter referred to as “Codelco”, “Codelco - Chile”, or the “Corporation”), is, in Management´s opinion, the largest copper producer in the world. Codelco’s most important product is refined copper, primarily in the form of cathodes. The Corporation also produces copper concentrates, blister and anode copper and by-products such as molybdenum, anode slime and sulfuric acid.

The Corporation trades its products based on a policy aimed to sell refined copper to manufacturers or producers of semi-manufactured products.

These products contribute to diverse fields of community development, particularly those intended to improve areas such as public health, energy efficiency, and sustainable development, among others.

Codelco-Chile is registered under Securities Registry No. 785 of the Chilean Commission for the Financial Market (the “CMF”), and is subject to its supervision. According to Article No. 10 of Law No. 20392 (related to the new Corporate Governance of Codelco), such supervision shall be on the same terms as publicly traded companies, notwithstanding the provisions in Decree Law (D.L.) No.1349 of 1976, which created the Comisión Chilena del Cobre (“Chilean Copper Commission”).

Codelco’s head office is located in Santiago, Chile, at 1270 Huérfanos Street, telephone number (56-2) 26903000.

Codelco was incorporated through D.L. No. 1350 of 1976, which is the statutory decree applicable to the Corporation. In accordance with the statutory decree, Codelco is a government-owned mining, industrial and commercial company, which is a separate legal entity with its own equity, Codelco Chile currently carries out its mining business through its Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina, El Teniente and Ventanas divisions. The Gabriela Mistral division is in charge of the ore deposit of the same name, whose operations were, until December 31, 2012, the responsibility of its subsidiary Minera Gaby SpA., a wholly owned subsidiary of the Corporation which was absorbed by Codelco on that date.

The Corporation also carries out similar activities in other mining deposits in association with third parties.

In accordance with letter e) of Article 10 of Law No. 20392, Codelco is governed by its organic standards set forth in Decree Law No. 1350 (D.L. No. 1350) and that of its by-laws, and in matters not covered by them and, insofar as they are compatible and do not contradict the provisions of such standards, by the rules that govern publicly traded companies and the common laws as applicable to them.

In accordance with D.L. No. 1350 Section IV related to the Company’s Exchange and Budget Regulations. Codelco’s financial activities are conducted following an annual budgeting program that is composed of an Operations Budget, an Investment Budget and a Debt Amortization Budget.

The tax system applicable to Codelco's taxable income is in accordance with Article 26 of D. L. No.1350 which refers to Decree Law No. 824 on Income Tax of 1974 and Decree Law No. 2398 (Article 2) of 1978, as applicable. The Corporation's taxable income is also subject to a Specific Mining Tax in accordance with Law No. 20026 of 2005.

The Corporation is subject to Law No. 13196, which mandates the payment of a 10% tax over the foreign currency return on the actual sale revenue of copper production, including its by-products. On January 27, 2017, Law No. 20989, article 3, establishes changes in the application of Law No. 13196 as of January 1, 2018, through which the Corporation will deposit annually, no later than December 15 of each year, the funds established in article 1 in that law.

The subsidiaries whose financial statements are included in these consolidated financial statements correspond to companies located in Chile and abroad, which are detailed in Note II.2.d.

The associates and joint ventures located in Chile and abroad, are detailed in the Explanatory Notes Section III of Note 9.

2. Basis of Presentation of the Consolidated Financial Statements

The Corporation's consolidated statements of financial position as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income for the years ended December 31, 2018 and 2017, changes in equity and of cash flows for the years ended December 31, 2018 and 2017, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements include all information and disclosures required in annual financial statements.

These consolidated financial statements have been prepared from accounting records maintained by the Corporation.

The consolidated financial statements of the Corporation are presented in thousands of United States dollar ("U.S. dollar").

Responsibility for the Information and Use of Estimates

The Board of Directors of the Corporation has been informed of the information included in these consolidated financial statements and expressly declared its responsibility for the consistent and reliable nature of the information included in such financial statements as of and for the year ended December 31, 2018, which financial statements fully comply with IFRS as issued by the IASB. These consolidated financial statements as of December 31, 2018 and for the year then ended were approved by the Board of Directors at a meeting held on March 28, 2019.

Accounting Principles

These consolidated financial statements reflect the financial position of Codelco and its subsidiaries as of December 31, 2018 and 2017, and the results of their operations for the years ended December 31, 2018 and 2017, changes in equity and cash flows for years ended December 31, 2018 and 2017, and their related notes, all prepared in accordance with IAS 1, *"Presentation of Financial Statements",* in consideration of the presentation instructions of the Commission for the Financial Markets, where not in conflict with IFRS.

For the convenience of the reader, these consolidated financial statements and their accompanying notes have been translated from Spanish into English.

II. SIGNIFICANT ACCOUNTING POLICIES

1. Significant Judgments and Key Estimates

In preparing these consolidated financial statements, the use of certain critical accounting estimates and assumptions that affect the amounts of assets and liabilities recognized as of the date of the financial statements and the amounts of revenue and expenses recognized during the reporting period is required. Such preparation also requires the Corporation's Management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

a) **Useful economic lives and residual values of property, plant and equipment -** The useful lives and residual values of property, plant and equipment that are used for calculating depreciation are determined based on technical studies prepared by specialists (internal or external). The technical studies consider specific factors related to the use of assets.

When there are indicators that could lead to changes in the estimates of the useful lives of such assets, these changes are made by using technical estimates considering specific factors related to the use of the assets.

b) **Ore reserves -** The measurements of ore reserves are based on estimates of the ore resources that are legally and economically exploitable, and reflect the technical and environmental considerations of the Corporation regarding the amount of resources that could be exploited and sold at prices exceeding the total cost associated with the extraction and processing.

The Corporation applies prudent judgment in determining the ore reserves, and as such, possible changes in these estimates might significantly impact the estimates of net revenues over time. In addition, these changes might lead to modifications in usage estimates, which might have an effect on depreciation and amortization expense, calculation of stripping cost adjustments, determination of impairment losses, expected future disbursements related to decommissioning and restoration obligations, long term defined benefits plans' accounting and the accounting for financial derivative instruments.

The Corporation estimates its reserves and mineral resources based on the information certified by the Competent Persons of the Corporation, who are defined and regulated according to Law No. 20235. These estimates correspond to the application of the Certification Code of Ore Reserves, Resources and Exploration, issued by the Mining Committee which was instituted through the aforementioned law. This does not modify the global volume of the Corporation's ore reserves and resources.

Notwithstanding the above, the Corporation also periodically reviews such estimates, supported by world-class external experts, who certify the reserves as determined.

c) **Impairment of non-financial assets -** The Corporation reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss. In testing impairment, the assets are grouped into cash generating units ("CGUs") to which the assets belong, where applicable. The recoverable amount of these CGUs is calculated as the present value of the expected future cash flows from such assets, considering a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of the assets is lower than their carrying amount, an impairment loss is recognized.

The Corporation defines the CGUs and also estimates the timing and cash flows that such CGUs will generate. Subsequent changes in the grouping of the CGU, or changes in the assumptions supporting the estimates of cash flows or the discount rate, may impact the carrying amounts of the corresponding assets.

Estimates of assumptions influencing the calculation of cash flows, such as the price of copper or treatment charges and refining charges, among others, are determined based on studies conducted by the Corporation using uniform criteria over different periods. Any changes to these criteria may impact the estimated recoverable amount of the assets.

The Corporation has assessed and defined that the CGUs are determined at the level of each of its current operating divisions.

Impairment testing also is performed at the level of associates and joint arrangements.

d) **Provisions for decommissioning and site restoration costs -** The Corporation is obliged to incur decommissioning and site restoration costs when such site restoration or decommissioning is required due to a legal or constructive obligation. Costs are estimated on the basis of a formal closure plan and are reassessed annually or as of the date such obligations become known. The initial estimate of decommissioning and site restoration costs is recognized as property, plant and equipment in accordance with IAS 16, and simultaneously a liability in accordance with IAS 37, is recorded.

For these purposes, a defined list of mine sites, facilities and other equipment are studied under this process, considering the engineering level profile, the cubic meters of assets that will be subject to removal and restoration, weighted by a structure of market prices of goods and services, reflecting the best current knowledge related to carrying out such activities, as well as techniques and more efficient construction procedures to date. In the process of valuation of these activities, the assumptions of the exchange rate for tradable goods and services is made, as well as a discount rate, which considers the time value of money and the risks associated with the liabilities, which is determined based, where applicable, on the currency in which disbursements are expected to be made.

The liability amounts recognized at the end of each reporting date represent management's best estimate of the present value of the future decommissioning and site restoration costs. Changes to estimated future costs that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate are added to, or deducted from, the cost of the related asset in the current period (as well as the associated liability). The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

If the adjustment results in an addition to the cost of the asset, Codelco considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is considered such an indicator, Codelco tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss in accordance with IAS 36.

The decommissioning costs are initially recorded at the moment when a plant or other assets are installed. Such costs are capitalized as part of property, plant and equipment and discounted to their present value. These decommissioning costs are charged to net income over the life of the mine, through depreciation of the corresponding asset. Depreciation expense is included in cost of sales, while the unwinding of the discount in the provision is included in finance costs.

e) **Provisions for employee benefits –** Provisions for employee benefits related to severance payments and health benefits for services rendered by the employees are determined based on actuarial calculations using the projected unit credit method, and are recognized in other comprehensive income or profit or loss (depending on the accounting standards applicable).

The Corporation uses assumptions to determine the best estimate of future obligations related to these benefits. Such estimates, as well as assumptions, are determined by management using the assistance of external actuaries. These assumptions include demographic assumptions, discount rate and expected salary increases and rotation levels, among other factors.

f) **Accruals for open invoices -** The Corporation uses information on future copper prices, through which it recognizes adjustments to its revenues and trade receivables, due to the conditions in provisional pricing arrangements. These adjustments are updated on a monthly basis, See Notes 2 r) “Revenue from contracts with customers” of Note 2 “Significant accounting policies” below.

g) **Fair value of derivatives and other financial instruments -** Management may use its judgment to choose an adequate and proper valuation method for financial instruments that are not quoted in an active market. In the case of derivative financial instruments, assumptions are based on observable market inputs, adjusted depending on factors specific to the instruments among others.

h) **Lawsuits and contingencies -** The Corporation assesses the probability of lawsuits and contingency losses on an ongoing basis according to estimates performed by its legal advisors. For cases in which management and the Corporation’s legal advisors believe that a loss is not probable of occurring or where probable, may not be estimated reliably, no provisions are recognized.

i) **Revenue recognition –** Beginning on January 1, 2018, the Corporation has adopted IFRS 15, *Revenue from Contracts with Customers*, which provides new guidance on recognition of revenue. The

Corporation determines appropriate revenue recognition for its contracts with customers by analyzing the type, terms and conditions of each contract or agreement with a customer.

As part of the analysis, the management must make judgments about whether an agreement or contract is legally enforceable, and whether the agreement includes separate performance obligations. In addition, estimates are required in order to allocate the total price of the transaction to each performance obligation based on the stand-alone selling price of the promised goods or services underlying each performance obligation. (The Corporation applies the constraint on variable consideration as defined in IFRS 15, if applicable).

Although the abovementioned estimates have been made based on the best information available as of the date of issuance of these consolidated financial statements, it is possible that new developments could lead the Corporation to modify these estimates in the future. Such modifications, if applicable, would be adjusted prospectively, as required by IAS 8 "*Accounting Policies, Changes in Accounting Estimates and Errors*."

2. Significant accounting policies

a) **Period covered -** The accompanying consolidated financial statements of Corporación Nacional del Cobre de Chile include the following statements:

- Consolidated statements of financial position as of December 31, 2018 and 2017.
- Consolidated statements of comprehensive income for years ended December 31, 2018 and 2017.
- Consolidated statements of changes in equity for years ended December 31, 2018 and 2017.
- Consolidated statements of cash flows for years ended December 31, 2018 and 2017.

b) **Basis of preparation -** The consolidated financial statements of the Corporation as of December 31, 2018 and 2017, and for the years ended December 31, 2018 and 2017 have been prepared in accordance with the instructions from the Commission for the Financial Market which fully comply with IFRS as issued by the IASB.

The consolidated statement of financial position as of December 31, 2017, and the consolidated statement of income for the year ended December 31, 2017, the consolidated statement of changes in equity and consolidated statement of cash flows for the year ended December 31, 2017, which are included for comparative purposes, have been prepared in accordance with IFRS issued by the IASB, on a basis consistent with the criteria used for the same period ended December 31, 2018, except for the adoption of the new IFRS standards and interpretations adopted by the Corporation as of and for the years ended December 31, 2018, which are disclosed in note II.3.

These consolidated financial statements have been prepared based on the accounting records kept by the Corporation.

c) **Functional Currency -** The functional currency of Codelco is the U.S. dollar, which is the currency of the primary economic environment in which the Corporation operates and the currency in which it receives its revenues.

The functional currency of subsidiaries, associates and joint ventures, is the currency of the primary economic environment in which those entities operate and the currency in which they receive their revenues. However, for those subsidiaries and associates that are an extension of the operations of Codelco (entities that are not self-sufficient and whose main transactions are with Codelco); the functional currency is also the U.S. dollar.

The presentation currency of Codelco's consolidated financial statements is the U.S. dollar.

d) **Basis of consolidation -** The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continue to be consolidated until the date such control ceases. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement from the date the Corporation gains control until the date when the Corporation ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Corporation, using consistent accounting policies.

All assets, liabilities, equity, income, expenses and cash flows related to transactions between consolidated companies are fully eliminated on consolidation. Non-controlling interests in equity and in the comprehensive income of the consolidated subsidiaries are presented, respectively, under the line items “Total Equity: Non-controlling interests” in the consolidated statement of financial position and “Net income attributable to non-controlling interests” and “Comprehensive income attributable to non-controlling interests” in the consolidated statement of comprehensive income.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The companies included in the consolidation are as follows:

Taxpayer ID Number	Company	Country	Currency	12/31/2018 % Ownership Direct	12/31/2018 % Ownership Indirect	12/31/2018 % Ownership Total	12/31/2017 % Ownership Total
Foreign	Chile Copper Limited	England	GBP	100.00	-	100.00	100.00
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.00	100.00	100.00
Foreign	Codelco Group Inc.	United States of America	US$	100.00	-	100.00	100.00
Foreign	Codelco International Limited	Bermuda	US$	100.00	-	100.00	100.00
Foreign	Codelco Kupferhandel GmbH	Germany	EURO	100.00	-	100.00	100.00
Foreign	Codelco Metals Inc.	United States of America	US$	-	100.00	100.00	100.00
Foreign	Codelco Services Limited	England	GBP	-	100.00	100.00	100.00
Foreign	Codelco Shanghai Company Limited	China	RMB	100.00	-	100.00	100.00
Foreign	Codelco Technologies Ltd.	Bermuda	US$	-	100.00	100.00	100.00
Foreign	Codelco USA Inc.	United States of America	US$	-	100.00	100.00	100.00
Foreign	Codelco Canada	Canada	US$	-	100.00	100.00	100.00
Foreign	Ecometales Limited	Channel Islands	US$	-	100.00	100.00	100.00
Foreign	Exploraciones Mineras Andinas Ecuador EMSAEC S.A.	Ecuador	US$	-	100.00	100.00	100.00
Foreign	Cobrex Prospeccao Mineral	Brazil	BRL	-	51.00	51.00	51.00
78.860.780-6	Compañía Contractual Minera los Andes	Chile	US$	99.97	0.03	100.00	100.00
79.566.720-2	Isapre Chuquicamata Ltda.	Chile	CLP	98.30	1.70	100.00	100.00
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.69	-	96.69	96.69
88.497.100-4	Clinica San Lorenzo Limitada	Chile	CLP	99.90	0.10	100.00	100.00
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda.	Chile	CLP	-	100.00	100.00	100.00
89.441.300-K	Isapre Río Blanco Ltda.	Chile	CLP	99.99	0.01	100.00	100.00
96.817.780-K	Ejecutora Hospital del Cobre Calama S.A.	Chile	US$	99.99	0.01	100.00	100.00
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	US$	99.99	0.01	100.00	100.00
76.024.442-2	Ecosea Farming S.A.	Chile	US$	-	-	-	98.98
96.991.180-9	Codelco Tec SpA	Chile	US$	99.91	0.09	100.00	100.00
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	US$	99.90	0.10	100.00	100.00
99.573.600-4	Clinica Río Blanco S.A.	Chile	CLP	99.00	1.00	100.00	100.00
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.00	1.00	100.00	100.00
77.773.260-9	Inversiones Copperfield Ltda.	Chile	US$	99.99	0.01	100.00	100.00
76.043.396-9	Innovaciones en Cobre S.A.	Chile	US$	0.05	99.95	100.00	100.00
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	US$	99.95	0.05	100.00	100.00
76.173.357-5	Inversiones Gacrux SpA	Chile	US$	100.00	-	100.00	100.00
76.231.838-5	Inversiones Mineras Nueva Acrux SpA	Chile	US$	-	67.80	67.80	67.80
76.237.866-3	Inversiones Mineras Los Leones SpA	Chile	US$	100.00	-	100.00	100.00
76.173.783-K	Inversiones Mineras Becrux SpA	Chile	US$	-	67.80	67.80	67.80
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	US$	-	100.00	100.00	100.00
76.255.061-K	Central Eléctrica Luz Minera SpA	Chile	US$	100.00	-	100.00	100.00
70.905.700-6	Fusat	Chile	CLP	-	-	-	-
76.334.370-7	Instituto de Salud Previsional Fusat Ltda.	Chile	CLP	-	-	-	-
78.394.040-K	Centro de Servicios Médicos Porvenir Ltda,.	Chile	CLP	-	99.00	99.00	99.00
77.928.390-9	Inmobiliaria e Inversiones Rio Cipreces Ltda.	Chile	CLP	-	99.90	99.90	99.90
77.270.020-2	Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	CLP	-	99.00	99.00	99.00
76.754.301-8	Salar de Maricunga SpA	Chile	CLP	100.00	-	100.00	100.00

On December 21, 2017, according to decree No. 12285 / 2017, by public deed, it was agreed between the shareholders to merge the Acrux SpA Mining Investment Company ("Absorbed Company") with the Investment Company Minera Becrux SpA ("Absorbing Company"), which took effect as of December 22, 2017, where the Absorbing Company acquired all the assets and liabilities of the

Absorbed Company, (which will be dissolved without having to effect its liquidation) in addition to being responsible for the payment of all taxes owed or which may be owed by the Absorbed Company.

For the purposes of these consolidated financial statements, subsidiaries, associates, acquisitions and disposals and joint ventures are defined as follows:

- **Subsidiaries -** A subsidiary is an entity over which the Corporation has control. Control is exercised if, and only if, the following conditions are met: the Corporation has i) power to direct the relevant activities of the subsidiaries unilaterally; ii) exposure or rights to variable returns from these entities; and iii) the ability to use its power to influence the amount of these returns.

  The Corporation reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

  The consolidated financial statements include all assets, liabilities, revenues, expenses and cash flows of Codelco and its subsidiaries, after eliminating all inter-company balances and transactions.

  The value of the participation of non-controlling shareholders in equity, net income and comprehensive income of subsidiaries are presented, respectively, in the headings "Non-controlling interests" of the consolidated statement of financial position; "Net income attributable to non-controlling interests"; and “Comprehensive income attributable to non-controlling interests.”

- **Associates -** An associate is an entity over which Codelco has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

  Codelco’s interest ownership in associates is recognized in the consolidated financial statements under the equity method. Under this method, the initial investment is recognized at cost and adjusted thereafter to recognize changes in Codelco’s share of the comprehensive income of the associate, less any impairment losses or other changes to the net assets of the associate.

  Appropriate adjustments to the Codelco’s share of the associate’s profit or loss after acquisition are made in order to account for depreciation of the depreciable assets and related deferred tax balances based on their fair values at the acquisition date.

- **Acquisitions and Disposals -** The results of businesses acquired are incorporated in the consolidated financial statements from the date when control is obtained; the results of businesses sold during the period are included into the consolidated financial statements up to the effective date of disposal. Gains or losses on disposal is the difference between the sale proceeds (net of expenses) and the carrying amount of the net assets attributable to the ownership interest that has been sold (and, where applicable, the associated cumulative translation adjustment).
  If control is lost over a subsidiary, the retained ownership interest in the investment will be recognized at its fair value.

At the acquisition date of an investment in a subsidiary, associate or joint venture, any excess of the cost of the investment (consideration transferred) plus the amount of the non-controlling interest in the acquiree plus the fair value of any previously held equity interest in the acquiree, where applicable, over Codelco's share of the net fair value of the identifiable assets and acquired liabilities is recognized as goodwill. Any excess of Codelco´s share of the net fair value of the identifiable assets and acquired liabilities over the consideration transferred, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

- **Joint Ventures -** The entities that qualify as joint ventures are accounted for using the equity method.

e) Foreign currency transactions and conversion to reporting currency - Transactions in currencies other than the Corporation's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency transactions denominated in foreign currencies are converted at the rates prevailing at that date. Exchange differences on such transactions are recognized in profit or loss in the period in which they arise and are included in line item "Foreign exchange differences" in the consolidated statement of comprehensive income.

At the end of each reporting period, assets and liabilities denominated in Unidades de Fomento (UF or inflation index-linked units of account) are translated into U.S. dollars at the closing exchange rates at that date (12/31/2018: US$39.68; 12/31/2017: US$43.59). The expenses and revenues in Chilean pesos have been expressed in dollars at the observed exchange rate, corresponding to the date of the accounting recording of each operation.

The financial statements of subsidiaries, associates and jointly controlled entities, whose functional currency is other than the presentation currency of Codelco, are translated as follows for purposes of consolidation:

- Assets and liabilities are translated using the prevailing exchange rate on the closing date of the financial statements.
- Income and expenses for each statement of comprehensive income are translated at average exchange rates for the period.
- Non-monetary assets and liabilities as well as equity are translated at historic exchange rates.
- All resulting exchange differences are recognized in other comprehensive income and accumulated in equity under the heading "Reserve on exchange differences on translation".

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The exchange rates used in each reporting period were as follows:

Relation	Closing exchange ratios	
	12/31/2018	12/31/2017
USD /CLP	0.00144	0.00163
USD /GBP	1.27000	1.35355
USD /BRL	0.25848	0.30198
USD /EURO	1.14390	1.20236

f) Offsetting balances and transactions: In general, assets and liabilities, income and expenses, are not offset in the financial statements, unless required or permitted by an IFRS or when offsetting reflects the substance of the transaction as well as when it is the intention of the Corporation to settle a transaction net.

Income or expenses arising from transactions which, for contractual or legal reasons, permit the possibility of offsetting and which the Corporation intends to liquidate for their net value or realize the assets and settle the liabilities simultaneously, are stated net in the statement of comprehensive income.

g) Property, plant and equipment and depreciation – Items of property, plant and equipment are initially recognized at cost. Subsequent to initial recognition, they are measured at cost, less any accumulated depreciation and any accumulated impairment losses.

Extension, modernization or improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life of the assets are capitalized as increasing the cost of the corresponding assets.

Furthermore, assets acquired under finance lease contracts are included in property, plant and equipment.

Starting fiscal year 2014, the assets included in property, plant and equipment are depreciated, as a general rule, using the units of production method, when the activity performed by the asset is directly attributable to the mine production process. All other assets included in property, plant and equipment are depreciated using the straight-line method.

The assets included in property, plant and equipment and certain intangibles (software) are depreciated over their economic useful lives, as described below:

Category	Useful Life
Land	Not depreciated
Land on mine site	Units of production
Buildings	Straight-line over 20-50 years
Buildings in underground mine levels	Units of production level
Vehicles	Straight-line over 3-7 years
Plant and equipment	Units of production
Smelters	Straight-line
Refineries	Units of production
Mining rights	Units of production
Support equipment	Units of production
Intangibles – Software	Straight-line over 8 years
Open pit and underground mine development	Units of production

Leased assets are depreciated over the lease term or their estimated useful life, whichever is shorter.

Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and any change in estimates is recognized prospectively.

Additionally, depreciation method and estimated useful lives of assets, especially plants, facilities and infrastructure may be revised at the end of each year or during the year according to changes in the structure of reserves of the Corporation and productive long-term plans updated as of that date.

This review may be made at any time if the conditions of ore reserves change significantly as a result of new known information, confirmed and officially released by the Corporation.

Gains or losses on the sale of disposal of an asset are calculated as the difference between the net disposal proceeds received and the carrying amount of the asset, and are included in profit or loss when the asset is derecognized.

Construction in progress includes the amounts invested in the construction of property, plant and equipment and in mining development projects. Construction in progress is transferred to assets in operation once the testing period has ended and when they are ready for use; at that point, depreciation begins to be recognized.

Borrowing costs that are directly attributable to the acquisition or construction of assets that require a substantial period of time before they are ready for use or sale are capitalized as part of the cost of the corresponding items of property, plant and equipment.

The ore deposits owned by the Corporation are recorded in the accounting records at US$1.

Notwithstanding the above, those reserves and resources acquired as part of acquisition of entities accounted for as business combinations, are recognized at their fair value.

h) **Intangible assets -** The Corporation initially recognizes these assets at acquisition cost. Subsequent to initial recognition, intangible assets are amortized in a systematic way over their economic useful life, except for those assets with indefinite useful life, which are not amortized. Indefinitely-lived intangible assets are tested for impairment at least annually, and whenever there is an indication that these assets may be impaired. Definitely-lived intangible assets are tested for impairment when an indicator of impairment has been identified. At the end of each reporting period, these assets are measured at their cost less any accumulated amortization (when applicable) and any accumulated impairment losses.

The main intangible assets are described as follows:

Research and Technological Development and Innovation Expenditures: The expenditures for the development of Technology and Innovation Projects are recognized as intangible assets at their cost and are considered to have indefinite useful lives.

Development expenses for technology and innovation projects are recognized as intangible assets at cost, if and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will available for use or sale;
- The intention to complete the intangible asset is to use or sell it;
- The ability to use or sell the intangible asset;
- That the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Research expenses for technology and innovation projects are recognized in profit or loss when incurred.

i) **Impairment of property, plant and equipment and intangible assets –** The carrying amounts of property, plant and equipment and intangible assets with finite useful lives are reviewed to determine whether there is an indication that those assets have suffered an impairment loss. If any such indicator exists, the Corporation estimates the asset's recoverable amount to determine the extent of the impairment loss which is then recorded.

For assets with indefinite useful lives, their recoverable amounts are annually estimated at the end of each reporting period.

When an asset does not generate cash flows that are independent from other assets, Codelco determines the recoverable amount of the CGU to which the asset belongs.

The Corporation has defined each of its divisions as a cash generating unit.

Recoverable amount of an asset is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. On the other hand, the fair value less cost of disposal is usually determined for operational assets considering the Life of Mine ("LOM"), based on a model of discounted cash flows, while the assets not included in LOM as resources and potential resources to exploit are measured by using a market model of multiples for comparable transactions.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, an impairment loss is recognized immediately in profit or loss, reducing the carrying amount to its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years.

The estimates of future cash flow for a CGU are based on future production forecasts, future prices of basic products and future production costs. Under IAS 36 "*Impairment of Assets",* there are certain restrictions for future cash flows estimates related to future restructurings and future cost efficiencies. When calculating value in use, it is also necessary to base the calculations on the spot exchange rate at the date of calculation.

j) **Expenditures for exploration and evaluation of mineral resources, mine development and mining operations -** The Corporation has defined an accounting policy for each of these expenditures.

Development expenses for deposits under exploitation whose purpose is to maintain production levels are recognized in profit or loss when incurred.

Exploration and evaluation costs such as: drillings of deposits, including expenses necessary to locate new mineralized areas and engineering studies to determine their potential for commercial exploitation are recognized in profit or loss, normally at the pre-feasibility stage.

Pre-operating and mine development expenses (normally after feasibility engineering is reached) incurred during the execution of a project and until its start-up are capitalized and amortized in relation to the future production of the mine. These costs include stripping of waste material, constructing the mine's infrastructure and other works carried out prior to the production phase.

Finally, costs for defining of new areas or deposit areas in exploitation and of mining operations (PP&E) are recognized in property, plant and equipment and are amortized through profit or loss over the period during which the benefits are obtained.

k) Stripping costs - Costs incurred in removing mine waste materials (overburden) in open pits that are in production, that provide access to mineral deposits, are recognized in property, plant and equipment, when the following criteria set out in IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* are met:

- It is probable that the future economic benefits associated with the stripping activity will flow to the entity.
- It is possible to identify the components of an ore body for which access has been improved as a result of the stripping activity.
- The costs relating to that stripping activity can be measured reliably.

The amounts recognized in property, plant and equipment are depreciated according to the units of production extracted from the ore body related to the specific stripping activity which generated this amount.

l) Income taxes and deferred taxes - Codelco and its Chilean subsidiaries recognize annually income taxes based on the net taxable income determined as per the standards established in the Income Tax Law and Article 2 of D.L. 2398, as well as, the specific tax on mining referred to in Law 20026 of 2005. Its foreign subsidiaries recognize income taxes according to the tax regulations in each country.

In addition, Codelco's taxable income in each period is subject to the tax regime established in Article 26 of D.L. No. 1350, which states that tax payments will be made on March, June, September and December of each year, based on a provisional tax return.

Deferred taxes on temporary differences and other events that generate differences between the accounting and tax bases of assets and liabilities are recognized in accordance with IAS 12 "*Income taxes*."

Deferred taxes are also recognized for undistributed profits of subsidiaries, associates and joint ventures, originated by withholding tax rates on remittances of dividends paid out by such companies to the Corporation.

m) Inventories - Inventories are measured at cost, when such does not exceed net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale (i,e,, marketing, sales and distribution expenses). Costs of inventories are determined according to the following methods:

- Finished products and products in process: These inventories are measured at their average production cost determined using the absorption costing method, including labor, depreciation of fixed assets, amortization of intangibles and indirect costs of each period. Inventories of products in process are classified in current and non-current, according to the normal cycle of operation.

- Materials in warehouse: These inventories are measured at their acquisition cost. The Corporation estimates an allowance for obsolescence considering the turnover rate of slow-moving materials in the warehouse.

- Materials in transit: These inventories are measured at cost incurred until the end of reporting period. Any difference as a result of an estimate of net realizable value of the inventories lower than its carrying amount is recognized in profit or loss.

n) Dividends – In accordance with Article 6 of D.L. 1350, the Corporation has a mandatory obligation to distribute its net income as presented in the financial statements. The payment obligation is recognized on an accrual basis.

o) Employee benefits - Codelco recognizes a provision for employee benefits when there is a present obligation (legal or constructive) as a result of services rendered by its employees**.**

The employment contracts stipulate, subject to compliance with certain conditions, the payment of an employee termination indemnity when an employment contract ends. In general, this corresponds to one monthly salary per year of service and considers the components of the final remuneration which are contractually defined as the basis for the indemnity. This employee benefit has been classified as a defined benefit plan.

Codelco has also agreed to post-employment medical care benefits for certain employees, which are paid based on a fixed percentage applied to the last monthly taxable salary of the retirees covered by this agreement. This employee benefit has been classified as a defined benefit plan.

These plans continue to be unfunded as of December 31, 2018.

The employee termination indemnity and the post-employment medical plan obligations are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. The defined benefit plan obligations recognized in the statement of financial position represent the present value of the accrued obligations. Actuarial gains and losses are recognized immediately in other comprehensive income and will not be reclassified to profit or loss.

The Corporation's management uses assumptions to determine the best estimate of these benefits. The assumptions include an annual discount rate, expected increases in salaries and turnover rate, among other factors.

In accordance with its operating optimization programs to reduce costs and increase labor productivity by incorporating new current technologies and/or better management practices, the Corporation has established employee retirement programs by amending certain employment contracts or collective union agreements to include benefits encouraging employees to early retire. Accordingly, these arrangements are accounted for as termination benefits and required accruals are established based on the accrued obligation at current value, In case of employee retirement programs which involve multi-year periods, the accrued obligations are updated using a discount rate determined based on financial instruments denominated in the same currency and similar maturities that will be used to pay the obligations.

p) Provisions for decommissioning and site restoration costs - The Corporation is obliged to incur decommissioning and site restoration costs Such site restoration or decommissioning is required due to a legal or constructive obligation. Costs are estimated on the basis of a formal closure plan and cost estimates are annually reviewed.

A provision is recognized for decommissioning and site restoration costs. The amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The provision is initially recognized with a corresponding increase in the carrying amount of the related assets.

The provision for decommissioning and site restoration costs is accreted over time to reflect the unwinding of the discount with the accretion expense included in finance costs in the statement of income. The carrying amount of the related asset is depreciated over its useful life.

Changes in the measurement of the decommissioning and site restoration provision that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are added to, or deducted from, the cost of the related assets in the period when changes occurred. The amount deducted from the cost of the related assets cannot exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

If the adjustment results in an addition to the cost of an asset, the Corporation considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If such an indicator exists, the Corporation tests the asset for impairment by estimating its recoverable amount, and recognizes an impairment loss, if any.

The effects of the updating of the liability, due to the effect of the discount rate and / or passage of time, is recorded as a financial expense.

q) Leases - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Corporation. All other leases are classified as operating leases. Operating lease costs are recognized as an expense on a straight-line basis over the lease term.

Assets held under finance leases are initially recognized as assets at the inception of the lease at either their fair value or the present value of the minimum lease payments (discounted at the interest rate implicit in the lease), whichever is lower. Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of return on the remaining balance of the liability. Lease obligations are included in other current or non-current liabilities, as appropriate.
In accordance with IFRIC 4 "*Determining whether an Arrangement contains a Lease"*, an arrangement is, or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or

assets and if the arrangement conveys the right to use the asset, even if that right is not explicitly specified.

All “take-or-pay” contracts and any other service and supply contracts that meet the conditions in IFRIC 4, are reviewed to determine whether they contain a lease.

r) Revenue from Contracts with Customers - Revenue is recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services.

- Sale of mineral goods and / or by-products

Contracts with customers for the sale of mineral goods and / or by-products include the performance obligation for the delivery of the physical goods and the associated transportation service, at the place agreed with the customers. The Corporation recognizes revenue from the sale of goods at the time control of the asset is transferred to the customer, according to the shipment or dispatch of the products, in accordance with the agreed conditions, such revenue being subject to variations related to the content and / or sale price at the date of its liquidation. Notwithstanding the foregoing, there are some contracts where control is transferred substantially to the client based on the receipt of the product instead of the buyer's corresponding destination, making the revenue recognition at the time of said transfer. When services of transport of goods are provided, the Corporation recognizes revenue when the service obligation is satisfied.

Sales that have discounts associated with volume subject to compliance with goals are recognized net, estimating the probability that the volume target will be reached.

Sales contracts include a provisional price at the shipment date. The final price is generally based on the London Metals Exchange ("LME") price, Revenue from sales of copper is measured using estimates of the future spread of metal prices on the LME and/or the spot price at the date of shipment, with subsequent adjustments made upon final pricing recognized as revenue. The terms of sales contracts with customers contain provisional pricing arrangements whereby the selling price for metal concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (the “quotation period”). Consequently, the final price is set at the dates indicated in the contracts. Adjustments to provisional sale prices occur based on movements in quoted market prices on the LME up to the date of final pricing. The period between provisional invoicing and final pricing is typically between one and nine months. Changes in fair value over the quotation period and until final pricing are estimated by reference to forward market prices for applicable metals.

In terms of hedge accounting established by IFRS 9, the Corporation has opted to continue applying the hedge accounting requirements of the IAS 39 instead of the requirements of the new standard. Therefore, the generated no effects both at the level of account balances or at the level of disclosures.

Sales in the Chilean market are recognized in conformity with the regulations that govern domestic sales as indicated in Articles 7, 8 and 9 of Law No. 16624, modified by Article 15 of Decree Law No.

1349 of 1976, on the determination of sales prices for the internal market which does not differ from IFRS 15.

As indicated in the note related to hedging policies in the market of metal derivatives, the Corporation enters into operations in the market of metal derivatives. Gains and losses from those which are fair value hedges contracts are recognized as revenues.

- Rendering of services

Additionally, the Corporation recognizes revenue for rendering services, which are mainly related to the processing of minerals bought from third parties. Revenue from rendering of services is recognized when the amounts can be measured reliably and when the services have been provided.

s) Derivative contracts - Codelco uses derivative financial instruments to reduce the risk of fluctuations in sales prices of its products and of exchange rates.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in equity under the item "Cash flow hedge reserve." The gain or loss relating to the ineffective portion is immediately recognized in profit or loss, and included in the "Finance cost" or "Finance income" line items. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the effect for the fluctuation in the recognized hedged item.

A hedge relationship is considered highly effective when changes in fair value or in cash flows of the underlying item directly attributable to the hedged risk are offset by changes in fair value or cash flows of the hedging instrument, with an effectiveness ranging from 80% to 125%. Changes in fair value accumulated in other comprehensive income are subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Upon discontinuation of hedge accounting and depending on the circumstances, the cumulative gain or loss on the hedging instrument remains in equity until the hedged transaction occurs or, if the hedged transaction is not expected to occur, the amount accumulated in other comprehensive income is reclassified to profit or loss.

The total fair value of hedging derivatives is classified as "non-current financial asset or liability", if the remaining maturity of the hedged item is greater than 12 months, and as "current financial asset or liability", if the remaining maturity of the hedged item is less than 12 months.

The derivative contracts held by the Corporation have been entered into to apply the risk hedging policies and are accounted for as indicated below:

- ***Hedging policies for exchange rate risk:*** The Corporation enters into exchange rate derivatives to hedge exchange rate variations between the U.S. dollar and the currencies of transactions the Corporation undertakes. In accordance with the policies established by the Board of Directors, these hedge transactions are only entered into when there are recognized assets or liabilities, forecasts of highly probable transactions or firm commitments. The Corporation does not enter into derivative transactions for non-hedging purposes.

- ***Hedging policies for metal market prices risk:*** In accordance with the policies established by the Board of Directors, the Corporation entered into derivative contracts to reduce the inherent risks in the fluctuations of metal prices.

  The hedging policies seek to cover expected cash flows from the sale of products by fixing the sale prices for a portion of future production. When the sales agreements are fulfilled and the derivative contracts are settled, the results from sales and derivative transactions are offset in profit or loss in revenue.

  Hedging transactions carried out by the Corporation in the metal derivatives market are not undertaken for speculative purposes.

- ***Embedded derivatives:*** The Corporation has established a procedure that allows for evaluation of the existence of embedded derivatives in financial and non-financial contracts. Where there is an embedded derivative, and the host contract is not a financial instrument and the characteristics and risks of the embedded derivative are not closely related to the host contract, the derivative is required to be recognized separately.

t) Financial information by segment – The Corporation has defined its Divisions as its operating segments in accordance with the requirements of IFRS 8, *Operating Segments*. The mining deposits in operation, where the Corporation conducts its extractive and processing activities are managed by the following Divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina and El Teniente, In addition, the smelting and refining activities are managed at the Ventanas Division. All these Divisions have a separate operational management, which reports to the Chief Executive Officer, through the North and South Central Vice-President of Operations, respectively. Income and expenses of the Head Office are allocated to the defined operating segments.

u) Presentation of Financial Statements - The Corporation presents (i) its statements of financial position classified as "current and non-current", (ii) profit or loss and other comprehensive income in one statement and the classification of expenses within profit or loss by function, and (iii) its statement of cash flows using the direct method.

v) Current and non-current financial assets - The Corporation determines the classification of its financial assets at the time of initial recognition. The classification depends on the business model in which the investments are managed and the contractual characteristics of their cash flows.

The Corporation's financial assets are classified into the following categories:

- ***Fair value through profit or loss*:**

  Initial recognition: This category includes those financial assets not qualifying under the categories of Fair Value through Other Comprehensive Income or Amortized Cost. These instruments are initially recognized at fair value.

  Subsequent recognition: Their subsequent recognition is at fair value, recording in the consolidated statement of comprehensive income, in the line "Other gains (losses)" any changes in fair value.

- ***Amortized cost*:**

  Initial recognition: This category includes those instruments with respect to which the objective of the business model of the Corporation is to hold the financial instrument to collect contractual cash flows and such cash flows consist of solely payments of principal and interest. This category includes Trade and other current receivables, and the loans included in other non-current financial assets.

  Subsequent recognition: These instruments are subsequently measured at amortized cost using the effective interest method. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any impairment allowance.

  Codelco did not irrevocably choose to designate any of its investment assets at fair value with effect on other comprehensive income.

  Interest income is recognized in profit or loss and is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "Foreign exchange difference" line item.

- ***At fair value through other comprehensive income:***

  Initial measurement: Financial assets that meet the criteria "Solely payments of principal and interest" (SPPI) are classified in this category and must be maintained within a business model both to collect the cash flows and to sell the financial assets. These instruments are initially recognized at fair value.

  Subsequent recognition: Their subsequent valuation is at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in income. Other net gains and losses are recognized in other comprehensive income.

On derecognition, the gains and losses accumulated in other comprehensive income are reclassified to income.

w) **Financial liabilities -** Financial liabilities are initially recognized at fair value net of transaction costs. Subsequent to their initial recognition, the valuation of the financial liabilities will depend on their classification, within which the following categories are distinguished:

Financial liabilities at fair value through profit or loss: This category includes financial liabilities defined as held for trading.

The Corporation includes is this category certain hedge contracts and the equity and debt instruments sold in the short-term, which are classified as held for trading.

Changes in fair value associated with own credit risk are recorded in other comprehensive income.

Financial liabilities at amortized cost: This category includes all financial liabilities other than those measured at fair value through profit or loss.

The Corporation includes in this category bonds, obligations and other current payables.

These financial liabilities are measured using the effective interest rate method, recognizing interest expense based on the effective rate.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Trade and other current payables are financial liabilities that do not explicitly accrue interest and are recognized at their nominal value, which approximates their fair value.

Financial liabilities are derecognized when the liabilities are paid or expire.

x) **Impairment of financial assets -** The Corporation measures the loss allowance at an amount equal to lifetime expected credit losses for its trade receivables. For this, it uses the simplified approach as a requirement under IFRS 9.

The provision matrix is based on an entity's historical credit loss experience over the expected life of the trade receivables and is adjusted for forward-looking estimates.

y) **Cash and cash equivalents and statement of cash flows prepared using the direct method -** The statement of cash flows reflects changes in cash and cash equivalents that took place during the period, determined under the direct method.

For the purposes of preparing the statement of cash flows, the Corporation has defined the following:

- **Cash flows:** inflows and outflows of cash or cash equivalents, which are defined as highly liquid investments maturing in less than three months with a low risk of changes in value.

- **Operating activities** are the principal revenue-producing activities of the Corporation and other activities that are not investing or financing activities.

- **Investing activities** are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

- **Financing activities** are activities that result in changes in the size and composition of net equity and borrowings of the Corporation.

Bank overdrafts are classified as external resources in current liabilities.

z) Law No. 13196 – Law No. 13196 requires the payment of a 10% special export tax on receivables of the sales proceeds that Codelco receives and transfers to Chile from the export of copper and related by-products produced by Codelco. The Chilean Central Bank deducts 10% of the amounts that Codelco transferred to its Chilean bank account. The amount recognized for this concept is presented in the statement of income within line item other expenses.

On January 27, 2017, Law No. 20989, article 3, establishes changes in the application of Law No. 13196 as of January 1, 2018, through which the Corporation will deposit annually, no later than December 15 of each year, the funds established in article 1 in that law.

aa) Cost of sales - Cost of sales is determined according to the absorption costing method, including the direct and indirect costs, depreciation, amortization and any other expenses directly attributable to the production process.

ab) Environment - The Corporation adheres to the principles of sustainable development, which foster the economic development while safekeeping the environment and the health and safety of its collaborators. The Corporation recognizes that these principles are central for the well-being of its collaborators, care for the environment and success in its operations.

ac) Classification of current and non-current balances - In the consolidated statement of financial position, the balances are classified according to their maturities, that is, as current for those with a maturity equal to or less than twelve months and as non-current for those with a greater maturity. Where there are obligations whose maturity is less than twelve months, but whose long-term refinancing is insured upon a decision by the Corporation whose intention is to refinance, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

ad) Non-current assets or groups of assets for disposition classified as held for sale: The Corporation classifies as non-current assets or groups of assets for disposal, classified as held for sale, properties, plants and equipment, investments in associates and groups subject to expropriation (group of assets that are going to be disposed of together with their directly related liabilities), for which, at the closing date of the financial statements, their sale has been committed to or steps have been initiated and it is estimated that it will be carried out within the twelve months following said date. These assets or groups subject to disposal are valued at book value or the estimated sale value minus the costs necessary for sale, whichever is less, and are no longer amortized from the moment they are classified as non-current assets held for sale. Non-current assets or groups of assets for disposal classified as held for sale and the components of the groups subject to disposal classified as held for sale are presented in the consolidated statement of financial position on a line for each of the following concepts: "Non-current assets or groups of assets for disposition classified as held for sale" and “Non-current liabilities or groups of liabilities for disposition classified as held for sale.”

3. New standards and interpretations adopted by the Corporation

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the Corporation's annual consolidated financial statements for the year ended December 31, 2017, except for the adoption of new standards, interpretations and amendments, effective from January 1, 2018, which are:

a) IFRS 9, Financial Instruments:

Due to the transition alternatives indicated in IFRS 9, no balances have been adjusted for comparative periods corresponding to the year 2017.

The initial application date of IFRS 9 is January 1, 2018, and the difference between the recorded amounts in comparative periods and those recorded at the date of initial application were recorded in Accumulated Deficit as a gain of ThUS $ 2,282 (see detail below).

Classification of financial assets and liabilities

The adoption of IFRS 9 involved, first, reassessing the classification of financial assets and liabilities, based on the new definition included in this standard. In this sense, and in accordance with the business model in which Codelco manages its investments and the contractual characteristics of the cash flows of such, the classification of financial assets and liabilities under IFRS 9 and adopted by the Corporation (disclosed in notes 13 and 14 of section III of these Consolidated Financial Statements), resulted solely in a reclassification of the trade and accounts receivable subject to provisional pricing. Such receivables classification has been changed from amortized cost to fair value through profit and loss. Previously, the provisional pricing element was separated as an embedded derivative. Under IFRS 9, the receivable is classified at fair value through profit and loss considering the receivable as a hybrid contract.This reclassification under IFRS 9 did not result in any adjustments to accumulated deficit at January 1, 2018.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Impairment

Regarding the guidance in IFRS 9 related to the application of the expected credit loss model under the approach described in note 2 of the Significant Accounting Policies, letter x), the application resulted in the recognition of a loss allowance over the accounts receivable balances at the date of initial application as indicated below:

Effects of IFRS 9 on Trade and other current receivables as of January 1, 2018	**ThUS$**
Net trade and other current receivables balance as of January 1, 2018, under accounting criteria prior to IFRS 9	2,815,352
Transition adjustment to IFRS 9 - allowance for doubtful accounts	(2,239)
Net trade and other current receivables balance as of January 1, 2018, adjusted by IFRS 9	2,813,113

Financial Liabilities

Another topic of the adoption of IFRS 9 that had an effect on Codelco is related to the financial liabilities refinanced during July 2017, which resulted in the continuation of the deferral and subsequent amortization of certain financial costs relating to the original financing due to the non-substantial modification of contractual flows under IAS 39. Under IFRS 9, a modified gain/loss is required to be calculated with respect to such modification which for purposes of the first application of the new standard, resulted in the recognition of an adjustment to the balances of bond obligations at the date of transition as indicated below:

Effects of IFRS 9 on Other non-current financial liabilities as of January 1, 2018	ThUS$
Other non-current financial liabilities balance as of January 1, 2018, under accounting criteria prior to IFRS 9	14,648,004
Transition adjustment to IFRS 9	(9,846)
Other non-current financial liabilities balance as of January 1, 2018, adjusted for IFRS 9	14,638,158

Hedge accounting

In terms of hedge accounting established by IFRS 9, the Corporation has opted to continue applying the hedge accounting requirements of the IAS 39 instead of the requirements of the new standard. Therefore, the generated no effects both at the level of account balances or at the level of disclosures.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Finally, the net effect on initial application of IFRS 9 on Codelco's accumulated deficit, considering the amounts previously indicated, was as follows:

Effects of IFRS 9 on accumulated deficit as of January 1, 2018	ThUS$
Accumulated deficit balance as of January 1, 2018, under accounting criteria prior to IFRS 9	(36,672)
Transition adjustments to IFRS 9, net of deferred taxes	2,282
Accumulated deficit balance as of January 1, 2018, adjusted for IFRS 9.	(34,390)

b) IFRS 15, Revenue from Contracts with Customers

IFRS 15 establishes a new model for the recognition of income, which highlights the concept of the transfer to the client of the "control" of assets sold in place of the "risk" transfer concept referred to in IAS 18. Additionally, it requires more detail in disclosures and makes more in-depth reference to contracts with sale of multiple elements. The application of IFRS 15 has not materially affected the measurements of Codelco's revenue, and the disclosures required by this standard are set forth in notes 21 and 26 of section III of these Consolidated Financial Statements.

c) Amendments to IFRS 4, Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts":

It instructs on aspects related to insurance contracts that will be affected upon entry into application of IFRS 9 - Financial Instruments. The application of these amendments had no impact on the consolidated financial statements of the Corporation, however, it could affect the accounting for future transactions or agreements.

d) Amendments to IAS 40, Transfers of investment property:

These amendments clarify the requirements for the treatment of investment property transfers. The application of these amendments had no impact on the consolidated financial statements of the Corporation, however, it could affect the accounting for future transactions or agreements.

e) IFRIC 22 Foreign currency transactions and advance consideration:

This interpretation addresses the exchange rate to be used in foreign currency transactions, when the consideration is paid or received before recognizing related revenue, expenses or related assets. The application of this interpretation had no impact on the consolidated financial statements of the Corporation, however, it could affect the accounting for future transactions or agreements.

4. New accounting pronouncements

a) The following new IFRS, amendments and interpretations had been issued by the IASB, but their application is not yet mandatory:

New IFRS	Date of mandatory application	Summary
IFRS 16 – Leases	Annual periods beginning on or after January 1, 2019	Requires lessees to recognize assets and liabilities for all rights and obligations originated by leases unless the lease term is 12 months or less or the underlying asset has a low value, where such expedients have been adopted by an entity. Additional disclosure requirements are also included. Additionally, the Standard establishes new requirements of information to disclose related to the risk exposure on the part of lessors.
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2021	Establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretional participating features and supersedes IFRS 4 *Insurance contracts.*

Amendments to IFRS	Date of mandatory application	Summary
Amendment to IFRS 10 and IAS 28: Sale or Contribution of Assets	Date to be determined by IASB.	Recognizes the profits or losses of sales of assets between an investor and an associate or a joint venture, which are recognized for the total when the transaction involves assets which constitute a business and are recognized partially when the assets do not constitute a business.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Features of prepayment with negative compensation (amendments to IFRS 9)	Annual periods beginning on or after January 1, 2019.	It adds paragraphs on the designation of financial assets and liabilities, restatement of previous periods and disclosures for instruments repayable in advance and provides additional clarity as to the accounting effects should prepayment features result in negative compensation to the creditor.
Long-term investments in Associates and Joint Ventures (amendments to IAS 28)	Annual periods beginning on or after January 1, 2019.	It includes, within the scope of IFRS 9, other financial instruments in an associate or joint venture to which the equity method does not apply, including long-term investments.
Annual improvements for the 2015-2017 cycle (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	Annual periods beginning on or after January 1, 2019.	Amendments to IFRS 3 and IFRS 11: Adds paragraphs on treatment for acquisitions in previously held shares in a joint operation. Amendments to IAS 12: Adds paragraphs on treatment of taxes related to dividends payable. Amendments to IAS 23: Modifies wording on application of weighted average rate.
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Annual periods beginning on or after January 1, 2019.	It requires the use of actuarial assumptions to determine the cost of service of the current period and the net interest for the remainder of the reporting period prior to determining the effect of the application of “asset ceiling” after the amendment, curtailment or settlement of the plan when the entity remeasures its liability (asset) for defined benefits.

Definition of a Business (Amendments to IFRS 3)	Annual reporting period beginning on or after 1 January 2020	Clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs
Definition of Material (Amendments to IAS 1 and IAS 8)	Annual reporting periods beginning on or after 1 January 2020	Clarifies the definition of 'material' and aligns the definition used in the Conceptual Framework and the standards.
Modifications Conceptual Framework for the Report Revised Financial	Annual periods initiated on or after the 1st of January 2020	It incorporates some new concepts, provides updated definitions and recognition criteria for assets and liabilities. This modification accompanies a separate document, "Modifications to the References to Conceptual Framework in the Rules IFRS ", which establishes amendments to other IFRS in order to update the references to the new Conceptual Framework

New Interpretations	Date of mandatory application	Summary
IFRIC 23: Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019	It establishes how to determine a tax position when there is uncertainty about the treatment for the income tax.

The Administration does not expect significant impacts with respect to standards, amendments and interpretations indicated above.

With respect to IFRS 16, Management has evaluated the impact of its implementation on Codelco's Consolidated Financial Statements and has determined that the effects on the amounts of these financial statements will not be significant. The changes in the disclosures will be presented in accordance, both in term and in form, as established by IFRS 16.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

III. EXPLANATORY NOTES

1. Cash and cash equivalents

The detail of cash and cash equivalents as of December 31, 2018 and 2017, is as follows:

Item	12/31/2018 ThUS$	12/31/2017 ThUS$
Cash on hand	25,033	3,300
Bank balances	59,030	124,275
Time deposits	1,131,049	1,306,476
Mutual Funds - Money Market	1,698	651
Repurchase agreements	12,315	14,133
Total cash and cash equivalents	**1,229,125**	**1,448,835**

Interest on time deposits is recognized on an accrual basis using the contractual interest rate of each of these instruments.

The Corporation does not hold any significant amounts of cash and cash equivalents that have a restriction on use.

2. Trade and other receivables

a) Accruals for open sales invoices

As mentioned in the Summary of Significant Accounting Policies Section, the Corporation adjusts its revenues and trade receivable balances, based on future copper prices through the recognition of an accrual for open sales invoices.

When future price of copper is lower than the provisional invoicing price, the accrual is presented in the statement of financial position as follows:

- For those customers that have due balances with the Corporation the accrual is presented as a deduction from the line item trade and other current receivables.
- For those customers that do not have due balances with the Corporation the accrual is presented in the line item trade and other current payables.

When the future copper price is higher than the provisional invoicing price, the accrual is added to the line item trade and other current receivables.

As of December 31, 2018 and 2017, due balances included a negative ThUS$96,396 and positive ThUS$244,265, respectively for provisional pricing.

As of December 31, 2018, ThUS$5,025 for the provision for open invoices related to customers with no outstanding amounts to Codelco, is presented in Trade accounts payable. This balance plus the balance presented in trade and other receivables, totaling cumulative provisional pricing effect of MUS$101,421.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b) Trade and other receivables

The following table sets forth trade and other receivables balances, with their corresponding allowances for doubtful accounts:

Items	Current		Non-Current	
	12/31/2018 ThUS$	12/31/2017 ThUS$	12/31/2018 ThUS$	12/31/2017 ThUS$
Trade receivables (1)	1,542,420	2,178,788	820	1,887
Allowance for doubtful accounts (3)	(37,811)	(28,684)	-	-
Subtotal trade receivables, net	**1,504,609**	**2,150,104**	**820**	**1,887**
Other receivables (2)	712,446	674,425	83,911	89,555
Allowance for doubtful accounts (3)	(4,846)	(9,177)	-	-
Subtotal other receivables, net	**707,600**	**665,248**	**83,911**	**89,555**
Total	**2,212,209**	**2,815,352**	**84,731**	**91,442**

(1) Trade receivables correspond to the sales of copper and its by-products, those that in general are sold in cash or through banks.

(2) Other receivables mainly consist of the following items:

- Corporation's employee short-term loans and mortgage loans, both monthly deducted from the employee's salaries. Mortgage loans granted to the Corporation's employees for ThUS$55,484 are secured with collateral.
- Reimbursement receivables from insurance companies.
- Settlements from the Chilean Central Bank under Law 13196.
- Advance payments to suppliers and contractors.
- Accounts receivable for tolling services (Ventanas Smelter).
- VAT credit and other refundable taxes of ThUS$201,274 and ThUS$147,589 as of December 31, 2018 and December 31, 2017, respectively.

(3) The Corporation recognizes an allowance for doubtful accounts based on its expected credit loss model.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The reconciliation of changes in the allowance for doubtful accounts in the year ended December 31, 2018 and 2017, is as follows:

Items	12/31/2018 ThUS$	12/31/2017 ThUS$
Opening balance	**37.861**	**9.035**
Initial adjustment NIIF 9	2.239	-
Initial balance adjusted	**40.100**	**9.035**
Net Increases	7.215	29.160
Write-offs/applications	(4.658)	(334)
Total movements	**2.557**	**28.826**
Closing balance	**42.657**	**37.861**

As of December 31, 2018 and 2017, the balance of past due but not impaired trade receivables, is as follows:

Maturity	12/31/2018 ThUS$	12/31/2017 ThUS$
Less than 90 days	3,473	15,145
Between 90 days and 1 year	4,789	1,615
More than 1 year	10,266	10,389
Total trade receivables past-due but not impaired	**18,528**	**27,149**

3. Balance and transactions with related parties

a) Transactions with related persons

In accordance with the Law on New Corporate Governance and IAS 24, the members of Codelco's Board are, in terms of transactions with related persons, subject to the provisions of Title XVI of Law on Corporations, which sets the requirements regarding transactions with related parties in publicly traded companies and their subsidiaries.

Notwithstanding the foregoing, pursuant to the provisions of the final paragraph of Article 147 b) of Title XVI, which contains exceptions to the approval process for transactions with related parties, the Corporation has established a general policy over customary transactions (which was informed through a significant event notice to the CMF), that defines customary transactions as those carried out with its related parties in the normal course of business, which contributes to the social interest and are necessary to the normal development of Codelco's activities.

Likewise, consistent with the legal framework, the Corporation maintains within its internal framework a specific policy about transactions between related persons and companies with Codelco's employees. Codelco's Corporate Policy No.18 ("CCP No. 18"), the latest version currently in force, was approved by the Chief Executive Officer and the Board of Directors.

Accordingly, Codelco without the authorization required in CCP No. 18 and of the Board of Directors, when required by Law or by the Corporation by-laws, shall not enter into any contracts or agreements involving one or more Directors, its Chief Executive Officer, the members of Division's Managing Committees, Vice-presidents, Legal Counsel, General Auditor, Division Chief Executive Officers, Advisors of Senior Management, employees who must make recommendations and/or have the authority to award tenders, assignments of purchases and/or contracting goods and services, and employees in management positions (up to fourth hierarchical level in the organization), including their spouses, children and other relatives up to second degree of relation, with a direct interest, represented by third parties or on behalf of another person. Likewise, CCP No. 18 requires administrators of Corporation's contracts to declare all related persons, and disqualify himself/herself if any related persons are involved within the field of his/her job responsibilities.

This prohibition also includes the companies in which such administrators are involved through ownership or management, either directly or through representation of other natural persons or legal entities, as well as those individuals who also have ownership or management in those companies.

The Board of Directors has been informed and approved certain transactions as defined in CCP No. 18. The most significant transactions with related persons and the amounts involved are detailed in the following table:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2018 12/31/2018 Amount ThUS$	1/1/2017 12/31/2017 Amount ThUS$
Administración de Sistemas y Servicios Herman Yerko Valenzuela Rojas E.I.R.L	76.349.138-2	Chile	Employee´s relative	Services	200	-
Anglo American Sur S.A.	77.762.940-9	Chile	Associate	Supplies	55	3
Arcadis Chile S.A.	89.371.200-3	Chile	Employee´s relative	Services	3,511	-
Arriendo de Maquinaria Marcelo Enrique Balocchi Viva	76.300.049-4	Chile	Employee´s relative	Services	-	95
Asociación Chilena de Seguridad	70.360.100-6	Chile	Member of Board of directors	Services	852	-
B.Bosch S.A.	84.716.400-K	Chile	Employee´s relative	Supplies	-	60
Centro de Capacitación y Recreación Radomiro Tomi	75.985.550-7	Chile	Other related	Services	847	177
Codelco Tec SpA	96.991.180-9	Chile	Subsidiary	Services	10,000	-
Consultor Jannet Troncoso Carvajal E.I.R.L.	76.174.237-K	Chile	Employee´s relative	Supplies	-	74
Distribuidora Cummins Chile S.A.	96.843.140-4	Chile	Employee´s relative	Supplies	-	302
Ecometales Limited agencia en Chile.	59.087.530-9	Chile	Subsidiary	Services	20,040	462
Exploraciones Mineras Andinas S.A.	99.569.520-0	Chile	Subsidiary	Services	358,130	-
Fundación de Salud El Teniente.	70.905.700-6	Chile	Subsidiary	Services	-	13
Fundación Orquesta Sinfónica Infantil de los Andes.	65.018.784-9	Chile	Founder member donor	Services	297	247
Fundación Sewell	65.493.830-K	Chile	Founder member donor	Services	-	421
Geotermica del Norte S.A.	96.971.330-6	Chile	Employee´s relative	Services	-	3,912
Glasstech S.A.	87.949.500-8	Chile	Employee´s relative	Supplies	3	-
Industrial Support Company Ltda	77.276.280-1	Chile	Employee´s relative	Services	-	218
Industrial y Comercial Artimatemb Ltda.	76.108.720-7	Chile	Employee´s relative	Services	28	40
Inoxa S.A.	99.513.620-1	Chile	Employee´s relative	Services	468	14
Institución de Salud Previsional Chuquicamata Ltda.	79.566.720-2	Chile	Subsidiary	Services	22	15,571
Institución de Salud Previsional Río Blanco Ltda.	89.441.300-K	Chile	Subsidiary	Services	47,028	-
Isapre Fusat Ltda,	76.334.370-7	Chile	Subsidiary	Services	-	126,800
Kaefer Buildteck SpA	76.105.206-3	Chile	Employee´s relative	Services	-	97
Kairos Mining S.A.	76.781.030-K	Chile	Other related	Services	13,700	-
Komatsu Chile S.A.	96.843.130-7	Chile	Employee´s relative	Services and Supplies	138,962	208,437
Linde Gas Chile S.A.	90.100.000-K	Chile	Employee´s relative	Supplies	91	-
Nueva Ancor Tecmin S.A.	76.411.929-0	Chile	Employee´s relative	Supplies	-	83
San Lorenzo Isapre Limitada	76.521.250-2	Chile	Subsidiary	Services	25,945	-
Servicios de Ingeniería IMA S.A.	76.523.610-K	Chile	Employee´s relative	Services	125	-
Sociedad Contractual Minera El Abra.	96.701.340-4	Chile	Associate	Supplies	-	134
Sociedad de Procesamiento de Moblibdeno Ltda,	76.148.338-2	Chile	Subsidiary	purchase of products	-	1
Sodimac S.A.	96.792.430-K	Chile	Employee´s relative	Supplies	-	2,132
Sonda S.A.	83.628.100-4	Chile	Employee´s relative	Services	-	1,446
Sourcing SpA	76.355.804-5	Chile	Employee´s relative	Services	-	1,259
Teléfonica Chile S.A.	90.635.000-9	Chile	Employee´s relative	Services	-	99
Transelec Norte S.A.	99.521.950-6	Chile	Member of Board of directors	Services	4,411	-
Züblin International GmbH Chile SpA	77.555.640-4	Chile	Employee´s relative	Services	-	117,637

b) Key Management of the Corporation

In accordance with the policy established by the Board of Directors and its related regulations, the transactions with the Directors, its Chief Executive Officer, Vice Presidents, Corporate Auditor, the members of the Divisional Management Committees and Divisional General Managers shall be approved by the Board of Directors.

During the years ended December 31, 2018 and 2017, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Name	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2018 12/31/2018 Amount ThUS$	1/1/2017 12/31/2017 Amount ThUS$
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Directors´s fees	122	118
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Directors´s fees	34	95
Gerardo Jofré Miranda	5.672.444-3	Chile	Director	Directors´s fees	-	38
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Directors´s fees	97	71
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Payroll	107	72
Hernán de Solminihac Tampier	6.263.304-2	Chile	Director	Directors´s fees	63	-
Ignacio Briones Rojas	12.232.813-9	Chile	Director	Directors´s fees	63	-
Isidoro Palma Penco	4.754.025-9	Chile	Director	Directors´s fees	97	95
Juan Benavides Feliú	5.633.221-9	Chile	Chairman of the Board	Directors´s fees	95	-
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Directors´s fees	97	95
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Directors´s fees	34	95
Oscar Landerretche Moreno	8.366.611-0	Chile	Chairman of the Board	Directors´s fees	51	142
Paul Schiodtz Obilinovich	7.170.719-9	Chile	Director	Directors´s fees	97	64
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Directors´s fees	97	95
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	64	53

The Ministry of Finance through Supreme Decree No. 100, dated February 5, 2018, established the compensation for the Corporation's Directors. The compensation to Board of Director members, is as follows:

a. The Directors of Codelco will receive a fixed monthly compensation of Ch$3,931,757 (three million nine hundred and thirty one thousand, seven hundred and fifty seven Chilean pesos) for meeting attendance. The payment of the monthly compensation is dependent on meetings attended.

b. The Chairman of the Board will receive a fixed monthly compensation of Ch$7,863,513 (seven million eight hundred and sixty three thousand, five hundred and thirteen Chilean pesos).

c. Each member of the Directors' Committee, whether the one referred to in Article 50 bis) of Law No. 18046 or another established by the Corporation by-laws, will receive a fixed additional monthly compensation of Ch$1,310,584 for meeting attendance, regardless of the number of committees of which they are members. In addition, the Chairman of the Directors' Committee will receive a fixed monthly compensation of Ch$2,621,171 for meeting attendance.

d. The compensation established in DS No. 36 is effective for a period of two years, as from March 1, 2018, and will be updated on January 1, 2019, in accordance with the same provisions that govern the general salary adjustments of officials of the public sector.

   On the other hand, the short-term benefits of key management of the Corporation paid during the periods ended December 31, 2018 and 2017, were ThUS$12,382 and ThUS$10,899, respectively.

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The methodology to determine the remuneration of key management was approved by the Board of Directors at a meeting held on January 29, 2003.

During the ended December 31, 2018 and 2017, severance indemnities were paid to key management of the Corporation for ThUS$1,084 and ThUS$471, respectively.

There were no payments to key management for other non-current benefits during the periods ended December 31, 2018 and 2017.

There are no share based payment plans granted to Directors or key management personnel of the Corporation.

c) Transactions with companies in which Codelco has ownership interest

The Corporation undertakes commercial and financial transactions that are necessary for its activities with its subsidiaries, associates and joint ventures ("related parties"). The financial transactions correspond mainly to loans granted (mercantile current accounts).

Commercial transactions with related companies mainly consist of purchases/sales of products or rendering of services carried out under market conditions and prices, which do not bear any interest or indexation.

As of the date of these financial statements, the Corporation has not recognized any allowance for doubtful accounts with respect to receivable balances from its related companies.

The detail of accounts receivable and payable between the Corporation and its related parties as of December 31, 2018 and 2017, is as follows:

Accounts receivable from related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12/31/2018	12/31/2017	12/31/2018	12/31/2017
					ThUS$	ThUS$	ThUS$	ThUS$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	88,497	63,596	-	-
76.063.022-5	Inca de Oro S.A.	Chile	Associate	US$	380	199	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	3,099	-	20,306	25,581
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	383	549	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	US$	6	-	224	249
Totals					**92,365**	**64,344**	**20,530**	**25,830**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Accounts payable to related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12/31/2018	12/31/2017	12/31/2018	12/31/2017
					ThUS$	ThUS$	ThUS$	ThUS$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	125,913	92,315	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	22,940	25,370	-	-
Foreign	Deutsche Geissdraht GmbH	Germany	Associate	EURO	-	6,106	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	2,063	-	-	-
Totals					**150,916**	**123,791**	**-**	**-**

The following table sets forth the transactions carried out between the Corporation and its related companies and their corresponding effects in profit or loss for the years ended December 31, 2018 and 2017:

Taxpayer number	Entity	Nature of the transaction	Country	Index. Currency	1/1/2018 12/31/2018		1/1/2017 12/31/2017	
					Amount	Effects on net income (charges) / credits	Amount	Effects on net income (charges) / credits
					ThUS$	ThUS$	ThUS$	ThUS$
96.801.450-1	Agua de la Falda S.A.	Sales of services	Chile	CLP	4	4	5	5
96.801.450-1	Agua de la Falda S.A.	Capital contribution	Chile	CLP	338	-	-	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	US$	182,903	-	187,346	-
77.762.940-9	Anglo American Sur S.A.	Dividends receivable	Chile	US$	84,372	-	59,003	-
77.762.940-9	Anglo American Sur S.A.	Sales of goods	Chile	US$	58,411	58,411	76,065	76,065
77.762.940-9	Anglo American Sur S.A.	Sales of services	Chile	CLP	8,162	8,162	6,598	6,598
77.762.940-9	Anglo American Sur S.A.	Purchase of products	Chile	US$	711,384	(711,384)	714,340	(714,340)
77.762.940-9	Anglo American Sur S.A.	Capital contribution	Chile	US$	-	-	-	-
Foreign	Deutsche Geissdraht GmbH	Dividends received	Germany	EURO	946	-	1,119	-
76.063.022-5	Inca de Oro S.A.	Sales of services	Chile	CLP	214	29	169	-
76.255.054-7	Planta Recuperadora de Metales SpA	Interest loans	Chile	US$	1,029	1,029	1,029	1,029
76.255.054-7	Planta Recuperadora de Metales SpA	Services	Chile	US$	23,443	(23,443)	26,065	(26,065)
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of goods	Chile	US$	940	940	-	-
96.701.340-4	Soc. Contractual Minera El Abra	Dividends received	Chile	US$	4,900	-	39,200	-
96.701.340-4	Soc. Contractual Minera El Abra	Purchase of products	Chile	US$	293,173	(293,173)	245,954	(245,954)
96.701.340-4	Soc. Contractual Minera El Abra	Sales of goods	Chile	US$	24,796	24,796	9,516	9,516
96.701.340-4	Soc. Contractual Minera El Abra	Other sales	Chile	US$	1,493	1,493	1,493	1,493
96.701.340-4	Soc. Contractual Minera El Abra	Perceived commissions	Chile	US$	113	113	96	96
96.701.340-4	Soc. Contractual Minera El Abra	Other purchases	Chile	US$	-	-	992	(992)
76.028.880-2	Sociedad Contractual Minera Puren	Dividends received	Chile	US$	-	-	178	-

d) Additional information

The current account receivable from Planta Recuperadora de Metales SpA. corresponds to the loan agreement granted to build its plant, which was signed on July 7, 2014.

The purchase/sales of products transactions with Anglo American Sur S.A., are regular business activity transactions to buy/sell copper and other products. On the other hand, there are certain transactions related to the contract entered into with the subsidiary Inversiones Mineras Nueva Acrux

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

SpA (whose non-controlling shareholder is Mitsui) and Anglo American Sur S,A,, under which the latter agreed to sell a portion of its annual copper output to said subsidiary.

4. Inventories

The detail of inventories as of December 31, 2018 and 2017, is as follows:

Items	Current		Non-current	
	12/31/2018 ThUS$	12/31/2017 ThUS$	12/31/2018 ThUS$	12/31/2017 ThUS$
Finished products	446,344	348,083	-	-
Subtotal finished products, net	**446,344**	**348,083**	**-**	**-**
Products in process	1,137,605	1,105,590	457,070	428,447
Subtotal products in process, net	**1,137,605**	**1,105,590**	**457,070**	**428,447**
Material in warehouse and other	555,504	470,108	-	-
Obsolescence allowance adjustment	(96,805)	(94,083)	-	-
Subtotal material in warehouse and other, net	**458,699**	**376,025**	**-**	**-**
Total Inventories	**2,042,648**	**1,829,698**	**457,070**	**428,447**

The amount of inventories of finished goods transferred to cost of sales for the years ended December 31, 2018 and 2017 were ThUS$11,145,242 and ThUS$10,341,613, respectively.

For the years ended December, 2018 and 2017, the Corporation has not reclassified strategic inventories to Property, Plant and Equipment.

The reconciliation of changes in the allowance for obsolescence is detailed below:

Changes in Allowance for Obsolescence	12/31/2018 ThUS$	12/31/2017 ThUS$
Opening Balance	**(94,083)**	**(90,930)**
Period provision	(2,722)	(3,153)
Closing Balance	**(96,805)**	**(94,083)**

For the years ended December 31, 2018 and 2017, the Corporation recognized write-offs of damaged inventories for ThUS$4,004 and ThUS$4,126 respectively.

The provision for the net realizable value of inventories was ThUS$31,889 for the year ended December 31, 2018 (ThUS$3,000 at December 31, 2017).

During the years ended December 31, 2018 and 2017, decreases in the provision for net realizable value were ThUS$28,890 and ThUS$3,744, respectively.

As of December 31, 2018 and 2017, there are no unrealized gains or losses recognized on the intercompany sales of inventories of finished products.

As of December 31, 2018 and 2017, there are no inventories pledged as security for liabilities.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

5. Income taxes and deferred taxes

a) Composition of income tax expense

Items	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Current income tax	(92,270)	(72,897)
Effect of Deferred Taxes	(249,217)	(1,126,918)
Adjustments to current tax from the prior period	(19,956)	-
Other	4,160	6,748
Total tax expense	**(357,283)**	**(1,193,067)**

b) Deferred tax assets and liabilities:

The following table details deferred tax assets and liabilities:

Deferred tax assets	12/31/2018 ThUS$	12/31/2017 ThUS$
Provisions	1,429,060	1,264,736
Financial leasing	13,162	24,983
Customers advance	250,255	1,013,438
Other	4,603	23,690
Total deferred tax assets	**1,697,080**	**2,326,847**

Deferred tax liabilities	12/31/2018 ThUS$	12/31/2017 ThUS$
Tax on mining activity	163,280	183,571
Property, plant and equipment variations	889,841	1,058,609
Post-employment benefit obligations	10,346	21,532
Accelerated depreciation for tax purposes	5,017,532	5,168,062
Fair value of mining properties acquired	108,518	108,518
Hedging derivatives – future contracts	12,282	5,635
Undistributed profits of subsidiaries	50,006	45,177
Other	-	6,695
Total deferred tax liabilities	**6,251,805**	**6,597,799**

The following tables sets forth the deferred taxes as presented in the statement of financial position:

Deferred taxes	12/31/2018 ThUS$	12/31/2017 ThUS$
Non-current assets	31,443	43,285
Non-current liabilities	4,586,168	4,314,237
Net	**4,554,725**	**4,270,952**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The effects of deferred taxes on the components of other comprehensive income are as follows:

Deferred taxes on components of other comprehensive income	12/31/2018 ThUS$	12/31/2017 ThUS$
(Charge) credit cash flow hedge	(67,704)	1,868
Defined Benefit Plans	33,148	(16,937)
Total deferred taxes on components of other comprehensive income (loss)	**(34,556)**	**(15,069)**

The following table sets forth the reconciliation of the effective tax rate:

Reconciliation of tax rate	12/31/2018						
	Taxable Base			At the Tax rate			
	25,0%	40,0%	5%	25,0%	40,0%	5%	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Tax effect on the income (loss) before taxes	498.216	498.216	498.216	(124.554)	(199.286)	(24.911)	(348.751)
Tax effect on the income (loss) before taxes of subsidiaries	48.814	48.814	48.814	(12.204)	(19.526)	(2.441)	(34.171)
Tax effect consolidated profit (loss) before taxes	547.030	547.030	547.030	(136.758)	(218.812)	(27.352)	(382.922)
Permanent differences:							
First category income tax (25%)	(96.902)			24.226			24.226
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)		(114.392)			45.757		45.757
Specific tax on mining activities			868.189			(43.409)	(43.409)
Single Tax Art. 21 Inc. N°1							(3.856)
Others							2.921
TOTAL TAX EXPENSE				**(112.532)**	**(173.055)**	**(70.761)**	**(357.283)**

Reconciliation of tax rate	12/31/2017						
	Taxable Base			At the Tax rate			
	25,0%	40,0%	5%	25,0%	40,0%	5%	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Tax effect on the income (loss) before taxes	1.786.885	1.786.885	1.786.885	(446.721)	(714.754)	(89.344)	(1.250.819)
Tax effect on the income (loss) before taxes of subsidiaries	29.784	29.784	29.784	(7.446)	(11.914)	(1.489)	(20.849)
Tax effect consolidated profit (loss) before taxes	1.816.669	1.816.669	1.816.669	(454.167)	(726.668)	(90.833)	(1.271.668)
Permanent differences:							
First category income tax (25%)	(228.408)			57.102			57.102
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)		(113.268)			45.307		45.307
Specific tax on mining activities			400.028			(20.001)	(20.001)
Tax effect of non-usable tax loss							(3.807)
TOTAL TAX EXPENSE				**(397.065)**	**(681.361)**	**(110.834)**	**(1.193.067)**

Pursuant to Article 2 of the Decree Law 2398, Codelco is subject to an additional tax rate of 40% on income before taxes and dividends received in accordance with the law.

Tax Reform in Chile

On September 29, 2014, Law No. 20780 entitled “Tax Reform which modifies the Income Tax System, and which introduces various adjustments on the Tax System”, was enacted.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The principal changes, among others, was the creation of two optional tax systems: (i) The Attributed Income System established a progressive increase in the first category income tax rate to 21%, 22.5%, 24% and 25% for fiscal years 2014, 2015, 2016 and 2017, respectively; and (ii) the Partially Integrated System, established a progressive increase in the first category income to 21%, 22.5%, 24%, 25.5% and 27% for fiscal years 2014, 2015, 2016, 2017 and 2018, respectively.

Notwithstanding the above, the Corporation has applied the General Taxation Regime, with progressive first category income tax rates of 21%, 22.5%, 24% and 25% for fiscal years 2014, 2015, 2016 and 2017 onwards, respectively. The Corporation, as a state-owned company, did not have the option to apply the tax regimes stated in the Tax Reform. Meanwhile, the subsidiaries and associates applied the partially integrated tax system by default.

In relation to the specific tax on mining activities the tax rate applicable is a 5% under Law No. 20469.

The Corporation, as a Taxpayer of first category, is liable to the single Tax of 40%, contained in the first paragraph of Article 21 of the Income Tax Law No. 824, in numbers i), ii) and iii) , the disbursements incurred in said numerals.

6. Current and non-current tax assets and liabilities

The current tax balance is presented net of monthly provisional payments as an asset or liability in Current Taxes, as the case may be, determined as indicated in section II. Main accounting policies, 2.l):

Current Tax Assets	**12/31/2018** ThUS$	**12/31/2017** ThUS$
Taxes to be recovered	13,645	21,623
Total Current Tax Assets	**13,645**	**21,623**

Current Tax Liabilities	**12/31/2018** ThUS$	**12/31/2017** ThUS$
Provision Specific tax on mining activities	-	46,710
PPM Provision	6,910	4,418
Provision Tax	3,867	7,562
Total Current Tax Liabilities	**10,777**	**58,690**

Items	**12/31/2018** ThUS$	**12/31/2017** ThUS$
Non-Current Tax Assets	143,606	233,772
Total Non-Current Tax Assets	**143,606**	**233,772**

Non-current recoverable taxes correspond to advance tax payments made provisionally and which are probable of realization through utilization on future income tax returns. These non-current recoverable taxes are not expected to be utilized in the current period. The Corporation has tax loss carryforwards of ThUS$355,143.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

7. Non-current assets or groups of assets for disposition classified as held for sale

As of December 31, 2017, the balance of Non-current assets or groups of assets for disposal, classified as held for sale, of the consolidated current assets, corresponds in its entirety to the shareholding held by the Corporation at that date of the company Deutsche Giessdraht GmbH. The affiliate Codelco Kupferhandel GmbH, has a 40% interest in the capital of the company Deutsche Giessdraht GmbH.

On July 31, 2018, the sale of the shares related to the ownership interest held by CK in Deutsche Giessdraht GmbH was completed. The acquirer entity was Aurubis AG, which was, the major shareholder of DG before the sale transaction. The gain after taxes for this transaction was Th€ 15,214 (ThUS$ 18,172) and is included in the item Other income.

As of December 31, 2018, there are no balances of non-current assets or disposal groups classified as held for sale.

8. Property, Plant and Equipment

a) The items of property, plant and equipment as of December 31, 2018 and 2017, are as follows:

Property, Plant and Equipment, gross	12/31/2018 ThUS$	12/31/2017 ThUS$
Construction in progress	8,808,652	7,004,522
Land	173,926	175,039
Buildings	5,403,295	5,375,235
Plant and equipment	15,894,046	15,150,823
Fixtures and fittings	58,807	58,839
Motor vehicles	2,062,920	2,018,740
Land improvements	5,619,800	5,296,402
Mining operations	7,214,915	6,785,364
Mine development	4,117,362	4,183,572
Other assets	1,380,354	1,346,712
Total Property, Plant and Equipment, gross	**50,734,077**	**47,395,248**

Property, Plant and Equipment, accumulated depreciation	12/31/2018 ThUS$	12/31/2017 ThUS$
Construction in progress	-	-
Land	8,964	7,953
Buildings	3,048,902	2,884,706
Plant and equipment	10,125,253	9,490,638
Fixtures and fittings	43,878	40,997
Motor vehicles	1,378,911	1,275,198
Land improvements	3,267,244	3,048,921
Mining operations	4,718,591	4,178,325
Mine development	804,318	688,342
Other assets	573,018	504,656
Total Property, Plant and Equipment, accumulated depreciation	**23,969,079**	**22,119,736**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Property, Plant and Equipment, net	**12/31/2018** ThUS$	**12/31/2017** ThUS$
Construction in progress	8,808,652	7,004,522
Land	164,962	167,086
Buildings	2,354,393	2,490,529
Plant and equipment	5,768,793	5,660,185
Fixtures and fittings	14,929	17,842
Motor vehicles	684,009	743,542
Land improvements	2,352,556	2,247,481
Mining operations	2,486,324	2,607,039
Mine development	3,313,044	3,495,230
Other assets	807,336	842,056
Total Property, Plant and Equipment, net	**26,754,998**	**25,275,512**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b) Movement of Property, plant and equipment:

Movements ThUS$	Construction in progress	Land	Buildings	Plant and equipment	Fixed installations and accessories	Motor vehicles	Ground improvements	Mining operations	Development of mines	Other assets	Total
Reconciliation of changes in properties, plant and equipment											
Properties, plant and equipment at the beginning of the period. Opening Balance 1/1/2018	7,004,522	167,086	2,490,529	5,660,185	17,842	743,542	2,247,481	2,607,039	3,495,230	842,056	25,275,512
Changes in property, plant and equipment											
Increases other than those from business, property, plant and equipment combinations	3,582,688	-	138	21,028	376	1,383	484	375,575	1,125	38,478	4,021,275
Depreciation, property, plant and equipment	-	(1,011)	(167,547)	(657,866)	(3,669)	(113,872)	(218,323)	(859,955)	(80,153)	(70,299)	(2,172,695)
Impairment losses recognized in profit or loss for the period	(2,179)	-	(82,585)	(98,677)	-	(140)	(4,786)	-	-	(10,531)	(198,898)
Increases (decreases) in transfers and other changes, properties, plant and equipment											
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(1,281,365)	-	102,865	812,901	647	51,758	191,986	21,168	99,681	359	-
Increases (decreases) by other changes, properties, plant and equipment	(351,945)	(1,113)	11,228	38,322	(68)	2,879	135,714	342,497	(202,839)	7,536	(17,789)
Increase (decrease) by transfers and other changes, properties, plant and equipment	**(1,633,310)**	**(1,113)**	**114,093**	**851,223**	**579**	**54,637**	**327,700**	**363,665**	**(103,158)**	**7,895**	**(17,789)**
Dispositions and withdrawals of service, property, plant and equipment											
Retirements, property, plant and equipment	(143,069)	-	(235)	(7,100)	(199)	(1,541)	-	-	-	(263)	(152,407)
Dispositions and withdrawals of service, property, plant and equipment	**(143,069)**	**-**	**(235)**	**(7,100)**	**(199)**	**(1,541)**	**-**	**-**	**-**	**(263)**	**(152,407)**
Increase (decrease) in properties, plant and equipment	**1,804,130**	**(2,124)**	**(136,136)**	**108,608**	**(2,913)**	**(59,533)**	**105,075**	**(120,715)**	**(182,186)**	**(34,720)**	**1,479,486**
Properties, plant and equipment at the end of the period. Closing balance 12/31/2018	**8,808,652**	**164,962**	**2,354,393**	**5,768,793**	**14,929**	**684,009**	**2,352,556**	**2,486,324**	**3,313,044**	**807,336**	**26,754,998**

Movements ThUS$	Construction in progress	Land	Buildings	Plant and equipment	Fixed installations and accessories	Motor vehicles	Ground improvements	Mining operations	Development of mines	Other assets	Total
Reconciliation of changes in properties, plant and equipment											
Properties, plant and equipment at the beginning of the year. Opening Balance 1/1/2017	6,266,471	144,415	2,407,183	5,402,658	13,150	807,067	2,089,866	2,538,209	3,407,706	900,536	23,977,261
Changes in property, plant and equipment											
Increases other than those from business, property, plant and equipment combinations	3,061,027	2,814	2,763	54,952	54	3,207	20,081	335,786	2,984	27,524	3,511,192
Depreciation, property, plant and equipment	-	(1,129)	(161,592)	(632,410)	(3,465)	(117,366)	(225,571)	(807,000)	(82,627)	(65,649)	(2,096,809)
Impairment losses recognized in profit or loss for the year	-	-	-	-	-	-	-	-	-	-	-
Increases (decreases) in transfers and other changes, properties, plant and equipment											
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(1,406,450)	15,959	157,749	630,167	7,681	50,908	311,076	58,806	163,903	10,201	-
Increases (decreases) by other changes, properties, plant and equipment	(824,685)	5,027	86,813	220,085	441	3,014	52,861	481,238	3,264	(25,658)	2,400
Increase (decrease) by transfers and other changes, properties, plant and equipment	**(2,231,135)**	**20,986**	**244,562**	**850,252**	**8,122**	**53,922**	**363,937**	**540,044**	**167,167**	**(15,457)**	**2,400**
Dispositions and withdrawals of service, property, plant and equipment											
Retirements, property, plant and equipment	(91,841)	-	(2,387)	(15,267)	(19)	(3,288)	(832)	-	-	(4,898)	(118,532)
Dispositions and withdrawals of service, property, plant and equipment	**(91,841)**	**-**	**(2,387)**	**(15,267)**	**(19)**	**(3,288)**	**(832)**	**-**	**-**	**(4,898)**	**(118,532)**
Increase (decrease) in properties, plant and equipment	**738,051**	**22,671**	**83,346**	**257,527**	**4,692**	**(63,525)**	**157,615**	**68,830**	**87,524**	**(58,480)**	**1,298,251**
Properties, plant and equipment at the end of the year. Closing balance 12/31/2017	**7,004,522**	**167,086**	**2,490,529**	**5,660,185**	**17,842**	**743,542**	**2,247,481**	**2,607,039**	**3,495,230**	**842,056**	**25,275,512**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

c) The balance of construction in progress, is directly associated with the operating activities of the Corporation, and relates to the acquisition of equipment for projects in construction and associated costs toward their completion.

d) The Corporation has signed insurance policies to cover the possible risks to which the various property, plant and equipment items are subject, as well as the possible claims that may arise for the period of its activities. Such policies sufficiently cover the risks to which they are subject in Management's opinion.

e) Borrowing costs capitalized for the years ended December 31, 2018 and 2017 were ThUS$311,399 and ThUS$217,031, respectively. The annual capitalization average rate for the years ended December 31, 2018 and 2017 was 4.42% and 4.04%, respectively.

f) Expenses on exploration and drilling of deposits recognized in profit or loss and the cash outflows disbursed for the same concepts are presented in the following table:

Expenditure on exploration and drilling reservoirs	**1/1/2018 12/31/2018** ThUS$	**1/1/2017 12/31/2017** ThUS$
Recognized in profit /(loss)	50,765	46,068
Cash outflows disbursed	62,857	76,010

g) The detail of "Other assets" under "Property, plant and equipment" is as follows:

Other assets, net	**12/31/2018** ThUS$	**12/31/2017** ThUS$
Leased assets	93,334	91,628
Mining properties from the purchase of Anglo American Sur S.A. shares	402,000	402,000
Maintenances and other major repairs	235,091	254,253
Other assets – Calama Plan	72,225	90,281
Other	4,686	3,894
Total other assets, net	**807,336**	**842,056**

h) During the first quarter of 2018, US$103.6 million were reclassified from the line item Intangible assets other than goodwill, to Construction in Progress of Property, plant and equipment, corresponding to assets of the Continuous Mining project (see note 10 Intangible Assets other than goodwill) that could potentially be used in other operations and / or projects of the Corporation.

Subsequently, US$66.4 million (US$23 million after taxes) from the assets mentioned above were written off as of June 30, 2018.

i) The Corporation currently has no ownership restrictions relating to assets belonging to Property, plant and equipment, except for leased assets whose legal title corresponds to the lessor.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

j) Codelco has not pledged any items of property, plant and equipment as collateral to third parties in order to enable the realization of its normal business activities or as a commitment to support payment obligations.

k) According to the policy indicated in note 2 i), referring to property, plant and equipment and intangible assets, and as indicated in note 23, for the year ended December 31, 2018, the Corporation recorded an impairment in the value of the Ventanas assets for an amount of ThUS $ 198,898 before taxes. At 31 December 2017, the property, plant and equipment assets showed no indicators of impairment or reversals of impairments recognized in previous years, so that no adjustments were made to the value of the assets at that date. (see note 23).

9. Investments accounted for using the equity method

The following table sets forth the carrying amount and the share of profit (loss) of the investments accounted for using the equity method:

Associates	Taxpayer Numbers	Funct. Cuurenc.	Equity Interest		Carrying Value		Net income (loss)	
			12/31/2018	12/31/2017	12/31/2018	12/31/2017	1/1/2018 12/31/2018	1/1/2017 12/31/2017
			%	%	ThUS$	ThUS$	ThUS$	ThUS$
Agua de la Falda S.A.	96.801.450-1	US$	42.26%	42.26%	4,953	4,943	(329)	(422)
Anglo American Sur S.A.	77.762.940-9	US$	29.5%	29.5%	2,835,412	2,945,084	99,709	163,775
Deutsche Geissdraht GmbH	Foreign	EURO	40.0%	40.0%	-	-	1,159	1,375
Inca de Oro S.A.	73.063.022-5	US$	33.19%	33.19%	12,913	12,942	(42)	(104)
Minera Purén SCM	76.028.880-2	US$	35.0%	35.0%	9,902	9,897	8	(16)
Planta Recuperadora de Metales SpA	76.255.054-7	US$	34.0%	34.0%	10,365	10,916	55	(74)
Sociedad Contractual Minera El Abra	96.701.340-4	US$	49.0%	49.0%	610,339	605,769	10,181	15,343
Sociedad GNL Mejillones S.A.	76.775.710-7	US$	37.0%	37.0%	84,409	76,050	8,373	5,551
TOTAL					**3,568,293**	**3,665,601**	**119,114**	**185,428**

a) Associates

Agua de la Falda S.A.

As of December 31, 2018, Codelco holds a 42.26% ownership interest in Agua de la Falda S.A., with the remaining 57.74% owned by Minera Meridian Limitada.

The corporate purpose of this company is to exploit deposits of gold and other minerals, in the third region of Chile.

Sociedad Contractual Minera El Abra

Sociedad Contractual Minera El Abra was incorporated in 1994. As of December 31, 2018, Codelco holds a 49% ownership interest, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

The company business activities involve the extraction, production and selling copper cathodes.

Sociedad Contractual Minera Purén

As of December 31, 2018, Codelco holds a 35% ownership interest, with the remaining 65% owned by Compañía Minera Mantos de Oro.

This company's corporate purpose is to explore, identify, survey, investigate, develop and exploit mining deposits in order to extract, produce and process minerals.

Sociedad GNL Mejillones S.A.

As of December 31, 2018, Codelco holds a 37% ownership interest, with the remaining 63% owned by Suez Energy Andino S.A. These current shareholdings were established on November 5, 2010, when the Corporation did not participate in the capital increase agreed to at Shareholders' meeting of such company. Prior to the capital increase, the Corporation and Suez Energy Andino S.A. held a 50% ownership interest each.

The corporate purpose of this company is the production, storage, marketing, transportation and distribution of all types of fuel, and the acquisition, construction, maintenance and operation of infrastructure facilities and construction projects necessary for transport, reception, processing and storage both in Chile and abroad, by itself or in partnership with third parties.

Inca de Oro S.A.

On June 1, 2009, Codelco's Board of Directors authorized the incorporation of a new company aimed to develop studies allowing the continuity of the Inca de Oro Project, which is a wholly-owned subsidiary of Codelco.

On February 15, 2011, the business association of Codelco and Minera PanAust IDO Ltda. in respect to the Inca de Oro deposit was approved. As a result Minera PanAust IDO Ltda holds 66% ownership interest and the remaining 34% is held by Codelco.

Prior to the association, Codelco owned 100% of the company. This transaction resulted in a gain after taxes of ThUS$33,668 recognized in the year ended December 31, 2011.

At the Extraordinary meeting of the shareholders held on December 30, 2014, a capital increase of ThUS$102,010 was agreed upon, reducing Codelco's ownership interest to 33.19%.

As of December 31, 2015, the Corporation reduced the carrying amounts of mining property and exploration and evaluation expenditures as a result of an impairment loss recognized.

As of December 31, 2018, Codelco holds a 33.19% ownership interest in this company.

Planta Recuperadora de Metales SpA

On December 3, 2012, Planta Recuperadora Metales SpA was incorporated by Codelco, which held a 100% ownership interest of this company.

On July 7, 2014, Codelco reduced its ownership interest in Planta Recuperadora de Metales SpA to 51%, with the remaining 49% ownership interest held by LS-Nikko Copper Inc.

On October 14, 2015, Codelco reduced its ownership interest to 34% interest, with LS-Nikko Copper Inc, holding the remaining 66%.

As of December 31, 2018, LS-Nikko Copper Inc, is the controlling shareholder of this company based on the control elements set out in the shareholders' agreement.

The principal business activity of the company is the processing of intermediate products of the refining and processing of copper and other metals aiming to recover the copper, other metals and other sub products, their transformation to commercial products and the selling and distribution of all classes of goods or inputs derived from such process.

Deutsche Giessdraht GmbH

As of December 31, 2017, the balance of this investment is classified under Non-current assets or groups of assets for disposition classified as held for sale Note 7, of the consolidated current assets, and corresponds in its entirety to the participation held by the Corporation at that date through its affiliate Codelco Kupferhandel GmbH, having a 40% interest in the capital of the company Deutsche Giessdraht GmbH.

On July 31, 2018 the share sale agreement was finalized representative of the shareholding held by CK in Deutsche Giessdraht GmbH. The acquiring company of the shares was the Aurubis Company AG, which was, until before the sale transaction, the majority shareholder of DG.

The result after taxes of this transaction was a net income Th€ 15,214 (ThUS $ 18,172).

Anglo American Sur S.A.

As December 31, 2018, the controlling shareholder of Anglo American Sur S.A. is Inversiones Anglo American Sur S.A. holding a 50.06% ownership interest, while the non-controlling interest is held by Inversiones Mineras Becrux SpA., which in turn is a subsidiary controlled by Codelco with a 67.8% ownership interest. Consequently, Codelco exercises significant influence in Anglo American Sur S.A. through its indirect ownership interest of 29.5%.

On December 21, 2017, according to archive No. 12285 / 2017, by public deed, it was agreed between the shareholders to merge the Acrux SpA Mining Investment Company ("Absorbed Company") into the Investment Company Minera Becrux SpA ("Absorbing Company"), which took effect as of December 22, 2017, where the Absorbing Company acquires all the assets and liabilities of the Absorbed

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Company, which would be dissolved without the need for its liquidation. In addition the Absorbing Company is responsible for the payment of all taxes owed or which may be owed by the Absorbed Company.

The principal activities of the Company are the exploration, extraction, exploitation, production, processing and trading of minerals, concentrates, precipitates, copper bars and all metallic and non-metallic minerals, all fossil substances and liquid and gaseous hydrocarbons. This includes the exploration, exploitation and use of all natural energy sources capable of industrial use and the products or by-products obtained, as well as any other related, connected or complementary activities on which the shareholders agree.

The following tables provide details of asset and liabilities of the associates as of December 31, 2018 and 2017, and their profit (loss) for the years ended December 31, 2018 and 2017:

Assets and Liabilities	**12/31/2018** ThUS$	**12/31/2017** ThUS$
Current Assets	1,805,003	1,595,687
Non-current Assets	5,637,321	5,925,176
Current Liabilities	1,008,086	766,986
Non-current Liabilities	1,699,529	1,724,512

Net Income	**1/1/2018** **12/31/2018** ThUS$	**1/1/2017** **12/31/2017** ThUS$
Revenue	3,256,402	2,766,212
Cost of sales	(2,665,805)	(2,359,555)
Profit for the period	590,597	406,657

Movements of Investment in Associates	**1/1/2018** **12/31/2018** ThUS$	**1/1/2017** **12/31/2017** ThUS$
Opening balances	**3,665,601**	**3,753,974**
Capital contribution	338	
Dividends	(213,172)	(273,560)
Result of the period	119,114	118,151
Foreign exchange differences	-	(596)
Reverse/ Impairment Anglo American Sur S.A.	-	67,277
Other comprehensive income	(710)	(4,236)
Other	(2,878)	4,591
Final balance	**3,568,293**	**3,665,601**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following tables provide details of asset and liabilities of the principal associates as of December 31, 2018 and 2017, and their profit (loss) for the periods ended December 31, 2018 and 2017:

Anglo American Sur S.A.

Assets and liabilities	12/31/2018 ThUS$	12/31/2017 ThUS$
Current Assets	1,164,724	1,055,740
Non-current Assets	4,104,271	4,265,685
Current Liabilities	890,874	635,033
Non-current Liabilities	1,226,503	1,209,904

See note 20. Letter b) participation non-controlling note

Net Income	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Revenue	2,543,730	2,152,324
Cost of sales	(2,158,834)	(1,790,407)
Profit for the period	384,896	361,917

Sociedad Contractual Minera El Abra

Assets and liabilities	12/31/2018 ThUS$	12/31/2017 ThUS$
Current Assets	576,167	477,857
Non-current Assets	1,013,165	1,110,167
Current Liabilities	73,458	80,077
Non-current Liabilities	270,283	271,684

Net Income	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Revenue	596,060	501,073
Cost of sales	(575,283)	(469,761)
Profit (loss) for the period	20,777	31,312

b) Additional information on unrealized profits (losses)

Codelco enters into transactions for the purchase and sale of copper with Sociedad Contractual Minera El Abra. As of December 31, 2018 and 2017, there were no unrealized profits (losses) recognized in the carrying amount of inventories of finished products.

Codelco enters into transactions for the purchase and sale of copper with Anglo American Sur S.A. As of December 31, 2018 and 2017, there were no unrealized profits (losses) recognized in the carrying amount of inventories of finished products.

For the year ended December 31, 2018, the Corporation has recognized unrealized profits of ThUS$3,920 (ThUS$3,920 as of December 31, 2017) for the service transaction related to the use of the LNG terminal of the associate Contractual Minera El Abra.

c) Investments in associates acquired

On August 24, 2012, Codelco recognized the acquisition of ownership interest in Anglo American Sur S.A. which resulted in the initial recognition of the cost of the investment for ThUS$6,490,000 that corresponded to the proportionate share (29.5%) of the net fair value of the identifiable assets and liabilities acquired.

In determining the share of the fair value of the identifiable assets and liabilities acquired, the Corporation considered the resources and mineral reserves that could be measured reliably and the assessment of intangibles and all other considerations about contingent assets and liabilities.

The allocation of the purchase price at fair value between the identifiable assets and liabilities was prepared by management using its best estimate and taking into account all relevant and available information at the acquisition date of Anglo American Sur S.A.

The acquisition did not result in obtaining control of the acquired company.

The Corporation used a discounted cash flows model to estimate cash flow projections, based on the life of mine. These projections were based on estimated production and future prices of minerals, operating costs and capital costs, among other estimates made at the date of acquisition. Additionally, proven and probable resources to explore were not included in the mine plan, therefore, they were valued separately using a market model. Such resources are included in item "Mineral Resources."

As part of this process and by applying the valuation criteria indicated above, the fair value of the net assets of Anglo American Sur S.A. was US$22,646 million, therefore the proportionate share acquired by Inversiones Mineras Becrux SpA (29.5%) was equivalent to US$6,681 million at the acquisition date.

d) Additional information on impairment of investments accounted for using the equity method

As of December 31, 2015, the Corporation identified indicators of impairment in the operating units of Anglo American Sur S.A. Consequently, and with the purpose of making the corresponding adjustments to the investment in this associate, the Corporation estimated its recoverable amount.

In determining the recoverable amount, the Corporation applied the methodology of fair value less costs of disposal. The recoverable amount of the operating units was determined based on the life of mine by using a discounted cash flow model whose main assumptions included ore reserves declared by the associate, copper price, supply costs, foreign exchange rates, discount rate and market information for the long-term asset valuation. The discount rate used was annual rate of 8% after taxes.

Furthermore, the proven reserves not included in the LOM, as well as the probable reserves to explore, have been valued using a multiples market approach for comparable transactions. Such methodology is consistent with the methodologies used at the acquisition date, which is described in letter c) above.

The recoverable amount as estimated was less than the carrying amount of the identified assets of the associate, therefore, the Corporation recognized an impairment loss of ThUS$2,439,495, which was included within the line item “Share of profit or loss of associates and joint ventures accounted for using the equity method" in the consolidated statements of comprehensive income for the year ended December 31, 2015.

The impairment loss was mainly attributable to the drop in copper prices during the year 2015.

Subsequent to recognition of the impairment, there has been no indicators requiring the recognition of further impairment losses on the recoverable amount of the investment held in Anglo American Sur S.A.

As of December 31, 2016, the parent company of Anglo American Sur S.A. reviewed the discounted cash flow model of its cash generating units (CGU), determining an impairment loss for the *El Soldado* CGU of US$200 million due to the uncertainty related to obtaining the required approval of its operational plan from the National Mining and Geology Service (“SERNAGEOMIN” in its Spanish acronym), which raised questions about the generation of future economic benefits to support the value of the assets related to such CGU.

Consequently, and with the purpose of making the corresponding adjustments to the recognition its investment in the associate, the Corporation estimated its recoverable amount by considering the fair value of the identified net assets of the associate *El Soldado*. The recoverable amount as estimated was less than the carrying amount of the identified assets of the associate, therefore, the Corporation recognized an impairment loss of ThUS$78,811 over the identified assets related to El Soldado operations, which was included within the line item “Share of profit or loss of associates and joint ventures accounted for using the equity method” in the statement of comprehensive income for the year ended December 31, 2016.

On April 27, 2017, the SERNAGEOMIN approved the updated mine plan for El Soldado, based on this resolution Anglo American Sur S.A. has resumed the operations of the mine. Consequently, the company recognized a reversal of an impairment loss for US$193 million.

As of December 31, 2017, Codelco made a corresponding adjustment to the identified assets at the acquisition date of the investment associated with El Soldado operations by recognizing a reversal of an impairment loss of ThUS$67,277, which is presented in the line item “Share of profit or loss of associates and joint ventures accounted for using the equity method.”

As of December 31, 2018, there are no indicators of impairment, therefore, there have been no adjustments recognized to the carrying amounts of the assets.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

e) Share of profit or loss for the year

The share in profit or loss of the associate Anglo American Sur S.A. recognized for the year ended December 31, 2018 was income of ThUS$113,544 (income of ThUS$106,766 for the year ended December 31, 2017). In addition, the Corporation has made appropriate adjustments to its share of profit or loss in the associate for depreciation of the depreciable assets based on the fair values at the acquisition date, which resulted in an expense of ThUS$13,835 for the year ended December 31, 2018 (an expense of ThUS$10,268 for the year ended December 31, 2017) recognized within line item "Share of profit or loss of associates and joint ventures accounted using the equity method" in the consolidated statements of comprehensive income.

10. Intangible assets other than goodwill

As of December 31, 2018 and 2017, the intangible assets other than goodwill are described as follows:

a) This item is composed of the following:

Item	**12/31/2018** ThUS$	**12/31/2017** ThUS$
Intangible assets with finite useful lives, net	40,421	35,449
Intangible assets with indefinite useful lives	7,958	183,668
Total	**48,379**	**219,117**

b) Carrying amount and accumulated amortization:

	12/31/2018		
Item	**Gross** ThUS$	**Accumulated Amortization** ThUS$	**Net** ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,958	-	7,958
Software	2,803	(1,351)	1,452
Other intangible assets	38,950	(9)	38,941
Total	**49,739**	**(1,360)**	**48,379**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Item	12/31/2017 Gross ThUS$	Accumulated Amortization ThUS$	Net ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,959	-	7,959
Software	5,226	(3,533)	1,693
Technological development and innovation	175,710	-	175,710
Other intangible assets	33,727	-	33,727
Total	**222,650**	**(3,533)**	**219,117**

c) Reconciliation of the carrying amount at beginning and end of the period:

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development and innovation	Other	Total
Reconciliation of changes in intangible assets other than goodwill						
Intangible assets other than goodwill. Opening balance (1/1/2018)	**28**	**7,959**	**1,693**	**175,710**	**33,727**	**219,117**
Changes in intangible assets other than goodwill						
Increases other than those arising from business combinations, intangible assets other than goodwill	-	-	586	704	9,261	10,551
Amortization, intangible assets other than goodwill	-	-	(503)	-	(352)	(855)
Increases (decreases) in transfers and other changes, intangible assets other than goodwill						
Increases (decreases) in transfers and other changes, intangible assets other than goodwill	-	-	-	(103,638)	-	(103,638)
Increases (decreases) due to other changes, intangible assets other than goodwill	-	(1)	(149)	-	(7)	(157)
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	**-**	**(1)**	**(149)**	**(103,638)**	**(7)**	**(103,795)**
Provisions and withdrawals of service, intangible assets other than goodwill						
Service retirements / retirements, intangible assets other than goodwill	-	-	(175)	(72,776)	(3,688)	(76,639)
Provisions and withdrawals of service, intangible assets other than goodwill	**-**	**-**	**(175)**	**(72,776)**	**(3,688)**	**(76,639)**
Increase (decrease) in intangible assets other than goodwill	**-**	**(1)**	**(241)**	**(175,710)**	**5,214**	**(170,738)**
Intangible assets other than goodwill. Final Balance 12/31/2018	**28**	**7,958**	**1,452**	**-**	**38,941**	**48,379**

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development and innovation	Other	Total
Reconciliation of changes in intangible assets other than goodwill						
Intangible assets other than goodwill. Opening balance (1/1/2017)	**28**	**7,959**	**1,905**	**174,624**	**12,381**	**196,897**
Changes in intangible assets other than goodwill						
Increases other than those arising from business combinations, intangible assets other than goodwill	-	-	87	1,086	4	1,177
Amortization, intangible assets other than goodwill	-	-	(430)	-	(352)	(782)
Increases (decreases) in transfers and other changes, intangible assets other than goodwill						
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	-	-	-	-	22,869	22,869
Increases (decreases) due to other changes, intangible assets other than goodwill	-	-	132	-	(52)	80
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	**-**	**-**	**132**	**-**	**22,817**	**22,949**
Provisions and withdrawals of service, intangible assets other than goodwill						-
Retirements from service, intangible assets other than goodwill	-	-	(1)	-	(1,123)	(1,124)
Disposiciones y retiros de servicio, activos intangibles distintos de la plusvalía	-	-	**(1)**	-	**(1,123)**	**(1,124)**
Increase (decrease) in intangible assets other than goodwill	**-**	**-**	**(212)**	**1,086**	**21,346**	**22,220**
Intangible assets other than goodwill. Final Balance 12/31/2017	**28**	**7,959**	**1,693**	**175,710**	**33,727**	**219,117**

d) Additional Information

As of December 31, 2018, the Corporation does not hold balances for intangible assets corresponding to technological development and innovation. The Corporation has significant intangible assets for ThUS$175,710, as of December 31, 2017, related to the “Continuous Mining” Project.

Continuous Mining is a project of the Corporation aimed toward development of an internal technological breakthrough associated with the exploitation of underground mines, the main characteristics of the project are: (1) reduction in the exposure of workers to mineral extraction areas;

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

(2) increasing the pace of mineral extraction; and (3) simultaneous mineral extraction from different sections.

This project began in 2005, when the first conceptual tests were made, and in 2007 and 2008 it was applied at the pilot level and from 2009 the basic and detailed engineering and the construction phase for industrial validation at the West sector of third panel of Andina Division were performed, which was expected to be carried out through 2018. It was expected that its subsequent implementation would be at Chuquicamata Underground and of the new mining projects of Codelco. During the 2018 period, project studies were carried out and Management has decided not to continue with it.

In view of the discontinuance of the project during the first quarter of 2018, a write-off of US$71.7 million before tax (US$25 million after taxes) associated with basic engineering, construction and equipment was recognized in profit or loss. In addition, US$103.6 million were reclassified to Property, plant and equipment in relation to those assets that might potentially be used in other operations and / or projects of the Corporation. As a result of a subsequent review, an additional write-off for US$66.4 million (see note 8 Property, plant and equipment) of assets was recognized. Consequently, the total write-offs as of December 31, 2018, related to this project is US$138.1 million (US$48 million after taxes).

As of December 31, 2018 and 2017, there are no fully amortized intangible assets that are still in use.

For the years ended December 31, 2018 and 2017, research and technological development and innovation expenditures recognized in assets were ThUS$6,816 and ThUS$6,884, respectively. On the other hand, research recognized in expense was ThUS$10,042 and ThUS$13,552 for the years ended December 31, 2018 and 2017, respectively.

11. Subsidiaries

The following tables set forth a detail of assets, liabilities and profit (loss) of the Corporation's subsidiaries, prior to consolidation adjustments:

Assets and liabilities	12/31/2018 ThUS$	12/31/2017 ThUS$
Current assets	621,753	596,285
Non Current Assets	3,605,801	3,743,260
Current Liabilities	305,030	307,223
Non Current Liabilities	1,122,471	1,321,709

Profit (loss)	1/1/2018 12/31/2018 ThUS$	1/1/2017 9/30/2017 ThUS$
Ordinary Income	2,119,617	2,134,080
Ordinary Expenses	(2,071,713)	(2,017,464)
Profit (loss) of period	47,904	116,616

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

12. Other non-current non-financial assets

Other non-current non-financial assets as of December 31, 2018 and 2017, are as follows:

Other non-current non-financial assets	12/31/2018 ThUS$	12/31/2017 ThUS$
Advance payment (Law No.13196) (1)	4,433	6,266
Other	2,384	5,309
Total	**6,817**	**11,575**

(1) Corresponds to the record of the commitment related to Law No. 13196 to the advance payment received for the copper sales contract signed with Copper Partners Investment Company Limited. This amount will be amortized according to the shipments made.

13. Current and non-current financial assets

Current and non-current financial assets included in the statement of financial position are as follows:

	12/31/2018				
Classification in the statement of financial position	At fair value though profit and loss	Amortized Cost	Derivatives for hedging		**Total financial assets**
			Hedging derivatives	Cross currency swap	
	ThUS$	ThUS$	ThUS$	ThUS$	**ThUS$**
Cash and cash equivalents	1,698	1,227,427	-	-	**1,229,125**
Trade and other current receivables	789,710	1,422,499	-	-	**2,212,209**
Non – current receivables	-	84,731	-	-	**84,731**
Current receivables from related parties	-	92,365	-	-	**92,365**
Non – current receivables from related parties	-	20,530	-	-	**20,530**
Other current financial assets	-	187,870	43,539	-	**231,409**
Other non - current financial assets	-	23,089	14,962	107,700	**145,751**
TOTAL	**791,408**	**3,058,511**	**58,501**	**107,700**	**4,016,120**

	12/31/2017				
Classification in the statement of financial position	At fair value though profit and loss	Amortized Cost	Derivatives for hedging		**Total financial assets**
			Hedging derivatives	Cross currency swap	
	ThUS$	ThUS$	ThUS$	ThUS$	**ThUS$**
Cash and cash equivalents	651	1,448,184	-	-	**1,448,835**
Trade and other current receivables	244,265	2,571,087	-	-	**2,815,352**
Non – current receivables	-	91,442	-	-	**91,442**
Current receivables from related parties	-	64,344	-	-	**64,344**
Non – current receivables from related parties	-	25,830	-	-	**25,830**
Other current financial assets	-	1,327	-	-	**1,327**
Other non - current financial assets	-	11,127	855	137,544	**149,526**
TOTAL	**244,916**	**4,213,341**	**855**	**137,544**	**4,596,656**

- **Fair value through profit or loss:** As of December 31, 2018, this category mainly includes receivables from provisional invoicing sales. Section II.2.r.

- **Amortized cost:** It corresponds to financial assets held within a business model whose objective is to hold financial assets to collect contractual cash flows that are solely payments of principal and interest on the principal outstanding. These assets are not quoted in an active market.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The effects on profit or loss recognized for these assets are mainly from financial income and exchange differences from balances denominated in currencies other than the functional currency.

No material impairments were recognized in trade and other receivables.

- **Derivatives for Hedging**: Corresponds to the balance for changes in the fair value of derivative contracts to cover existing transactions (cash flow hedges) and that affect the profit or loss when transactions are settled or when, to the extent required by accounting standards, a compensation effect is charged (credited) to the income statement. The detail of derivative hedging transactions is included in the Note 30.

As of December 31, 2018 and 2017, there were no reclassifications between the different categories of financial instruments, under the accounting standards at the respective dates.

14. Interest-bearing borrowings

Current and non-current interest-bearing borrowings consists of loans from financial institutions, bond issuance obligations and finance leases, which are measured at amortized cost using the effective interest rate method.

The following tables set forth other current/non-current financial liabilities as of December 31, 2018 and 2017:

	12/31/2018					
	Current			Non-current		
Items	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial institutions	404,871	-	404,871	2,107,078	-	2,107,078
Bonds issued	435,429	-	435,429	12,310,307	-	12,310,307
Financial Lease	21,510	-	21,510	86,329	-	86,329
Hedging derivatives	-	10,096	10,096	-	106,824	106,824
Other financial liabilities	371	-	371	63,972	-	63,972
Total	**862,181**	**10,096**	**872,277**	**14,567,686**	**106,824**	**14,674,510**

	12/31/2017					
	Current			Non-current		
Items	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial institutions	130,727	-	130,727	2,329,657	-	2,329,657
Bonds issued	165,784	-	165,784	12,083,622	-	12,083,622
Financial Lease	16,364	-	16,364	86,347	-	86,347
Hedging derivatives	-	10,526	10,526	-	79,552	79,552
Other financial liabilities	987	-	987	68,826	-	68,826
Total	**313,862**	**10,526**	**324,388**	**14,568,452**	**79,552**	**14,648,004**

- **Loans from financial institutions:**

The loans obtained by the Corporation aim to finance production operations oriented towards the foreign market.

On August 23, 2012, the subsidiary Inversiones Gacrux SpA (Gacrux) signed a credit agreement with Oriente Copper Netherlands BV (a subsidiary of Mitsui & Co, Ltd, ("Mitsui")) for approximately US$1,863 million, renewable monthly until November 26, 2012, after which, if not paid or renegotiated, will automatically become a loan with a 7.5 year maturity from the date of disbursement, and an annual rate Libor + 2.5%. This loan has no underlying guarantees given by Codelco.

The proceeds from the loan were used by Codelco's indirect subsidiary Inversiones Mineras Becrux SpA to acquire 24.5% of the shares of Anglo American Sur S.A., including other acquisition-related expenses. On October 31, 2012, the credit agreement was amended, the new terms established an annual fixed interest rate of 3.25% and a 20-year maturity, to be paid in 40 semi-annual installments of principal and interest, and maintaining the "non-recourse" (no underlying guarantee) condition. Under previous agreements, Mitsui is entitled to an additional interest equivalent to one-third of the savings obtained by Gacrux under the renegotiated credit as compared to the conditions from the credit agreement originally signed. Thus, Mitsui (through its subsidiary) held an option to acquire from Gacrux an additional 15.25% of the shares of Inversiones Mineras Acrux SpA ("Acrux"), at a fixed price of approximately US$998 million. These funds were fully allocated to a portion of Gacrux's debt under the Credit Agreement.

On November 26, 2012, Mitsui exercised the call option and acquired the additional ownership interest in Acrux. The proceeds received were used by Codelco to partially pre-pay the debt with Mitsui.

On November 26, 2016, Codelco signed a credit agreement with Oriente Copper Netherlands BV renegotiating the payment of principal at the end of the contract. The terms established an annual interest rate of Libor +2.5% with a 5 year maturity to be payable in one installment at maturity with semi-annual interest payment.

On May 26, 2017, Codelco signed a credit agreement with Oriente Copper Netherlands BV renegotiating the semi-annual payment. The terms established an annual interest rate of Libor +2.5% with a 5 year maturity to be payable in one installment at maturity with semi-annual interest payment.

The credit agreements obtained in 2016 and 2017, mentioned above, were paid on May 23, 2018.

As of December 31, 2018, the outstanding balance of the credit agreements is ThUS$631,357.

- ***Bond issued:***

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF 6,900,000 of a single series labeled "Series B", which consists of 6,900 bonds for UF 1,000 each. These bonds are payable in a single installment on April 1, 2025, at an annual interest rate of 4% and semi-annual interest payments.

On September 21, 2005, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$500,000. These bonds are payable in a single installment on September 21, 2035, at an annual interest rate of 5.6250% and semi-annual interest payments.

On October 19, 2006, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$500,000. These bonds are payable in a single installment on October 24, 2036, at an annual interest rate of 6.15% and semi-annual interest payments.

On January 20, 2009, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$600,000. These bonds are payable in a single installment on January 15, 2019, at an annual interest rate of 7.5% and semi-annual interest payments. On August 3, 2017, principal was paid for an amount of ThUS$333,155.
On November 4, 2010, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$1,000,000. These bonds are payable in a single installment on November 4, 2020, at an annual interest rate of 3.75% and semi-annual interest payments. On August 3, 2017, principal was paid for an amount of ThUS$414,763.

On November 3, 2011, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$1,150,000. These bonds are payable in a single installment on November 4, 2021, at an annual interest rate of 3.875% and semi-annual interest payments. On August 3, 2017, principal was paid for an amount of ThUS$665,226.

On July 17, 2012, the Company issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$2,000,000. These bonds are payable in two installments (i) ThUS$1,250,000 at an annual interest rate of 3%, On August 22, 2017, principal was paid for an amount of ThUS$412,514, with maturity on July 17, 2022, and (ii) ThUS$750,000 at an annual interest rate of 4.25% with maturity on July 17, 2042, and each have annual interest payments.

On August 13, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$750,000, payable in a single installment on August 13, 2023, at an annual interest rate of 4.5% and semi-annual interest payments. On August 22, 2017, principal was paid for an amount of ThUS$162,502.

On October 18, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$950,000, payable in a single installment on October 18, 2043, at an annual interest rate of 5.625% and semi-annual interest payments.

On July 9, 2014, the Corporation issued and placed bonds in the international financial markets, under Rule 144-A and Regulation S, for a nominal amount of EUR$600,000,000, payable in a single installment on July 9, 2024, at an annual interest rate of 2.25% and semi-annual interest payments.

On November 4, 2014, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$980,000, payable in a single installment on November 4, 2044, at an annual interest rate of 4.875% and semi-annual interest payments.

On September 16, 2015, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$2,000,000, payable in a single installment on September 16, 2025, at an annual interest rate of 4.5% and semi-annual interest payments. On August 22, 2017, principal was paid for an amount of ThUS$378,655.

On August 24, 2016, the Corporation issued and placed bonds in the local market for a nominal amount of UF10,000,000 of single series labeled "Series C", which consists of 20,000 bonds for UF500 each. These bonds are payable in a single installment on August 24, 2026, at an annual interest rate of 2.5% and semi-annual interest payments.

On August 1, 2017, the Corporation issued and placed bonds on the North American market, under standard 144-A and Regulation S, for a total, nominal, amount of ThUS$2,750,000. ThUS$1,500,000, with an annual coupon rate of interest of 3.625% and semi-annual interest payments, will mature on August 1, 2027, while ThUS$1,250,000, with an annual coupon of 4.5% and semi-annual interest payments, which will mature on August 1, 2047.

These operations allowed optimizing the debt maturity profile of Codelco. As a result of these transactions, 86% of the funds from the new issue (US$2,367 million) were used to refinance old debt. The average interest rate of refinanced funds decreased from 4.36% to 4.02%.

The effect recognized in profit and loss associated with this refinancing was a charge of US$ 42 million after tax.

On May 18, 2018, Codelco issued a bond for US$600 million with 30 year maturity in the market of Formosa, Taiwan. The bond issued is denominated in US dollars, had a yield of 4.85% and a prepayment option at the issue value that can be exercised from the fifth year onwards at its par value.

As of December 31, 2018 and 2017, the Corporation is not required to comply with any financial covenants related to borrowings from financial institutions and bond obligations.

- ***Financial debt commissions and expenses:***

  Transaction costs incurred in obtaining financial resources are deducted from the loan proceeds and are amortized using the effective interest rate.

- **Finance leases:**

  Finance lease contracts mainly corresponds to buildings and machinery.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of December 31, 2018, the details of loans from financial institutions and bond obligations are as follows:

12/31/2018													
Taxpayer ID Number	**Country**	**Loans with financial entities**	**Institución**	**Maturity**	**Interest Rate**	**Currency**	**Principal Amount**	**Type of amortization**	**Payment of Interest**	**Nominal Interest Rate**	**Effective Interest Rate**	**Current balance ThUS$**	**Non-current balance ThUS$**
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	12/20/2019	Floating	US$	300,000,000	Maturity	Semi-annual	3,60%	3,74%	300,059	-
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	9/30/2021	Floating	US$	250,000,000	Maturity	Semi-annual	3.27%	3.37%	3,768	249,579
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2021	Floating	US$	300,000,000	Maturity	Semi-annual	3.44%	3.62%	1,604	298,875
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	4/13/2022	Floating	US$	300,000,000	Maturity	Quarterly	3.09%	3.30%	1,980	298,401
Foreign	USA	Bilateral Credit	Export Dev Canada	7/7/2022	Floating	US$	300,000,000	Maturity	Semi-annual	3.38%	3.48%	1,915	299,432
Foreign	USA	Bilateral Credit	Export Dev Canada	10/25/2019	Floating	US$	300,000,000	Maturity	Semi-annual	3.96%	4.09%	2,212	298,250
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd	5/24/2029	Floating	US$	96,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	3.44%	3.84%	12,016	-
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US$	224,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	3.34%	3.54%	32,363	79,674
Foreign	Holland	Credit	Oriente Copper Netherlands B.V.	11/26/2032	Fixed	US$	874,959	Semi-annual	Semi-annual	3.25%	5.42%	48,490	582,867
Foreign	Germany	credit line	HSBC Trinkaus &		Floating	Euro				1.25%	1.25%	408	-
			other institutions									56	-
TOTAL												**404,871**	**2,107,078**

Taxpayer ID Number	Country	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
144-A REG.S	Luxembourg	1/15/2019	Fixed	US$	600,000,000	At Maturity	Semi-annual	7.50%	7.78%	276,061	-
144-A REG.S	Luxembourg	11/4/2020	Fixed	US$	1,000,000,000	At Maturity	Semi-annual	3.75%	3.97%	3,456	582,989
144-A REG.S	Luxembourg	11/4/2021	Fixed	US$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.06%	2,958	482,430
144-A REG.S	Luxembourg	7/17/2022	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.17%	11,538	832,748
144-A REG.S	Luxembourg	8/13/2023	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.50%	4.75%	10,058	581,548
144-A REG.S	Luxembourg	9/07/2024	Fixed	EUR	600,000,000	At Maturity	Annual	2.25%	2.48%	7,404	678,446
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	2,737	285,436
144-A REG.S	Luxembourg	9/16/2025	Fixed	US$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.77%	21,364	1,596,926
BCODE-C	Chile	8/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	3,455	416,715
144-A REG.S	Luxembourg	8/1/2027	Fixed	US$	1,500,000,000	At Maturity	Semi-annual	3.63%	4.20%	22,607	1,437,938
144-A REG.S	Luxembourg	9/21/2035	Fixed	US$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	7,925	491,814
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	5,998	496,430
144-A REG.S	Luxembourg	7/17/2042	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	14,638	733,027
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	10,864	933,256
144-A REG.S	Luxembourg	4/11/2044	Fixed	US$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	7,522	961,050
144-A REG.S	Luxembourg	1/8/2047	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	4.50%	4.73%	23,387	1,205,156
144 - REG S	Luxembourg	5/18/2048	Fixed	US$	600,000,000	At Maturity	Semi-annual	4.85%	4.91%	3,457	594,398
					TOTAL					**435,429**	**12,310,307**

Nominal and effective interest rates presented above correspond to annual rates.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of December 31, 2017, the details of loans from financial institutions and bond obligations are as follows:

12/31/2017													
Taxpayer ID Number	**Country**	**Loans with financial entities**	**Institución**	**Maturity**	**Interest Rate**	**Currency**	**Principal Amount**	**Type of amortization**	**Payment of Interest**	**Nominal Interest Rate**	**Effective Interest Rate**	**Current balance ThUS$**	**Non-current balance ThUS$**
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	9/30/2021	Floating	US$	250,000,000	Maturity	Quarterly	2.10%	2.16%	1,081	249,483
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2021	Floating	US$	300,000,000	Maturity	Quarterly	2.00%	2.17%	969	298,480
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	4/13/2022	Floating	US$	300,000,000	Maturity	Quarterly	2.01%	2.20%	1,323	297,935
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2022	Floating	US$	300,000,000	Maturity	Quarterly	2.01%	2.09%	1,142	299,253
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	6/5/2019	Floating	US$	95,000,000	Maturity	Quarterly	2.14%	2.35%	130	94,740
Foreign	USA	Bilateral Credit	Export Dev Canada	6/16/2019	Floating	US$	300,000,000	Maturity	Quarterly	1.97%	2.03%	1,346	299,480
Foreign	Japan	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	5/24/2019	Floating	US$	96,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	2.20%	2.60%	24,081	11,883
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US$	224,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	2.10%	2.29%	32,311	111,478
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2032	Fixed	US$	874,959,000	At maturity with semi-annual interest payments	Semi-annual	3.25%	5.37%	43,748	626,357
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2021	Fixed	US$	23,946,863	At maturity with semi-annual interest payments	Semi-annual	3.79%	4.02%	-	24,044
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	5/26/2022	Fixed	US$	16,395,765	At maturity with semi-annual interest payments	Semi-annual	3.92%	3.98%	-	16,460
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	Euro				1.24%	1.24%	17,045	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				1.22%	1.22%	7,355	-
			other institutions									196	64
						TOTAL						**130,727**	**2,329,657**

Taxpayer ID Number	Country	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
144-A REG.S	Luxembourg	1/15/2019	Fixed	US$	600,000,000	Maturity	Semi-annual	7.50%	7.78%	9,162	266,111
144-A REG.S	Luxembourg	4/11/2020	Fixed	US$	1,000,000,000	Maturity	Semi-annual	3.75%	3.97%	3,456	581,833
144-A REG.S	Luxembourg	4/11/2021	Fixed	US$	1,150,000,000	Maturity	Semi-annual	3.88%	4.06%	2,993	481,661
144-A REG.S	Luxembourg	7/17/2022	Fixed	US$	1,250,000,000	Maturity	Semi-annual	3.00%	3.17%	11,385	831,500
144-A REG.S	Luxembourg	8/13/2023	Fixed	US$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	10,058	580,420
144-A REG.S	Luxembourg	7/09/2024	Fixed	EUR	600,000,000	Maturity	Annual	2.25%	2.48%	7,782	711,734
BCODE-B	Chile	4/01/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	3,797	316,327
144-A REG.S	Luxembourg	9/16/2025	Fixed	US$	2,000,000,000	Maturity	Semi-annual	4.50%	4.77%	21,364	1,593,900
BCODE-C	Chile	8/24/2026	Fixed	U.F.	10,000,000	Maturity	Semi-annual	2.50%	2.48%	3,008	460,495
144-A REG.S	Luxembourg	8/01/2027	Fixed	US$	1,500,000,000	Maturity	Semi-annual	3.63%	4.14%	22,485	1,439,403
144-A REG.S	Luxembourg	9/21/2035	Fixed	US$	500,000,000	Maturity	Semi-annual	5.63%	5.78%	7,925	491,529
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	Maturity	Semi-annual	6.15%	6.22%	5,998	496,323
144-A REG.S	Luxembourg	7/17/2042	Fixed	US$	750,000,000	Maturity	Semi-annual	4.25%	4.41%	14,638	732,623
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	10,950	932,957
144-A REG.S	Luxembourg	4/11/2044	Fixed	US$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	7,523	960,696
144-A REG.S	Luxembourg	8/01/2047	Fixed	US$	1,250,000,000	Maturity	Annual	4.50%	4.72%	23,260	1,206,110
				TOTAL						**165,784**	**12,083,622**

Nominal and effective interest rates presented above correspond to annual rates.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The undiscounted amounts that the Corporation will have to disburse to settle the obligations with financial institutions, are as follows:

12/31/2018					Current			Non-current			
Creditor Name	Currency	Effective Interest Rate	Nominal Interest Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Scotiabank Chile	US$	3.74%	3.60%	Semi-annual	-	310,893	310,893	-	-	-	-
Bank of Tokyo Mitsubishi Ltd.	US$	3.37%	3.27%	Semi-annual	4,176	4,108	8,284	270,701	-	-	270,701
Export Dev Canada	US$	3.62%	3.44%	Semi-annual	-	10,395	10,395	320,934	-	-	320,934
Scotiabank & Trust (Cayman) Ltd	US$	3.30%	3.09%	Quarterly	2,340	7,099	9,439	18,801	304,578	-	323,379
Export Dev Canada	US$	3.48%	3.38%	Semi-annual	-	10,279	10,279	20,586	310,251	-	330,837
Export Dev Canada	US$	4.09%	3.96%	Semi-annual	-	12,053	12,053	24,139	24,106	360,330	408,575
Bank of Tokyo-Mitsubishi Ltd.	US$	3.84%	3.44%	Semi-annual	-	12,205	12,205	-	-	-	-
Japan Bank International Cooperation	US$	3.54%	3.34%	Semi-annual	-	35,496	35,496	67,793	16,268	-	84,061
BONO 144-A REG.S 2019	US$	7.78%	7.50%	Semi-annual	276,852	-	276,852	-	-	-	-
BONO 144-A REG.S 2020	US$	3.97%	3.75%	Semi-annual	-	21,946	21,946	607,183	-	-	607,183
BONO 144-A REG.S 2021	US$	4.06%	3.88%	Semi-annual	-	18,785	18,785	522,344	-	-	522,344
BONO 144-A REG.S 2022	US$	3.17%	3.00%	Semi-annual	12,562	12,562	25,124	50,249	862,611	-	912,860
BONO 144-A REG.S 2023	US$	4.75%	4.50%	Semi-annual	13,219	13,219	26,438	52,875	640,373	-	693,248
BONO 144-A REG.S 2025	US$	4.77%	4.50%	Semi-annual	36,480	36,480	72,960	145,922	145,922	1,767,277	2,059,121
BONO 144-A REG.S 2027	US$	4.20%	3.63%	Semi-annual	27,188	27,188	54,376	108,750	108,750	1,717,500	1,935,000
BONO 144-A REG.S 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	837,500	950,000
BONO 144-A REG.S 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	899,750	1,022,750
BONO 144-A REG.S 2042	US$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,355,625	1,483,125
BONO 144-A REG.S 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,018,750	2,232,500
BONO 144-A REG.S 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	1,983,275	2,174,375
BONO 144-A REG.S 2047	US$	4.73%	4.50%	Semi-annual	28,125	28,125	56,250	112,500	112,500	2,600,000	2,825,000
BONO 144 REG.S 2048	US$	4.91%	4.85%	Semi-annual	-	29,100	29,100	58,200	58,200	1,312,950	1,429,350
Oriente Copper Netherlands B.V.	US$	5.42%	3.25%	Semi-annual	-	72,705	72,705	141,137	135,320	537,640	814,097
				Total ThUS$	**430,943**	**824,602**	**1,255,545**	**2,906,039**	**3,102,804**	**15,390,597**	**21,399,440**
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,314,000	8,418,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	124,228	124,228	248,457	496,913	496,913	10,745,370	11,739,197
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	18,059,370	20,157,197
				Subtotal ThUS$	**10,404**	**10,404**	**20,808**	**41,617**	**41,617**	**716,526**	**799,760**
BONO 144-A REG. S 2024	EUR	2.48%	2.25%	Annual		13,500,000	13,500,000	27,000,000	27,000,000	613,500,000	667,500,000
				Total EUR		13,500,000	13,500,000	27,000,000	27,000,000	613,500,000	667,500,000
				Subtotal ThUS$		**15,443**	**15,443**	**30,885**	**30,885**	**701,783**	**763,553**
				Total ThUS$	**441,347**	**850,449**	**1,291,796**	**2,978,541**	**3,175,306**	**16,808,906**	**22,962,753**

Nominal and effective interest rates presented above correspond to annual rates.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

12/31/2017					Current			Non-current			
Debtor's Name	Currency	Effective interest rate	Nominal Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Bank of Tokyo Mitsubishi Ltd.	US$	2.16%	2.10%	Quarterly	1,344	3,989	5,333	10,680	255,070	-	265,750
Export Dev Canada	US$	2.17%	2.00%	Quarterly	1,570	4,561	6,131	12,213	306,098	-	318,311
Scotiabank & Trust (Cayman) Ltd	US$	2.20%	2.01%	Quarterly	1,590	4,553	6,143	12,286	309,072	-	321,358
Export Dev Canada	US$	2.09%	2.01%	Quarterly	1,545	4,584	6,129	12,273	310,577	-	322,850
Mizuho Corporate Bank Ltd	US$	2.35%	2.14%	Quarterly	509	1,555	2,064	96,012	-	-	96,012
Export Dev Canada	US$	2.03%	1.97%	Quarterly	2,988	3,005	5,993	304,121	-	-	304,121
Bank of Tokyo-Mitsubishi Ltd.	US$	2.60%	2.20%	Semi-annual	-	24,669	24,669	12,133	-	-	12,133
Japan Bank International Cooperation	US$	2.29%	2.10%	Semi-annual	-	34,897	34,897	67,753	49,020	-	116,773
BONO 144-A REG. S 2019	US$	7.78%	7.50%	Semi-annual	10,007	10,007	20,014	276,852	-	-	276,852
BONO 144-A REG. S 2020	US$	3.97%	3.75%	Semi-annual	-	21,946	21,946	629,130	-	-	629,130
BONO 144-A REG. S 2021	US$	4.06%	3.88%	Semi-annual	-	18,785	18,785	37,570	503,559	-	541,129
BONO 144-A REG. S 2022	US$	3.17%	3.00%	Semi-annual	12,562	12,562	25,124	50,249	887,735	-	937,984
BONO 144-A REG. S 2023	US$	4.75%	4.50%	Semi-annual	13,219	13,219	26,438	52,875	52,875	613,935	719,685
BONO 144-A REG. S 2025	US$	4.77%	4.50%	Semi-annual	36,480	72,961	109,441	145,922	145,922	1,840,238	2,132,082
BONO 144-A REG. S 2027	US$	4.14%	3.63%	Semi-annual	27,188	27,188	54,376	108,750	108,750	1,771,875	1,989,375
BONO 144-A REG. S 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	865,625	978,125
BONO 144-A REG. S 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	930,500	1,053,500
BONO 144-A REG. S 2042	US$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,387,500	1,515,000
BONO 144-A REG. S 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,072,188	2,285,938
BONO 144-A REG. S 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	2,031,050	2,222,150
BONO 144-A REG. S 2047	US$	4.72%	4.50%	Semi-annual	28,125	28,125	56,250	112,500	112,500	2,656,250	2,881,250
Oriente Copper Netherlands B.V.	US$	5.42%	3.25%	Semi-annual	-	74,147	74,147	144,020	138,203	604,579	886,802
Oriente Copper Netherlands B.V.	US$	4.20%	3.92%	Semi-annual	-	691	691	1,384	17,430	-	18,814
Oriente Copper Netherlands B.V.	US$	3.92%	3.98%	Semi-annual	-	1,010	1,010	2,022	24,956	-	26,978
				Total ThUS$	**167,128**	**524,418**	**691,546**	**2,472,670**	**3,605,692**	**14,773,740**	**20,852,102**
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,590,000	8,694,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	248,457	124,228	372,685	496,913	496,913	10,993,827	11,987,654
				Total U.F.	386,457	262,228	648,685	1,048,913	1,048,913	18,583,827	20,681,654
				Subtotal ThUS$	**16,846**	**11,431**	**28,277**	**45,724**	**45,724**	**810,105**	**901,553**
BONO 144-A REG. S 2024	EUR	2.48%	2.25%	Annual	-	13,500,000	13,500,000	27,000,000	27,000,000	627,000,000	681,000,000
				Total EUR	-	13,500,000	13,500,000	27,000,000	27,000,000	627,000,000	681,000,000
				Subtotal ThUS$	**-**	**16,232**	**16,232**	**32,464**	**32,464**	**753,879**	**818,806**
				Total ThUS$	**183,974**	**552,081**	**736,055**	**2,550,858**	**3,683,880**	**16,337,724**	**22,572,461**

Nominal and effective interest rates presented above correspond to annual rates.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The present value of future lease payments for financial lease obligations are detailed in the following table:

Financial Leases	12/31/2018 Gross ThUS$	12/31/2018 Interest ThUS$	12/31/2018 Present Value ThUS$	12/31/2017 Gross ThUS$	12/31/2017 Interest ThUS$	12/31/2017 Present Value ThUS$
Less than 90 days	6,902	(1,735)	5,167	6,745	(2,857)	3,888
Between 90 days and 1 year	21,529	(5,186)	16,343	20,877	(8,401)	12,476
Between 1 and 2 years	23,385	(5,943)	17,442	23,807	(8,222)	15,585
Between 2 and 3 years	20,079	(4,807)	15,272	17,114	(5,729)	11,385
Between 3 and 4 years	13,628	(3,699)	9,929	11,733	(3,993)	7,740
Between 4 and 5 years	19,946	(2,812)	17,134	10,426	(3,196)	7,230
More than 5 years	35,126	(8,574)	26,552	57,181	(12,774)	44,407
Total	140,595	(32,756)	107,839	147,883	(45,172)	102,711

The total future lease payments for operating leases and rental expenses recognized in the statements of comprehensive income are summarized in the following tables:

Future lease payments for operating issues	**12/31/2018** ThUS$	**12/31/2017** ThUS$
Less than one year	82,843	121,172
Between one and five years	164,132	263,495
More than five years	19,376	47,239
TOTAL	266,351	431,906

Rental fees recognized in the statement of comprehensive income	**12/31/2018** ThUS$	**12/31/2017** ThUS$
Rental expenses	191,311	228,104

The table below details changes in CODELCO's liabilities classified as financing activities in the statement of cash flow, including both cash and non-cash changes for the ended December 31, 2018:

Liabilities forfinancing activities	**Initial Balance at 1/1/2018**	**Flows of cash**			**Changes that do not represent cash flow**					**Final Balance at 12/31/2018**
		From	**Used**	**Total**	**Financial Cost (1)**	**Exchange Difference**	**Fair Value Adjustment**	**Effective Interest accretion/amortization not cah flow related**	**Other**	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans with financial institutions	2,460,384	300,000	(333,027)	(33,027)	84,592	-	-	-	-	2,511,949
Bond Obligations	12,249,406	600,000	(541,341)	58,659	543,874	(101,299)	-	(4,904)	-	12,745,736
Obligations for coverage	83,896	-	(18,930)	(18,930)	20,070	35,884	(4,788)	-	-	116,132
Paid Dividens	-	-	(602,461)	(602,461)	-	-	-	-	-	(602,461)
Financial assets for hedge derivatives	(137,544)	-	-	-	-	66,177	(36,333)	-	-	(107,700)
Finance leases	102,711		(27,130)	(27,130)	2,774	2,645			26,839	107,839
Capital contribution	-	600,000	-	600,000	-	-	-	-	-	-
Other	69,813	-	(99,200)	(99,200)	82,886	-	-	-	10,844	64,343
Total liabilities from financing activities	**14,828,666**	**1,500,000**	**(1,622,089)**	**(122,089)**	**734,196**	**3,407**	**(41,121)**	**(4,904)**	**37,683**	**14,835,838**

Liabilities forfinancing activities	**Initial Balance at 1/1/2017**	**Flows of cash**			**Changes that do not represent cash flow**					**Final Balance at 12/31/2017**
		From	**Used**	**Total**	**Financial Cost (1)**	**Exchange Difference**	**Fair Value Adjustment**	**Effective Interest accretion/amortization not cah flow**	**Other**	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans with financial institutions	3,154,741	300,000	(1,043,246)	(743,246)	74,342	(25,453)	-	-	-	2,460,384
Bond Obligations	11,758,820	2,750,000	(3,094,341)	(344,341)	521,750	163,314	-	-	149,863	12,249,406
Obligations for coverage	171,061	15,737	-	15,737	15,553	(89,036)	(6,162)	(23,257)	-	83,896
Paid Dividens	-	-	(273,332)	(273,332)	-	-	-	-	-	-
Financial assets for hedge derivatives	(63,781)	5,291	-	5,291	4,765	(71,579)	(35,497)	23,257	-	(137,544)
Finance leases	124,491		(25,565)	(25,565)	-	-	-		3,785	102,711
Capital contribution	-	995,000	-	995,000	-	-	-	-	-	-
Other	74,253	-	(45,980)	(45,980)	-	-	-	-	41,540	69,813
Total liabilities from financing activities	**15,219,585**	**4,066,028**	**(4,482,464)**	**(416,436)**	**616,410**	**(22,754)**	**(41,659)**	**-**	**195,188**	**14,828,666**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

(1) The finance costs consider the capitalization of interest, which for the year ended December 31, 2018 and 2017, amounts to ThUS$311,399 and ThUS$217,031, respectively.

15. Fair Value of financial assets and liabilities

The carrying amount of financial assets is a reasonable approximation to their fair value, therefore, no additional disclosures are required in accordance with IFRS 7.

Regarding financial liabilities, the following table shows a comparison as of December 31, 2018 between the carrying amount and the fair value of financial liabilities other than those whose carrying amount is a reasonable approximation of fair value.

Comparison value book vs fair value as of December 31, 2018	**Accounting treatment for valuation**	**Carrying amount** ThUS$	**Fair value** ThUS$
Financial liabilities:			
Bond Obligations	Amortized cost	12,745,736	13,131,637

16. Fair value hierarchy

The estimated fair value for the Corporation's portfolio of financial instruments is based on valuation techniques and observable inputs. Considering the hierarchy of the data used in these valuation techniques, the assets and liabilities measured at fair value can be classified into the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i,e, as prices) or indirectly (i,e, derived from prices).
- Level 3: Inputs are significant unobservable inputs for the asset or liability.

The following table presents financial assets and liabilities measured at fair value as of December 31, 2018:

Financial instruments measured at fair value	**12/31/2018**			
	Level 1 ThUS$	**Level 2 ThUS$**	**Level 3 ThUS$**	**Total ThUS$**
Financial Assets				
Provisional price sales contracts	-	789,710	-	789,710
Cross Currency Swap	-	107,700	-	107,700
Mutual fund units	1,698	-	-	1,698
Metal futures contracts	58,501	-	-	58,501
Financial Liabilities				
Metal futures contracts	726	62	-	788
Cross Currency Swap	-	116,132	-	116,132

There were no transfers between the different levels during the period ended December 31, 2018.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

17. Trade and other payables

The detail of trade and other current payables as of December 31, 2018 and 2017, is as follows:

Items	Currents	
	12/31/2018 ThUS$	12/31/2017 ThUS$
Trade payables	1,317,623	1,376,270
Dividends payables	-	295,842
Payables to employees	21,561	17,177
Withholdings	72,681	88,386
Withholding taxes	60,621	36,020
Other payables	74,098	102,073
Total	**1,546,584**	**1,915,768**

18. Other provisions

The detail of other current and non-current provisions as of December 31, 2018 and 2017, is as follows:

Other Provisions	Current		Non-current	
	12/31/2018 ThUS$	12/31/2017 ThUS$	12/31/2018 ThUS$	12/31/2017 ThUS$
Sales-related provisions (1)	2,692	4,177	-	-
Operating (2)	233,277	152,075	-	-
Law No. 13196	93,309	134,013	-	-
Other provisions	51,771	31,166	20,153	18,790
Onerous Contract (3)	3,200	3,200	4,534	7,734
Decommissioning and restoration (4)	-	-	1,506,162	1,636,695
Legal proceedings	-	-	69,334	48,583
Total	**384,249**	**324,631**	**1,600,183**	**1,711,802**

(1) Corresponds to a sales-related accruals, which includes charges for freight, loading, and unloading that were not invoiced at the end of the period.
(2) Corresponds to a provision for customs duties, freight on purchases, electricity, among others.
(3) Corresponds to a provision recognized for an onerous contract with Copper Partners Investment Company Ltd, See Note 31 b).
(4) Corresponds to the provision for future decommissioning and site restoration costs primarily related to tailing dams, closures of mine operations and other mining assets. The amount of the provision is the present value of future expected cash flows discounted at a pre-tax rate of 2.03% for the obligations in Chilean currency and 2.78% for the obligations in U.S. dollar. Both, discount rates reflect the corresponding assessments of the time value of money and the risks specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been made. The discount period varies between 9 and 54 years.

The Corporation determines and recognized this liability in accordance with the accounting policy described in Note 2, letter p) on Significant Accounting Policies.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Changes in Other provisions, were as follows:

Changes	1/1/2018 12/31/2018			
	Other Provisions, non-current ThUS$	Decommissioning and restoration ThUS$	Contingencies ThUS$	Total ThUS$
Opening balance	**26,524**	**1,636,695**	**48,583**	**1,711,802**
Adjust closing provision	**-**	**(117,174)**		**(117,174)**
Financial expenses	-	34,754	-	34,754
Payment of liabilities	-	(827)	(5,100)	(5,927)
Foreign currency translation	(3,617)	(52,704)	(3,574)	(59,895)
Provision increase	(3,200)	-	-	(3,200)
Other increases	4,980	5,418	29,425	39,823
Closing Balance	**24,687**	**1,506,162**	**69,334**	**1,600,183**

19. Employee benefits

a. Provisions for post-employment benefits and other long term benefits

Provision for post-employment benefits mainly corresponds to employee severance indemnities and medical care plans. The provision for severance indemnities recognizes the contractual obligation that the Corporation has with its employees/retirees regardless of the reason for employee's departure. The provision for medical care plans recognizes the contractual obligation that the Corporation has with its retirees/employees to cover their medical care costs.

Both long-term employee benefits are stated in the terms of employment contracts and collective bargaining agreements as agreed to by the Corporation and its employees.

These defined benefit liabilities are recognized in the statement of financial position, at the present value of the defined benefit obligation. The discount rate applied is determined by reference to the market yields of government bonds in the same currency and estimated term of the post-employment benefit obligations.

The defined benefit obligations are denominated in Chilean pesos, therefore the Corporation is exposed to foreign exchange rate risk.

Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income and are not subsequently reclassified to profit or loss.

For the year ended December 31, 2018, there were no significant changes in post-employment benefits plans.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following actuarial assumptions were used in the actuarial calculation of the defined benefit plans:

Assumptions	12/31/2018		12/31/2017	
	Retirement plan	Health plan	Retirement plan	Health plan
Annual Discount Rate	4.49%	4.93%	4.86%	5.27%
Voluntary Annual Turnover Rate for Retirement (Men)	3.90%	3.90%	3.90%	3.90%
Voluntary Annual Turnover Rate for Retirement (Women)	3.30%	3.30%	3.30%	3.30%
Salary Increase (real annual average)	4.03%	-	4.03%	-
Future Rate of Long-Term Inflation	3.00%	3.00%	3.00%	3.00%
Inflation Health Care	-	5.05%	-	5.05%
Mortality tables used for projections	CB14-RV14	CB14-RV14	CB14-RV14	CB14-RV14
Average duration of future cash flows (years)	7.50	16.90	7.50	17.22
Expected Retirement Age (Men)	60	60	60	60
Expected Retirement Age (Women)	59	59	59	59

The discount rates correspond to the rates in the secondary market of government bonds issued in Chile. The annual inflation corresponds to the long-term expectation set by the Central Bank of Chile. The turnover rates were determined using the past three years of historical experience of the Corporation's employee departure behavior. The expected rate of salary increases has been estimated using the long-term behavior of historical salaries paid by the Corporation. The mortality tables used were those issued by the CMF, which are considered an appropriate representation of the Chilean market given the lack of comparable statistical series to develop independent studies. The period over which the obligation is being amortized corresponds to the estimate of the period over which the cash flows will occur.

b. The detail of current and non-current provisions for employment benefits as of December 31, 2018 and 2017, is as follows:

Accrual for employee benefits	Current		Non-current	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
	ThUS$	ThUS$	ThUS$	ThUS$
Employees' collective bargaining agreements	204,040	218,167	-	-
Employee termination benefit	27,247	31,468	802,260	850,622
Bonus	60,616	62,921	-	-
Vacation	183,628	176,489	-	-
Medical care programs (1)	460	443	496,323	523,206
Retirement plans (2)	17,620	7,987	8,355	9,494
Other	16,423	19,206	8,582	9,337
Total	**510,034**	**516,681**	**1,315,520**	**1,392,659**

(1) Corresponds to a provision recognized for the obligations with health care institutions as agreed with current and former employees.
(2) Correspond to the provision recognized for early retirement benefits provided to employees.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The reconciliation of the present value of the post-employment benefit obligation, is as follows:

Movements	1/1/2018 12/31/2018		1/1/2017 12/31/2017	
	Retirement plan ThUS$	Health plan ThUS$	Retirement plan ThUS$	Health plan ThUS$
Opening balance	**882,090**	**523,649**	**777,706**	**538,237**
Service cost	72,821	9,962	65,284	936
Financial cost	15,966	11,520	9,332	8,666
Paid contributions	(57,166)	(39,779)	(57,897)	(37,678)
Actuarial (gains)/losses	16,576	30,200	7,178	(31,426)
Transfer from other benefits	3,335	-	3,346	-
Subtotal	**933,622**	**535,552**	**804,949**	**478,735**
(Gains) Losses on foreign exchange rate	(104,115)	(38,769)	77,141	44,914
Final Total	**829,507**	**496,783**	**882,090**	**523,649**

The technical revaluation (actuarial gain/loss as defined under IAS 19) of the liability for compensation benefits for years of service has been made, for the year ended December 31, 2018. Such was charged to equity, which consists of an actuarial loss of ThUS$16,576, corresponding primarily to a change in financial assumptions. . Such charge to equity is broken down into a loss of ThUS$15,584 for the revaluation of financial assumptions and an experience loss of ThUS$992.

For the obligation generated by health benefit plans, an actuarial loss of ThUS$30,200 has been determined, consisting primarily of an adjustment for financial assumptions which is composed of a loss for changes in the financial assumptions of ThUS$25,930; and an experience loss of ThUS$4,270.
The balance of the defined benefit liability as of December 31, 2018, comprises a short term portion of ThUS$27,247 and ThUS$460 for the termination indemnities plan and the medical care plan, respectively. The expected amount of the defined benefit liability projected at December 31, 2019, consists of ThUS$881,076 for the termination indemnities plan and ThUS$457,843 for the medical care plan. The expected monthly average future disbursements related to defined benefit plans are of ThUS$2,271 for termination indemnities and of ThUS$38 for medical care.

The following table sets forth the sensitivity analysis of the value of the each line item for a change, respectively, from the medium (used in the estimate recorded) to the low and from the medium to the high; the second to the last column represents the change between the low and medium and the last column represents the change between the medium and the high:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Severance Benefits for Years of Service	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.490%	4.490%	5.490%	5.46%	-4.78%
Financial effect on the real increase in income	3.530%	4.030%	4.530%	-2.21%	2.34%
Demographic effect of job rotations	3.340%	3.840%	4.340%	0.78%	-0.69%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	-0.07%	0.07%
Health Benefits and Other	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.926%	4.926%	5.926%	15.44%	-12.06%
Financial effect on health inflation	4.550%	5.050%	5.550%	-5.96%	6.65%
Demographic effect, planned retirement age	58 / 57	60 / 59	62 / 61	3.98%	-3.90%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	10.22%	-7.20%

c. Retirement plans and conflict termination bonus

The Corporation under its operational optimization programs seeks to reduce costs and increase labor productivity, and through the incorporation of modern technologies and/or best management practices has established employee retirement programs by making corresponding modifications to employment contracts or collective bargaining agreements, with benefits encouraging early retirement. The early retirement plans are recognized as a liability and expense as the Corporation can no longer withdraw the offer of those benefits.

As of December 31, 2018 and 2017, the termination benefits current balance was ThUS$17,620 and ThUS$7,987, respectively, while the non-current balance was ThUS$8,355 and ThUS$9,494, respectively. The non-current portion is associated with the provision related to the term of the collective bargaining process that Codelco's management negotiated during the month of December 2012 with the employee unions of the Chuquicamata Division. The non-current amounts recognized have been discounted using a discount rate equivalent to that used for calculating employee benefits provisions and whose outstanding balances are part of the balances as of December 31, 2018 and 2017.

d. Employee benefits expenses

The employee benefit expenses recognized for the years ended December 31, 2018 and 2017, are as follows:

Expense by Nature of Employee Benefits	**1/1/2018 12/31/2018** ThUS$	**1/1/2017 12/31/2017** ThUS$
Benefits - Short term	1,731,593	1,633,536
Benefits - Post employment	9,962	936
Benefits - Retirement plans and conflict termination	54,594	20,553
Benefits by years of service	72,821	65,284
Total	**1,868,970**	**1,720,309**

20. Equity

The Corporation's total equity as of December 31, 2018 is ThUS$11,343,869 (ThUS$10,925,338 as of December 31, 2017).

In accordance with article 6 of Decree Law 1350 of 1976, it is established that, before March 30 of each year, the Board must approve the Corporation's Business and Development Plan for the next three-year period. Taking that plan as a reference, and keeping in mind the Corporation's balance sheet for the immediately preceding year and aiming to ensure its competitiveness, before June 30 of each year the amounts that the Corporation shall allocate to the formation of capitalization funds and reserves shall be determined by decree from the Ministries of Mining and Treasury.

Net income shown in the balance sheets, after deducting the amounts referred to in the previous paragraph, shall belong to the State and becomes part of the Nation's general income.

Pursuant to the Exempt Decree No. 184 of June 27, 2014 of the Ministry of Finance, the Corporation was authorized to capitalize US$200 million of the net profit of the financial statements as of December 31, 2013. Those resources were charged to the profits of 2014.

On October 24, 2014, the President of the Republic of Chile signed Law No. 20790. Such Law sets forth an extraordinary capital contribution of up to US$3 billion for the Corporation during the period of 2014-2018. The resources obtained from such capital contribution, together with the capitalization of the profits obtained during such period – up to US$800 million – generated in that period, will serve to boost the Investment Plan in mining projects, sustainability, mining development and renewal of equipment and industrial plants. At December 31, 2014, there were no capitalized resources under such statute.

Pursuant to the Exempt Finance Decree (Decree No. 197 of December 31, 2015 issued by the Ministry of Finance), the Corporation was authorized to capitalize US$225 million of the net profit registered in the financial statements as of December 31, 2014.

Those resources were to be taken from the profits for year 2015 for their capitalization.

Pursuant to the ORD Finance Ministry Officio No. 1410 dated on May 27, 2016, it was established that the aforementioned Decree confirms the impossibility of capitalizing the aforementioned US$225 million, consequently the capitalization fund comprised of said amount was reversed.

On October 28, 2015, it was reported that after reviewing the Development Business Plan 2014-2018 for Codelco, it was decided to make a capital contribution of US$600 million that was made effective on December 2, 2015.

On December 1, 2016, it was informed that, pursuant to Article 1 of Law No. 20790, it was decided to make an extraordinary capital contribution of US$500 million, which was made effective on December 28, 2016.

Both capital contributions were funded by the Public Treasury through the sale of financial assets.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

On January 27, 2017, Law No. 20989 on extraordinary capitalization was enacted. The Law authorizes the transferring of funds from application of the Copper Reserved Law to the Public Treasury, allowing an extraordinary capitalization to Codelco of up to US$950 million for year 2017 aiming to reduce Codelco's indebtedness in an amount equivalent to the difference between the funds transferred as required by the Reserved Law and cash flow surpluses obtained by the Corporation.

On March 13, 2017, through Decree No. 322 an extraordinary capital contribution was authorized under Article 2 of Law No. 20989, for a total amount of US$475 million. The capital contribution was made effective on April 13, 2017.

By Exempt Decree of Treasury No. 1698, dated November 17, 2017, in accordance with the provisions of Article 1 of Law No. 20790, it was decided to make an extraordinary contribution of capital for an amount of US$520 million, which were recorded on December 22, 2017.

On October 16, 2018, the Ministry of Finance issued Exempt Decree 311 in which it has an extraordinary capital contribution for Codelco pursuant to Law No. 20,790 of US $ 1,000 million, which will be made in a first part for US $ 600 million and in a second part for US $ 400 million, and that will be transferred in installments that will not be timed later than December 31, 2018 and February 28, 2019 respectively. On December 26, 2018 the Corporation received the first part of the contribution to capital for US $ 600 million.

As of December 31, 2018, the dividends paid were ThUS$602,461 as follows:

	ThUS$
Dividends payable as of December 31, 2017	295,842
Advance dividends as of December 31, 2018	155,719
Advance dividends overpaid as of December 31, 2018	150,900
Total dividends paid as of December 31, 2018	**602,461**

As of December 31, 2017, the dividends paid amounted to ThUS $ 273,332, and provisioned dividends payable ThUS $ 295,842.

The consolidated statement of changes in equity discloses the changes in the Corporation's equity.

The movement and composition of other equity reserves is presented in the consolidated statement of changes in equity.

Reclassification adjustments from other comprehensive income to profit or loss resulted in a loss of ThUS$9,273 and ThUS$1,694 for the years ended December 31, 2018 and 2017, respectively.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

a) Other reserves

The detail of other reserves as of December 31, 2018 and 2017, is as follows:

Other Reserves	12/31/2018 ThUS$	12/31/2017 ThUS$
Reserve on exchange differences on translation	(6,863)	(6,015)
Reserve of cash flow hedges	47,792	11,336
Capitalization fund and reserves	4,962,393	4,962,393
Reserve of remeasurement of defined benefit plans	(274,480)	(259,002)
Other reserves	625,317	626,380
Total other reserves	**5,354,159**	**5,335,092**

b) Non-controlling interests

The detail of non-controlling interests, included in equity and profit or loss, as of and for each reporting year, is as follows:

Societies	Non-controlling participation		Net equity		Gain (loss)	
	12/31/2018 %	12/31/2017 %	12/31/2018 ThUS$	12/31/2017 ThUS$	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Inversiones Gacrux SpA	32.20%	32.20%	969,203	1,007,493	34,031	54,423
Others	-	-	1	2	(3)	4
Total			**969,204**	**1,007,495**	**34,028**	**54,427**

For the year ended December 31, 2018, Inversiones Gacrux SpA did not distribute any dividends to non-controlling interests.

The percentage of non-controlling interest in Inversiones Mineras Becrux SpA (previously Inversiones Mineras Acrux SpA) generates a non-controlling interest in our subsidiary Inversiones Gacrux SpA, which presents the following figures relating to its statement of financial position, statement of comprehensive income and cash flows:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Assets and liabilities	12/31/2018 ThUS$	12/31/2017 ThUS$
Current Assets	361,568	306,496
Non-current assets	2,839,764	2,959,114
Current liabilities	176,742	158,455
Non-current liabilities	593,078	676,208

Results	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Revenues	836,195	586,640
Expenses	(762,557)	(496,650)
Profit of the period	73,638	89,990

Cash flow	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Net cash flow from operating activities	142,997	204,342
Net cash flow from (using) investing activities	-	(38,049)
Net cash flow from (using) financing activities	(204,961)	(25,512)

21. Revenue

Revenues as of December 31, 2018 and 2017, are as follows:

Item	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Revenue from sales of own copper	11,195,340	11,636,279
Revenue from sales of third-party copper	1,900,899	2,005,974
Revenue from sales of molybdenum	651,305	502,382
Revenue from sales of other products	537,562	498,207
Gain (loss) in futures market	23,652	(1,287)
Total	**14,308,758**	**14,641,555**

The Corporation's revenue is recognized at a point in time.

The breakdown of revenue is presented in explanatory note No.26 Operating Segments.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

22. Expenses by nature

Expenses by nature as of December 31, 2018 and 2017, are as follows:

Item	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Short-term benefits to employees	1,731,593	1,633,536
Depreciation	1,186,480	1,152,803
Amortization	994,660	948,298
Total	**3,912,733**	**3,734,637**

23. Impairment of Assets

As of December 31, 2018, the Corporation made a calculation of the recoverable amount of its cash generating unit Windows Division, for the purpose of checking the existence of a deterioration in the value of the assets associated with said division, the carrying amount of which amounted to US$323 million.

The aforementioned calculation of the recoverable amount determined a value of US$124 million, which compared with the amount in books, implied an acknowledgment of an impairment loss of assets for ThUS$ 198,898 (before tax), which was recorded in the Other item expenses by function, of the comprehensive income statement for the year 2018 (note 24b).

The recoverable amount determined for the calculation of the impairment loss corresponds to value in use using a 7.2% annual discount rate before taxes. The main variables used to determine the recoverable amount of this asset correspond to the price of acid, cost of treatment and refining, exchange rates and discount rates.
The aforementioned loss due to impairment is mainly generated by the fall in the costs of treatment and refining.

As of December 31, 2017, the Corporation recognized a reversal of a portion of the impairment loss previously recognized on the Anglo American Sur investment (Explanatory Note 9).

As of December 31, 2018 and 2017 there are no signs of additional deterioration or reversals of impairment recognized in previous years.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

24. Other income and expenses by function

Other income and expenses by function for periods ended December 31, 2018 and 2017, are as follows:

a) Other income by function

Item	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Penalties to suppliers	18,920	10,926
Delegated Administration	5,346	4,458
Miscellaneous sales (net)	25,973	33,243
Insurances recoveries by incidents	-	16,757
Profit on sale of shares of Deutsche Giessdraht GmbH (See note 7)	18,279	-
Other income	56,308	88,948
Total	**124,826**	**154,332**

b) Other expenses by function

Item	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Law No. 13196	(1,108,209)	(1,098,556)
Research expenses	(103,649)	(110,942)
Bonus for the end of collective bargaining	(204,623)	(28,577)
Expenses plan	(54,594)	(20,553)
Write-off of investment projects (See Note 10)	(212,587)	(74,655)
Write-off of property, plant & equipment	(7,357)	(11,824)
Medical care plan	(9,962)	(936)
Additional bonuses to contractors	-	(161)
Impairment of assets (note 22)	(198,898)	-
Write-off inventories	(4,004)	(14,187)
Write-off by onerous contract	-	(10,279)
Bad debts clients	(671)	(21,851)
Additional bonus	-	(3,149)
Contingency expenses	(36,359)	(23,046)
Other	(174,401)	(138,757)
Total	**(2,115,314)**	**(1,557,473)**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

25. Finance costs

The detail of finance costs for the years ended December 31, 2018 and 2017, is as follows:

Item	1/1/2018 12/31/2018 ThUS$	1/1/2018 12/31/2017 ThUS$
Bond interest	(265.001)	(333.717)
Bank loan interest	(69.869)	(74.583)
Unwinding of discount on severance indemnity provision	(16.497)	(12.301)
Unwinding of discount on other non-current provisions	(46.959)	(34.751)
Other	(65.122)	(189.258)
Total	**(463.448)**	**(644.610)**

26. Operating segments

The Corporation has defined its Divisions as its operating segments in accordance with the requirements of IFRS 8, *Operating Segments*. The revenues and expenses of the Head Office are allocated among the defined operating segments.

The mining deposits in operation, where the Corporation conducts its extractive and processing activities are managed by the following Divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina and El Teniente. In addition, the smelting and refining activities are managed at the Ventanas Division. All these Divisions have a separate operational management, which reports to the Chief Executive Officer, through the North and South Central Vice-President of Operations, respectively.
The information on each Division and their corresponding mining deposits is as follows:

Chuquicamata
Types of mine sites: Open pit mines
Operating: since 1915
Location: Calama – Region II
Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Radomiro Tomic
Types of mine sites: Open pit mines
Operating: since 1997,
Location: Calama – Region II
Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Ministro Hales
Type of mine: Open pit mine
Operating: since 2014
Location: Calama – Region II

Products: Calcined copper, copper concentrates

Gabriela Mistral
Type of mine: Open pit mine
Operating: since 2008
Location: Calama – Region II
Products: Electrolytic (electro-obtained) cathodes

Salvador
Type of mine: Underground mine and open pit mine
Operating: since 1926
Location: Salvador – Region III
Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Andina
Type of mines: Underground and open pit mines
Operating: since 1970
Location: Los Andes – Region V
Product: Copper concentrate

El Teniente
Type of mine: Underground mine
Operating: since 1905
Location: Rancagua – Region VI
Products: Fire-refined copper and copper anodes

a) Allocation of Head Office revenue and expenses

Revenue and expenses controlled by the Head Office are allocated to the Divisions based on following criteria.

Revenue and Cost of Sales of Head Office commercial transactions

- Allocation to the operating segments is made in proportion to revenues of each Division.

Other income, by function

- Other income by function, associated and identified with each Division, is directly allocated.
- Recognition of realized profits and other income by way of subsidiaries are allocated in proportion to the revenues of each Division.
- The remaining other income is allocated in proportion to the aggregate of balances of "other income" and "finance income" of each Division.

Distribution costs

- Expenses associated and identified with each Division are directly allocated.
- Distribution costs of subsidiaries are allocated in proportion to the revenues of each Division.

Administrative Expenses

- Administrative expenses associated and identified with each Division are directly allocated,
- Administrative expenses recorded in cost centers associated with the sales function and administrative expenses of subsidiaries are allocated in proportion to the revenues of each Division.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in proportion to inventory balances in warehouse in each Division.
- The remaining administrative expenses are allocated in proportion to operating cash outflows of each Division.

Other Expenses, by function

- Other expenses associated and identified with each Division are directly allocated.
- Expenses for pre-investment studies and other expenses by function of subsidiaries are allocated in proportion to the revenues of each Division.

Other gains

- Other gains associated and identified with each Division are directly allocated.
- Other gains of subsidiaries are allocated in proportion to the revenues of each Division.

Finance Income

- Finance income associated and identified with each Division is directly allocated.
- Finance income of subsidiaries is allocated in proportion to the revenues of each Division.
- The remaining finance income is allocated in relation to the operating cash outflows of each Division.

Finance costs

- Finance costs associated and identified with each Division are directly allocated.
- Finance costs of subsidiaries are allocated in proportion to the revenues of each Division.

Share in profit (loss) of associates and joint ventures accounted for using the equity method

- Share in profit or loss of associates and joint ventures identified for each Division is directly allocated.

Foreign exchange differences

- Foreign exchange differences identifiable with each Division are directly allocated.

- Foreign exchange difference of subsidiaries is allocated in proportion to the revenues of each Division.
- The remaining foreign exchange differences are allocated in relation to operating cash outflows of each Division.

Contribution to the Chilean Treasury under Law No. 13196

- The amount of the contribution is allocated and accounted for in proportion to the invoiced and recorded amounts for copper and sub-product exports of each Division, that are subject to the surcharge.

Income tax benefit (expenses)

- Corporate income tax under D.L. 2398 and specific mining tax are allocated based on the income before income taxes of each Division, considering for this purpose the income and expenses allocation criteria of the Head Office and subsidiaries mentioned above.

- Other tax expenses are allocated in proportion to the corporate income tax, specific mining tax and tax under D.L. 2398 of each Division.

b) Transactions between segments

Transactions between segments mainly related to products processing services (or tolling services), are recognized as revenue for the segment rendering the tolling services and as the cost of sales for the segment that receives the service. Such recognition is made in the period in which these services are rendered, as well as its elimination in the consolidated corporate financial statements.

Additionally, the reallocation of the profit and loss assumed by Ventanas Division, associated with the corporate mineral processing contract between Codelco and Enami, in which a distribution is applied based on the revenue of each division is included as a transaction between segments.

c) Cash flows by segments

The operating segments defined by the Corporation, has a cash management which refers mainly to operational activities that need to be covered periodically with funds constituted in each of these segments and whose amounts are not significant in relation to corporate balances of cash and cash equivalents.

Conversely, activities such as obtaining financing, investment and payment of relevant financial obligations are mainly based at the Head Office.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following tables details the financial information organized by operating segments:

From 1/1/2018 12/31/2018											
Segments	**Chuquicamata**	**R. Tomic**	**Salvador**	**Andina**	**El Teniente**	**Ventanas**	**G. Mistral**	**M. Hales**	**Total Segments**	**Subsidiaries and Head Office, net**	**Total Consolidated**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Revenue from sales of own copper	3.100.186	2.058.291	365.850	1.102.898	2.778.189	13.497	641.681	1.125.496	11.186.088	9.252	11.195.340
Revenue from sales of third-party copper	177	-	-	-	-	14.597	-	23.123	37.897	1.863.002	1.900.889
Revenue from sales of molybdenum	359.996	15.751	20.356	88.841	164.388	-	-	-	649.332	1.973	651.305
Revenue from sales of other products	142.143	-	42.781	3.483	91.443	196.436	-	59.416	535.702	1.860	537.562
Revenue from futures market	8.474	10.322	687	(106)	1.210	64	2.316	685	23.652	-	23.652
Revenue between segments	122.767	-	73.379	1.487	94	105.787	-	-	303.514	(303.514)	-
Revenue	**3.733.743**	**2.084.364**	**503.053**	**1.196.603**	**3.035.324**	**330.381**	**643.997**	**1.208.720**	**12.736.185**	**1.572.573**	**14.308.758**
Cost of sales of own copper	(2.880.603)	(1.343.886)	(397.189)	(931.698)	(1.637.057)	(3.889)	(540.134)	(896.470)	(8.630.926)	(15.076)	(8.646.002)
Cost of sales of copper third-party copper	(192)	-	-	-	-	(16.345)	-	(23.123)	(39.660)	(1.841.680)	(1.881.340)
Cost of sales of molybdenum	(79.793)	(8.902)	(9.530)	(25.980)	(51.627)	-	-	-	(175.832)	(18.048)	(193.880)
Cost of sales of other products	(140.063)	-	(27.477)	(738)	(74.274)	(214.792)	-	(14.166)	(471.510)	(1.609)	(473.119)
Cost of sales between segments	(198.829)	52.328	(79.004)	4.217	17.831	(117.771)	(1.228)	18.942	(303.514)	303.514	-
Cost of sales	**(3.299.480)**	**(1.300.460)**	**(513.200)**	**(954.199)**	**(1.745.127)**	**(352.797)**	**(541.362)**	**(914.817)**	**(9.621.442)**	**(1.572.899)**	**(11.194.341)**
Gross profit	**434.263**	**783.904**	**(10.147)**	**242.404**	**1.290.197**	**(22.416)**	**102.635**	**293.903**	**3.114.743**	**(326)**	**3.114.417**
Other income, by function	10.994	5.769	4.497	14.348	18.018	1.819	3.108	4.577	63.130	61.696	124.826
Impairment loss determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	158	158
Distribution costs	(3.010)	(570)	(1.049)	(944)	(1.140)	(597)	(139)	(1.043)	(8.492)	(9.770)	(18.262)
Administrative expenses	(60.412)	(32.429)	(17.676)	(22.649)	(66.815)	(9.796)	(22.361)	(32.077)	(264.215)	(201.113)	(465.328)
Other expenses, by function	(97.154)	(35.056)	(125.943)	(92.589)	(171.207)	(210.008)	(12.023)	(37.058)	(781.038)	(226.067)	(1.007.105)
Law No. 13.196	(314.516)	(201.452)	(34.027)	(118.451)	(265.868)	(15.137)	(63.789)	(94.969)	(1.108.209)	-	(1.108.209)
Other gains (losses)	-	-	-	-	-	-	-	-	-	21.395	21.395
Finance income	189	244	126	115	2.174	84	18	160	3.110	48.219	51.329
Finance costs	(62.271)	(46.437)	(14.073)	(61.517)	(155.965)	(8.625)	(17.075)	(46.664)	(412.627)	(50.821)	(463.448)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	174	-	(475)	(466)	(2.253)	-	-	-	(3.020)	122.134	119.114
Exchange differences	88.760	14.668	15.552	33.218	45.160	10.859	5.344	11.678	225.239	(47.096)	178.143
Income (loss) before taxes	**2.983**	**488.641**	**(183.215)**	**(63.351)**	**692.301**	**(253.817)**	**(4.282)**	**98.507**	**828.621**	**(281.591)**	**547.030**
Income tax expenses	**2.070**	**(329.166)**	**128.918**	**1.928**	**(476.388)**	**181.869**	**2.890**	**(68.015)**	**(555.894)**	**198.611**	**(357.283)**
Income (loss)	**913**	**159.475**	**(54.297)**	**(4.603)**	**215.913**	**(71.948)**	**(1.392)**	**30.492**	**272.727**	**(82.980)**	**189.747**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

From 1/1/2017 12/31/2017											
Segments	**Chuquicamata**	**R. Tomic**	**Salvador**	**Andina**	**El Teniente**	**Ventanas**	**G. Mistral**	**M. Hales**	**Total Segments**	**Subsidiaries and Head Office, net**	**Total Consolidated**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Revenue from sales of own copper	2.823.439	2.009.715	502.181	1.326.314	2.850.926	12.206	798.407	1.344.509	11.667.697	(31.418)	11.636.279
Revenue from sales of third-party copper	(1.165)	-	(104)	-	-	32.392	-	237.708	268.831	1.737.143	2.005.974
Revenue from sales of molybdenum	276.868	40.654	16.005	65.908	101.571	-	-	-	501.006	1.376	502.382
Revenue from sales of other products	128.696	-	44.254	7.500	69.083	196.513	-	52.161	498.207		498.207
Revenue from futures market	(124)	40	29	35	571	(1.772)	42	(111)	(1.290)	3	(1.287)
Revenue between segments	117.638	-	82.308	801	194	102.564	-	-	303.505	(303.505)	-
Revenue	**3.345.352**	**2.050.409**	**644.673**	**1.400.558**	**3.022.345**	**341.903**	**798.449**	**1.634.267**	**13.237.956**	**1.403.599**	**14.641.555**
Cost of sales of own copper	(2.063.065)	(1.290.391)	(440.523)	(937.786)	(1.562.246)	(9.193)	(546.845)	(970.282)	(7.820.331)	27.456	(7.792.875)
Cost of sales of copper third-party copper	-	-	-		-	(32.961)	-	(237.770)	(270.731)	(1.728.913)	(1.999.644)
Cost of sales of molybdenum	(84.777)	(28.807)	(9.656)	(24.030)	(40.445)	-	-	-	(187.715)	(1.345)	(189.060)
Cost of sales of other products	(72.475)	-	(22.953)	(814)	(84.159)	(206.512)	-	(11.900)	(398.813)	(11)	(398.824)
Cost of sales between segments	(283.468)	80.943	(58.990)	16.388	11.131	(125.547)	-	56.038	(303.505)	303.505	-
Cost of sales	**(2.503.785)**	**(1.238.255)**	**(532.122)**	**(946.242)**	**(1.675.719)**	**(374.213)**	**(546.845)**	**(1.163.914)**	**(8.981.095)**	**(1.399.308)**	**(10.380.403)**
Gross profit	**841.567**	**812.154**	**112.551**	**454.316**	**1.346.626**	**(32.310)**	**251.604**	**470.353**	**4.256.861**	**4.291**	**4.261.152**
Other income, by function	17.249	22.136	18.044	14.861	28.357	1.361	4.174	5.645	111.827	42.505	154.332
Distribution costs	(1.614)	(186)	(610)	(299)	(561)	(560)	-	(960)	(4.790)	(5.613)	(10.403)
Administrative expenses	(46.703)	(26.316)	(16.763)	(24.352)	(63.480)	(10.201)	(25.947)	(20.419)	(234.181)	(193.959)	(428.140)
Other expenses, by function	(96.986)	(18.370)	(49.178)	(77.191)	(50.258)	(11.176)	(5.583)	(6.546)	(315.288)	(143.629)	(458.917)
Law No. 13.196	(269.112)	(196.289)	(51.423)	(124.627)	(255.957)	(15.459)	(76.530)	(109.159)	(1.098.556)	-	(1.098.556)
Other gains (losses)	-	-	-	-	-	-	-	-	-	32.605	32.605
Finance income	1.083	549	381	139	2.518	313	393	305	5.681	24.155	29.836
Finance costs	(116.215)	(53.270)	(16.894)	(105.146)	(215.611)	(10.012)	(13.626)	(56.324)	(587.098)	(57.512)	(644.610)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	529	-	427	(585)	413	-	-	-	784	184.644	185.428
Exchange differences	(64.137)	(60.635)	(19.278)	(19.500)	(68.197)	(9.067)	(8.686)	(7.838)	(257.338)	51.280	(206.058)
Income (loss) before taxes	**265.661**	**479.773**	**(22.743)**	**117.616**	**723.850**	**(87.111)**	**125.799**	**275.057**	**1.877.902**	**(61.233)**	**1.816.669**
Income tax expenses	**(189.709)**	**(320.426)**	**18.324**	**(91.965)**	**(485.743)**	**57.108**	**(81.170)**	**(194.326)**	**(1.287.907)**	**94.840**	**(1.193.067)**
Income (loss)	**75.952**	**159.347**	**(4.419)**	**25.651**	**238.107**	**(30.003)**	**44.629**	**80.371**	**589.995**	**33.607**	**623.602**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The assets and liabilities related to each operating segment, including the Corporation's head office as of December 31, 2018 and 2017, are detailed in the following tables:

12/31/2018										
Category	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries and Head Office, net	Total Consolidated
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	1.278.051	715.681	278.481	247.676	696.341	89.148	239.493	291.782	1.991.553	5.828.206
Non-current assets	7.863.667	1.941.213	727.675	4.519.739	6.547.657	155.316	1.136.948	3.278.883	5.091.501	31.262.599
Current liabilities	729.319	192.735	115.908	218.550	441.255	61.363	111.615	117.624	1.551.043	3.539.412
Non-current liabilities	855.735	205.997	196.608	472.713	910.005	53.084	116.005	81.958	19.315.419	22.207.524

12/31/2017										
Category	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries and Head Office, net	Total Consolidated
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	1.209.431	747.780	222.573	262.381	796.357	103.143	248.431	336.608	2.284.349	6.211.053
Non-current assets	6.493.203	2.011.892	699.810	4.326.237	6.143.112	342.980	1.172.667	3.499.326	5.455.861	30.145.088
Current liabilities	727.862	181.996	140.431	202.925	433.947	62.748	87.669	99.511	1.378.367	3.315.456
Non-current liabilities	939.029	206.376	216.712	475.508	957.596	60.991	124.334	90.884	19.043.917	22.115.347

The revenue segregated per geographical areas are the following:

Revenue per geographical areas	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Total revenue from domestic customers	1,313,064	1,141,762
Total revenue from foreign customers	12,995,694	13,499,793
Total	**14,308,758**	**14,641,555**

Revenue per geographical areas	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
China	3,867,505	3,231,719
Rest of Asia	1,982,163	1,990,528
Europe	3,482,755	1,353,503
America	3,764,467	3,453,366
Other	1,211,868	4,612,439
Total	**14,308,758**	**14,641,555**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The main customers of the Corporation are listed in the following table:

Principal Customers	Country	1/1/2018 12/31/2018 ThUS$
Glencore International Ag.	Switzerland	1,039,310
Southwire Company	United States	720,172
Nexans France	France	531,740
Glencore Chile S.P.A.	Chile	516,938
Trafigura Pte Ltd.	Singapore	502,875
Wanxiang Sg Pte Ltd.	Singapore	430,957
Jiangxi Copper Company Ltd.	China	359,495
Lobb Heng Pte. Ltd	China	303,718
Concord Resources Limited	Japan	303,083
Triway International Limited	Hong-Kong	274,615
Total		**4,982,903**

27. Foreign exchange differences

The detail of foreign exchange differences for the years ended December 31, 2018 and 2017, is as follows:

Gain (loss) from foreign exchange differences recognized in income	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Gain from foreign exchange differences	277,780	74,782
Loss from foreign exchange differences	(99,637)	(280,840)
Total exchange difference, net	**178,143**	**(206,058)**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

28. Statement of cash flows

The following table shows the items that comprise other collections and payments from operating activities in the Statement of Cash Flows:

Other collections from operating activities	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
VAT Refund	1,513,219	1,373,195
Other	220,336	283,909
Total	**1,733,555**	**1,657,104**

Other payments from operating activities	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 ThUS$
Contribution to the Chilean Treasury (Law No. 13196)	(1,136,559)	(1,062,496)
Finance hedge and sales	(29,843)	(5,090)
VAT and other similar taxes paid	(1,388,782)	(1,155,782)
Total	**(2,555,184)**	**(2,223,368)**

As of December 31, 2018 and 2017, as indicated in the equity note, capital contributions were received for a total of ThUS $ 600,000 and ThUS $ 995,000, respectively, which are presented in other cash inflows (outflows) corresponding to the net cash flows from (used in) activities of financing.

29. Financial risk management, objectives and policies

Codelco has committees within its organization to set out strategies allowing to reduce the financial risks to which it may be exposed.

The risks to which Codelco is exposed and a brief description of the management procedures that are carried out in each case, are described below:

a. Financial risks

- Exchange rate risk:

  According to IFRS 7, exchange rate risk is understood to be the risk that arises from financial instruments that are denominated in foreign currencies, that is, a currency other than the Corporation's functional currency (US dollar).

  Codelco's activities that generate this exposure correspond to funding in UF, accounts payable and receivable in Chilean pesos, other foreign currencies used in its business operations and obligations with employees.

The majority of transactions in currencies other than US$ are denominated in Chilean pesos. Also, there is another portion in Euro, which corresponds mainly to a long-term loan issued through the international market, which exchange rate risk is mitigated with hedging instruments (Swap).

Taking into consideration the financial assets and liabilities as of December 31, 2018 as the base, a fluctuation (positive or negative) of 10 Chilean pesos against the U.S. dollar (keeping the other variables constant), could affect profits before taxes by US$33 million in net income, respectively. This result is obtained by identifying the main items (including assets and financial liabilities) denominated in foreign currencies in order to measure the impact on profit or loss that a variation of +/- 10 Chilean pesos would have in terms of US$, with respect to the closing exchange rate at the end of the reporting period.

As of December 31, 2018, the balance of time deposits denominated in Chilean pesos was ThUS$270,021 (ThUS$252,161 as of December 31, 2017).

- Interest rate risk:

This risk arises from interest rate fluctuations in Codelco's investment and financing activities. This movement can affect future cash flows or the market value of fixed rate financial instruments.

These rate variations refer to U.S. dollar variations, mostly with respect to the LIBOR rate. To manage this risk, Codelco maintains an adequate combination of fixed and variable rate debt, which is complemented by the possibility of using interest-rate derivatives to meet the strategic guidelines defined by Codelco's Corporate Finance Department.

It is estimated that, on the basis of net debt balance as of December 31, 2018, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US$19 million change in finance costs, before tax. This estimation is made by identifying the liabilities assigned to variable interest, accrued at the end of the financial statements, which may vary with a change of one percentage point in variable interest rates.

Total fixed and variable interest rate obligations maintained by Codelco as of December 31, 2018 corresponds to amounts of ThUS$13,377,093 and ThUS$1,880,592, respectively.

b. Market risks

- Commodity price risk:

As a result of its commercial operations and activities, the Corporation's income is mainly exposed to the volatility of copper prices and certain sub-products such as gold and silver.

Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing based on the monthly average market price for specified future periods. At the reporting date, the provisionally priced metal sales are marked-to-market, with adjustments (both gains and losses) being recorded in revenues in the consolidated statement of comprehensive income. Forward prices at the period-end are used for copper sales, while period-end average prices are used for molybdenum concentrate sales due to the absence of an assets futures market. (See Note 2.r) "Income from Activities Ordinary Procedures from Contracts with Customers "of section II" Main policies countable ").

For the year ended December 31, 2018, if the future price of copper fluctuates by + / - 5% (with the other variables constant), the result would vary + / - US$167 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect as of December 31, 2018 (MTMF 564). For the estimate indicated, all of those physical sales contracts were valued according to the monthly average immediately following the close of the financial statements, and proceeds to be estimated regarding what the final settlement price will be if there is a difference of + / - 5% with respect to the future price known to date for this period.

In order to protect cash flow and adjust, where necessary, its sales contracts to its trade policy, the Corporation holds operations in futures markets. At the end of the reporting period, these contracts are adjusted to fair value, recording this effect, at the settlement date of the hedging transactions as part of net product sales.

As of December 31, 2018, a variation of U.S. ¢ 1 in the price per pound of copper, considering derivatives contracted by the Corporation, involves a change in income or payments for existing contracts (exposures) of US$1.7 million before taxes. This calculation is obtained from a simulation curves of future copper prices, which are used to assess the subscribed derivative instruments by the Corporation; estimations would vary with respect to the exposure related these instruments if there is an increase of U.S. $0.01 decrease in the price per pound of copper.

The Corporation has not entered into any hedging transactions with the specific purpose of hedging the price risk caused by fluctuations in prices of production inputs.

c. Liquidity risk

The Corporation ensures that it has sufficient resources, such as pre-approved credit lines (including refinancing), in order to meet short-term requirements, after considering the necessary working capital for its operations and any other commitments it has.

In this sense, Codelco Chile maintains resources at its disposal sufficient to meet its obligations, whether in cash, liquid financial instruments or credit facilities.

In addition, the Finance Department constantly monitors the Corporation's cash flow projections based on short and long term projections and available financing alternatives. In addition, the Corporation estimates that it has enough headroom to increase the level of borrowing for the normal requirements of its operations and investments established in its development plan.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

In this context, according to current existing commitments with creditors, the cash requirements to cover financial liabilities classified by maturity and presented in the statement of financial position are detailed as follows:

Maturity of financial liabilities as of 12/31/2018	Less than one year ThUS$	Between one and five years ThUS$	More than five years ThUS$
Loans from financial institutions	404,871	1,225,961	881,117
Bonds	435,429	2,479,715	9,830,592
Finance leases	21,510	59,777	26,552
Derivatives	10,096	-	106,824
Other financial liabilities	371	63,972	-
Total	**872,277**	**3,829,425**	**10,845,085**

d. Credit risk

This risk comprises the possibility that a third party does not fulfill its contractual obligations, thereby causing a loss for the Corporation.

Given the Corporation's sales policy, principally with cash and advance payments and bank letters of credit, the uncollectability of client debt balances is minimal. This is complemented by the familiarity the Corporation has with its clients and the length of time it has operated with them. Therefore, the credit risk of these transactions is not significant.

The indications with respect to the payment conditions to the Corporation are detailed in every sales contract and the negotiation management is under the charge of the Vice Presidency of Marketing.

In general, the Corporation's other accounts receivable have a high credit quality according to the Corporation's evaluations, based on each debtor's solvency analysis and payment history.

The maximum exposure to credit risk as of December 31, 2018 is represented by the financial asset items presented in the Corporation's Statement of Financial Position.

The Corporation's accounts receivable do not include customers with balances that could be classified as a significant concentration of debt and would represent a material exposure for Codelco. This exposure is distributed among a large number of clients and other counterparties.

In the customer items, the provisions, which are not significant, are included based on the review of the outstanding balances and characteristics of the clients, destined to cover eventual insolvencies.

In explanatory note 2, trade and other receivables presents past due balances that have not been impaired.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The Corporation estimates that unimpaired amounts overdue over 30 days are recoverable based on clients' historical payment behavior and their existing credit ratings.

As of December 31, 2018 and 2017, there are no receivable balances that have been renegotiated.

Codelco works with major banks, which have high national and international ratings, and continually assesses them; therefore, the risk that could affect the availability of the Corporation's funds and financial instruments is not significant.

Also, in some cases, to minimize credit risk, the Corporation has contracted credit insurance policies through which it transfers to third parties the commercial risk associated with some aspects of its business.

During the years ended December 31, 2018 and 2017, no guarantees have been executed to ensure the collection of third party debt.

Personnel loans mainly related to mortgage loans, according to programs included in union agreements, which are paid for through payroll discounts.

30. Derivatives contracts

The Corporation has entered into transactions to hedge cash flows, to minimize the risk of foreign exchange rate variations and sales price variations, detailed as follows:

a. Hedges

The Corporation has taken measures to protect itself from exchange rate and interest rate variations, where the positive fair value of such derivative, net of taxes, amounts to ThUS$27,346.

The following table summarizes the financial hedges contracted by the Corporation:

December 31, 2018

Hedged item	Bank	Type of derivative contract	Maturity	Currency	Amount ThUS$	Financial obligation: hedging instrument ThUS$	Fair value of hedging instruments ThUS$	Asset ThUS$	Liability ThUS$
Bond UF Mat. 2025	Credit Suisse (USA)	Swap	4/1/2025	US$	273.765	208.519	84.365	334.180	(249.815)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US$	343.170	409.650	(53.592)	338.339	(441.931)
Bond EUR Mat. 2024	Deustche Bank (England)	Swap	7/9/2024	US$	343.170	409.680	(53.170)	388.339	(441.509)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US$	396.761	406.212	23.335	458.627	(435.292)
Total					**1.356.866**	**1.434.061**	**938**	**1.596.485**	**(1.568.547)**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

December 31, 2017

Hedged item	Bank	Type of derivative contract	Maturity	Currency	Amount ThUS$	Financial obligation: hedging instrument ThUS$	Fair value of hedging instruments ThUS$	Asset ThUS$	Liability ThUS$
Bond UF Mat. 2025	Credit Suisse (USA)	Swap	4/1/2025	US$	300.784	208.519	101.158	361.056	(259.898)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US$	360.708	409.650	(38.485)	415.241	(453.726)
Bond EUR Mat. 2024	Deustche Bank (England)	Swap	7/9/2024	US$	360.708	409.680	(37.989)	415.241	(453.230)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US$	435.919	406.212	36.387	483.784	(447.397)
Total					**1.356.866**	**1.434.061**	**61.071**	**1.675.322**	**(1.614.251)**

As of December 31, 2018, the Corporation does not maintain margin deposits.

The current methodology for valuing currency swaps is to use the bootstrapping technique from the mid - swap rate to construct the curves (zero) in UF and US$ respectively, from market information.

The notional amounts are detailed below:

December 31, 2018	Notional amount of contract with final expiration date							
	Currency	Less than 90 days ThUS$	More than 90 days ThUS$	Current total ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	More than 5 years ThUS$	Non-current total ThUS$
Currency derivative	US$	13,156	44,290	57,446	114,892	114,892	1,525,989	1,755,773

b. Cash flows hedging contracts and commercial policy adjustment

The Corporation enters into metals hedging activities. Such results increase or decrease the total sales revenue based on the market prices of the metals. As of December 31, 2018, these operations generated a gain of ThUS$29,414.

b.1. Commercial flexibility operations of copper contracts

The purpose of these contracts is to adjust the price of shipments to the price defined in the Corporation's related policy, defined in accordance with the London Metal Exchange (LME). As of December 31, 2018, the Corporation performed derivative market transactions of copper that represent 420,850 metric tons of fine copper. These hedging operations are performed as part of the Corporation's commercial policy.

The current contracts as of December 31, 2018, present a positive fair value of such derivatives of ThUS$53,518 and their final result will only be known at their maturity, offsetting the hedging transactions with revenue from the sale of the hedged products.

The transactions settled as of period ended December 31, 2018 resulted in a net positive effect on net income of ThUS$29,351, which is comprised of the amounts received for sales contracts for ThUS$23,588 and the values paid for purchases contracts for ThUS$5,763.

b.2. Commercial Transactions of Current Gold and Silver Contracts

As of December 31, 2018, the Corporation maintains derivative contracts for the sale of gold for ThOZT 22.09 and silver for ThOZT 327.48.

The contracts outstanding as of December 31, 2018 show a negative fair value of ThUS$671. The final result will only be known at the expiration of such operations, after offsetting between hedging and income from the sale of the goods. These hedging operations expire up until April 2019.

The operations completed between January 1 and December 31, 3018, generated a positive effect on results of ThUS$63, corresponding to values per physical sales contracts for a positive amount of ThUS$64 and securities for contracts physical purchases for a negative amount of ThUS$1.

b.3. Cash flow hedging operations backed by future production

The Corporation does not possess cash flow hedges backed by future production as of December 31, 2018.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b.4. Quantitative effects for metal hedging activities

The following tables set forth the maturities of metal hedging activities, as referred to in point b above:

December 31, 2018			Maturity date				
ThUS$	**2019**	**2020**	**2021**	**2022**	**2023**	**Upcoming**	**Total**
Flex Com Cobre (Asset)	43,539	13,969	993	-	-	-	58,501
Flex Com Cobre (Liability)	(56)	(62)	-	-	-	-	(118)
Flex Com Gold/Silver	(671)	-	-	-	-	-	(671)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	42,812	13,907	993	-	-	-	57,712

December 31, 2017			Maturity date				
ThUS$	**2018**	**2019**	**202**	**2021**	**2022**	**Upcoming**	**Total**
Flex Com Cobre (Asset)	-	855	-	-	-	-	855
Flex Com Cobre (Liability)	(2,582)	(2,598)	(474)	-	-	-	(5,655)
Flex Com Gold/Silver	(527)	-	-	-	-	-	(527)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	(3,109)	(1,743)	(474)	-	-	-	(5,326)

December 31, 2018			Maturity date				
ThTM/Ounces	**2019**	**2020**	**2021**	**2022**	**2023**	**Upcoming**	**Total**
Copper Futures [MT]	300.10	110.45	10.30	-	-	-	420.85
Gold/Silver Futures [ThOZ]	349.57	-	-	-	-	-	349.57
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

December 31, 2017			Maturity date				
ThTM/Ounces	**2018**	**2019**	**2020**	**2021**	**2022**	**Upcoming**	**Total**
Copper Futures [MT]	282.60	71.35	5.10	-	-	-	359.05
Gold/Silver Futures [ThOZ]	93.20	-	-	-	-	-	93.20
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

31. Contingencies and restrictions

a) Litigations and contingencies

There are various lawsuits and legal actions initiated by or against the Corporation, which derive from its operations and the industry in which it operates. In general, these are civil, tax, labor and mining litigations, all related to the Corporation's activities.

In the opinion of Management and its legal advisors, the lawsuits where the Corporation is being sued and could have negative results do not represent significant loss contingencies or cash flows. Codelco defends its rights and employs all corresponding relevant legal instances, resources and procedures.

The most significant lawsuits that involve Codelco are related to the following matters:

- Tax proceedings: There is a tax proceeding for liquidation No.141 of tax year 2015 and Exempt Resolution No. 89 of 2016 issued by the Internal Revenue Service (SII), for which the Corporation presented the corresponding appeals, which were received and resolved in favor of the Tax and Customs Courts, a resolution that was appealed by the SII.

- Labor proceedings: Labor proceedings brought by the workers of the Andina Division against the Corporation with regard to occupational diseases (silicosis).

- Mining proceedings and others arising from the Operation: The Corporation has been participating, and will probably continue to participate, as plaintiff and defendant in given court proceedings involving its mining operation and activities, through which it seeks to exercise certain actions or set up certain defenses in relation to given mining concessions that have been established or are in the process of being established, as well as also with regard to its other activities. These proceedings currently do not involve any given amount and do not have any essential effect on Codelco's development.

- As of December 31, 2018, the total of lawsuits filed against the National Corporation of the Copper amounts to ThUS$103,378, which represents the estimate made by the legal advisors of the Corporation subject to consideration under IAS 37. An analysis, case by case, has revealed that there is a total of 358 causes with an estimated amount of ThUS$103,378, of which, 248 causes that represent 69.27% of the universe, and that amounts to ThUS$69,334 (judgments reported as probable and possible loss for the Corporation), which could have a negative result for the Corporation. There are also 44 causes, which represent a 12.29% for an amount of ThUS$33,444, over which there is no security that its failure be contrary to the Corporation. For the remaining 66 cases, for an amount of ThUS$ 600 legal advisors of the Corporation estimate that the probability of loss is remote.

- Lawsuit under administrative law: On August 2, 2017, a Nullity in Public Law claim was filed in the 25th Civil Court of Santiago against Audit Report No. 900 of 2016, issued by the General Comptrollership of the Republic on May 10, 2017. At this date, the discussion stage has been completed and the evidence submitting stage should start soon.

For litigations with a probable unfavorable outcome for the Corporation, the necessary provisions has been recognized as "provisions for legal proceedings."

b) Other Commitments

i. On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, CuPIC, in which both companies have an equal equity interest. A 15-year copper cathode sales contract to that associated company was agreed upon, as well as a purchase contract from Minmetals to CupiCfor the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid for by the buyer at a price formed by a fixed re-adjustable component plus a variable component, which depends on current copper prices at the time of shipment.

During the first quarter of 2006 and on the basis of the negotiated financial terms, financing contracts were formalized with the China Development Bank allowing CuPIC to make the US$550 million advance payment to Codelco in March 2006.

With regard to financial obligations incurred by the associate CuPIC with the China Development Bank, Codelco Chile and Codelco International Ltd, must meet certain commitments, mainly relating to the delivery of financial information. In addition, Codelco Chile must maintain 51% ownership of Codelco International Limited.

According to the Sponsor Agreement, dated March 8, 2006, the Codelco International Ltd. subsidiary gave its participation in CuPIC as a guarantee to the China Development Bank.

Subsequently, on March 14, 2012, CuPIC paid off its debt to the abovementioned bank. As of December 31, 2017. Codelco does not hold any indirect guarantee regarding its participation in this associated company.

On December 17, 2015, the Codelco administration presented a restructuring for the Supply Contract, which implies the removal of its share in CUPIC.

On April 7, 2016, the Corporation formalized the removal of its share in CUPIC, of which Codelco retained 50% ownership through the subsidiary Codelco International. Until that date, Codelco shared the ownership of the Company in the same proportion with the company Album Enterprises Limited (a subsidiary of Minmetals).

In order to realize the above mentioned term of the shareholding, Codelco signed a set of agreements which formalized primarily the following issues:

- Copper sales contract modifications from Codelco to CUPIC signed in 2006, which establishes the reduction of half of the outstanding tonnage to deliver to this company and in which Codelco pays to CUPIC the amount of ThUS$99,330.

- Reduction of share capital in CuPIC, equivalent to the 50% of the Codelco International shares in said company and by which CuPIC repays to Codelco the amount of ThUS$99,330.

- Waiver of Codelco to any dividends associated with the profits generated by CuPIC from January 1, 2016 and the date of signing the agreement.

- Additionally, the cessation of dividends reception as a consequence of the removal of the Codelco share in the ownership of CuPIC since 2016, led to a reduction of the net profit estimated to Codelco until the end of the contract signed with that company (year 2021). This implied that such contract qualifies as an onerous contract, according to IAS 37, which negatively impacts on earnings before tax of Codelco in ThUS$22,184 (negative net tax effect of ThUS$6,599 as of April 7, 2016).

ii. Regarding the financing agreement signed on August 23, 2012, between the subsidiary, Gacrux Inversiones SpA and Mitsui & Co. Ltd. for the acquisition of the 24.5% stake in Anglo American Sur S.A. which was subsequently amended on October 31, 2012, a pledge is included over the shares that the subsidiary has on Acrux Inversiones SpA (shared participation with Mitsui and minority shareholder in Anglo American Sur S.A.), in order to ensure compliance with the obligations that the financial agreement contemplates.

This pledge extends to the right to collect and receive from Acrux dividends which have been agreed in the corresponding meetings of shareholders of the company and any other distributions paid or payable to Gacrux respect of the pledged shares.

On December 22, 2017 according to archive No. 12326 / 2017, it was established that, Gacrux, the Creditor and the Guarantee Agent, the latter representing the Guaranteed Parties, modified , by virtue of the Merger (see Note 2d), the Contract of Pledge and the Modified Pledge Agreement as to the pledge on transferable securities and the commercial pledge, as well as the restrictions and prohibitions established in the Pledge Contract and in the Modified Pledge Contract, making it subject to , by virtue of the Merger, to two thousand thirteen million two hundred and forty-five thousand four hundred and seventy-three shares pledge issued by Becrux, owned by Gacrux, hereinafter the "Pledged Becrux Shares."

iii. Law 19.993 dated December 17, 2004, authorized the purchase of the Refinery and Smelter Las Ventanas assets from ENAMI, establishing that the Corporation must ensure that the smelting and refining capacity required is maintained, without any restriction and limitation, for treating the products of the small and medium mining sector sent by ENAMI, under the form of toll production or another form agreed upon by the parties.

iv. Obligations with the public for bond issues means that the Corporation must meet certain restrictions related to limits on pledges and leaseback transactions on its principal assets and on its ownership interest in subsidiaries.

The Corporation has complied with these conditions as of December 31, 2018 and 2017.

v. On January 20, 2010, the Corporation signed two energy supply contracts with Colbún S.A., which includes energy and power sales and purchases for a total of 510 MW of power. The contract provides a discount for that unconsumed energy Codelco's SIC divisions with respect to the amount of contracted power. The discount is equivalent to the value of the sale of that energy on the spot market.

The contracted power for supplying these Divisions is comprised by two contracts:
- Contract No.1 for 176 MW, current until December 2029
- Contract No.2 for 334 MW, current until December 2044. This contract is based on energy production from Colbún's Santa María thermal power station, which is currently in operation. This plant is coal-fired, and therefore the electric energy tariff rate applied for the energy supplied to Codelco is linked to the price of coal.

Both of these contracts comply with Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

Through these contracts, which operate through take or pay, the Corporation agrees to pay for the contracted energy and Colbún undertakes to reimburseat market price the energy not consumed by Codelco.

These contracts have maturity date in 2029 and 2044.

vi. On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA S.A. (associate until January 2011), which matured in August 2017.

For the electric power supply of the Chuquicamata's work center, there are three contracts:
- Engie for a 15-year term from January 2010, that is maturing in December 2024, for 200 MW capacity, and another contract for a 200 MW capacity which was signed in January 2018 and will be effective as of January 2025 with maturity in December 2035.
- CTA effective from 2012 for 80 MW capacity, maturity in 2032.

vii. On August 26, 2011, Codelco signed two energy supply contracts with AESGener. The first one for the Minister Hales division for a 99 MW capacity and the second contract for the Radomiro Tomic work center, for a maximum capacity of 145 MW. Both contracts will mature in 2028.

viii. On November 11, 2011, Law No. 20551 was published in the Official Journal, which regulates the tasks and closure of mining facilities. Additionally, on November 22, 2012, the Supreme Decree No. 41 of the Minister of Mining, which approves the Regulations of this Law, was published in the Diario Oficial.

This law requires the Corporation, among other requirements, to provide financial guarantees to the State to ensure the implementation of closure plans. It also establishes the obligation to make contributions to a fund which aims to cover the costs of post-closure activities.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The Corporation, in accordance with the mentioned regulation, provided to SERNAGEOMIN the Mine Closure Plan (ARO) for all of the Codelco operating divisions in 2014, which were approved in 2015 in accordance with the provisions of the Act.

The mine closure plans delivered to SERNAGEOMIN were developed by invoking the transitional regime of the Act, which was specified for the affected mining companies under the general application procedure (extraction capacity > 10,000 tons per month), and which, at the date of enactment of the Law, will abide in operation and move forward with a mine closure plan previously approved under Mine Safety Regulations Supreme Decree No. 132.

The Corporation considers that the accounting liability recorded caused by this obligation differs from the law's requirement, mainly by differences concerning the horizon that is considered for the projection of flows, in which the law requires the determination of the obligations in terms of mineral reserves, while the financial-accounting approach incorporates some of its mineral resources. Therefore, the discount rate established by law, may differ from that used by the Corporation under the criteria set out in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and described in Note 2, letter p) of Main Accounting Policies.

As of December 31, 2018, the Corporation has agreed guarantees for an annual amount of U.F. 27,058,918 to comply with the aforementioned Law No. 20.551. The following table details the main given guarantees:

Transmitter	Mine site	Amount	Currency	Date	Maturity date	Emission rate %	ThUS$
Banco Estado	Radomiro Tomic	2,691,723	UF	11/30/2018	11/11/2019	0.08	106,797
Banco Estado	Ministro Hales	911,821	UF	11/29/2018	11/14/2019	0.08	36,178
Banco Chile	Ministro Hales	541,257	UF	12/6/2018	11/14/2019	0.10	21,475
Banco Chile	Chuquicamata	2,300,000	UF	12/5/2018	11/27/2019	0.10	91,255
Banco Bci	Chuquicamata	4,600,000	UF	11/30/2018	11/27/2019	0.15	182,510
Banco Itau	Chuquicamata	915,319	UF	27/12/2018	11/27/2019	0.16	36,316
Banco Chile	El Teniente	2,632,299	UF	12/5/2018	12/2/2019	0.10	104,439
Banco Santander	El Teniente	5,000,000	UF	12/20/2018	12/2/2019	0.15	198,381
Banco Estado	Gabriela Mistral	1,513,907	UF	11/29/2018	12/15/2019	0.08	60,066
Banco Itau	Gabriela Mistral	278,180	UF	6/6/2018	6/13/2019	0.15	11,037
Banco Itau	Salvador	2,674,603	UF	8/8/2018	2/18/2019	0.10	106,118
Banco Estado	Andina	2,666,740	UF	10/29/2018	5/3/2019	0.07	105,806
Banco Chile	Ventanas	333,069	UF	12/13/2018	9/19/2019	0.07	13,215
Total		**27,058,918**					**1,073,593**

ix. On August 24, 2012, Codelco through its subsidiary Inversiones Mineras Nueva Acrux SpA (Nueva Acrux) (which minority shareholder is Mitsui), signed a contract with Anglo American Sur S.A. Under this contract, Codelco agreed to sell a portion of its annual copper production to the mentioned subsidiary, who in turn agrees to purchase such production.

Such annual portion is determined by the share of Codelco's indirect subsidiary, Inversiones Mineras Becrux SpA (also shared ownership with Mitsui), maintained for the shares of Anglo American Sur S.A.

In turn, the subsidiary Nueva Acrux agrees to sell to Mitsui, the products purchased under the agreement described in the preceding paragraphs.

The contract expiration will occur when the shareholders agreement of Anglo American Sur S.A ends or other events related to the completion of mining activities of the company take place.

32. Guarantees

The Corporation as a result of its activities has received and given guarantees.

The following tables list the main guarantees given to financial institutions:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Direct Guarantees provided to Financial Institutions					
Creditor of the Guarantee	Type of Guarantee	12/31/2018			12/31/2017
		Currency	Maturity	ThUS$	ThUS$
Urban Regional Manager, Metropolitan	Building project	UF	3/31/18	-	10
Urban Regional Manager, Metropolitan	Building project	UF	8/31/18	-	10
Minestry of Public Works	Building project	US$	6/27/18	-	209
General Directorate of Maritime Territory and Merchant Marine	Building project	CLP	3/1/19	1,783	-
Minestry of Public Works	Building project	UF	10/31/18	-	25,339
Minestry of Public Works	Building project	UF	10/31/18	-	28,399
Minestry of Public Works	Building project	UF	10/1/19	566	566
Oriente Copper Netherlands B.V.	Pledge on shares	US$	11/1/32	877,813	877,813
Sernageomin	Environmental	UF	11/3/18	-	139,589
Sernageomin	Environmental	UF	3/18/18	-	13,156
Sernageomin	Environmental	UF	5/10/18	-	106,936
Sernageomin	Environmental	UF	5/10/18	-	57,302
Sernageomin	Environmental	UF	6/1/18	-	104,598
Sernageomin	Environmental	UF	6/1/18	-	199,215
Sernageomin	Environmental	UF	6/14/18	-	60,716
Sernageomin	Environmental	UF	5/26/18	-	118,924
Sernageomin	Environmental	UF	5/26/18	-	156,804
Sernageomin	Environmental	UF	5/26/18	-	24,526
Sernageomin	Environmental	UF	8/31/8	-	119,414
Sernageomin	Environmental	UF	8/31/8	-	852
Sernageomin	Environmental	UF	3/18/19	17,920	-
Sernageomin	Environmental	UF	5/9/19	137,355	-
Sernageomin	Environmental	UF	6/13/19	73,210	-
Sernageomin	Environmental	UF	6/13/19	11,980	-
Sernageomin	Environmental	UF	6/1/19	110,322	-
Sernageomin	Environmental	UF	6/1/19	273,875	-
Sernageomin	Environmental	UF	5/25/19	192,789	-
Sernageomin	Environmental	UF	5/25/19	103,290	-
Sernageomin	Environmental	UF	5/12/19	39,150	-
Sernageomin	Environmental	UF	5/12/19	38,215	-
Sernageomin	Environmental	UF	5/25/19	96,395	-
Total				**1,974,663**	**2,034,381**

As for the documents received as collateral, they cover mainly obligations of suppliers and contractors related to the various development projects. Below are given the amounts received as collateral, grouped according to the Operating Divisions that have received these amounts:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Guarantees received from third parties		
Division	**12/31/2018 ThUS$**	**12/31/2017 ThUS$**
Andina	3,891	8,228
Chuquicamata	2,445	7,614
Casa Matriz	803,719	737,160
Salvador	1,311	7,295
Ministro Hales	-	6
El Teniente	4,137	19,064
Ventanas	105	778
Total	**815,608**	**780,145**

33. Balances in foreign currency

a) Assets by Type of Currency

Category	12/31/2018 ThUS$	12/31/2017 ThUS$
Liquid assets	**1,460,534**	**1,450,162**
US Dollars	1,383,897	1,378,521
Euros	25,482	3,472
Other currencies	4,547	4,245
Non-indexed Ch$	46,129	63,002
U.F.	479	922
Cash and cash equivalents	**1,229,125**	**1,448,835**
US Dollars	1,152,715	1,378,247
Euros	25,482	3,472
Other currencies	4,547	4,245
Non-indexed Ch$	46,109	62,779
U.F.	272	92
Other current financial assets	**231,409**	**1,327**
US Dollars	231,182	274
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	20	223
U.F.	207	830
Short and long term receivables	**2,409,835**	**2,996,968**
US Dollars	1,789,757	2,473,589
Euros	62,857	59,297
Other currencies	320	1,625
Non-indexed Ch$	482,180	406,589
U.F.	74,721	55,868
Trade and other receivables	**2,212,209**	**2,815,352**
US Dollars	1,676,862	2,383,415
Euros	62,580	57,992
Other currencies	320	1,625
Non-indexed Ch$	398,966	317,819
U.F.	73,481	54,501

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Category	12/31/2018 ThUS$	12/31/2017 ThUS$
Rights receivables, non-current	**84,731**	**91,442**
US Dollars	-	-
Euros	277	1,305
Other currencies	-	-
Non-indexed Ch$	83,214	88,770
U.F.	1,240	1,367
Due from related companies, current	**92,365**	**64,344**
US Dollars	92,365	64,344
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Due from related companies, non-current	**20,530**	**25,830**
US Dollars	20,530	25,830
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Rest of assets	**33,220,436**	**31,909,011**
US Dollars	32,171,442	31,025,279
Euros	705	26,952
Other currencies	279	367
Non-indexed Ch$	377,119	119,690
U.F.	670,891	736,723
Total assets	**37,090,805**	**36,356,141**
US Dollars	35,345,096	34,877,389
Euros	89,044	89,721
Other currencies	5,146	6,237
Non-indexed Ch$	905,428	589,281
U.F.	746,091	793,513

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b) Liability by type of currency:

Current liability by currency	12/31/2018		12/31/2017	
	Up to 90 days ThUS$	90 days to 1 year ThUS$	Up to 90 days ThUS$	90 days to 1 year ThUS$
Current liabilities	**3,049,854**	**489,558**	**3,126,371**	**189,085**
US Dollars	1,824,181	452,648	1,821,173	150,417
Euros	107,341	408	119,851	-
Other currencies	9,826	-	9,668	-
Non-indexed Ch$	1,088,536	31,419	1,155,722	32,964
U.F.	19,970	5,083	19,957	5,704
Other current financial liabilities	**412,451**	**459,826**	**166,557**	**157,831**
US Dollars	396,148	452,635	124,107	150,402
Euros	7,404	408	32,182	-
Other currencies	34	-	-	-
Non-indexed Ch$	879	1,700	1,269	1,725
U.F.	7,986	5,083	8,999	5,704
Bank loans	**5,739**	**399,132**	**26,819**	**103,908**
US Dollars	5,683	398,724	2,223	103,908
Euros	-	408	24,400	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	56	-	196	-
Obligations	**401,174**	**34,255**	**134,864**	**30,920**
US Dollars	387,578	34,255	120,277	30,920
Euros	7,404	-	7,782	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	6,192	-	6,805	-
Finance lease	**5,167**	**16,343**	**3,888**	**12,476**
US Dollars	2,887	9,560	1,347	5,047
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	542	1,700	543	1,725
U.F.	1,738	5,083	1,998	5,704
Others	**371**	**10,096**	**986**	**10,527**
US Dollars	-	10,096	260	10,527
Euros	-	-	-	-
Other currencies	34	-	-	-
Non-indexed Ch$	337	-	726	-
U.F.	-	-	-	-
Other current liabilities	**2,637,403**	**29,732**	**2,959,814**	**31,254**
US Dollars	1,428,033	13	1,697,066	15
Euros	99,937	-	87,669	-
Other currencies	9,792	-	9,668	-
Non-indexed Ch$	1,087,657	29,719	1,154,453	31,239
U.F.	11,984	-	10,958	-

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Non-current liability by currency	12/31/2018				12/31/2017			
	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$
Non-Current liabilities	6,804,312	2,260,258	5,142,419	8,000,535	6,200,324	2,773,522	5,534,293	7,607,208
US Dollars	6,396,888	2,114,245	4,160,204	6,918,087	5,755,523	2,619,881	4,461,270	6,501,948
Euros	14	-	(7,832)	-	89	-	(9,682)	-
Other currencies	1	-	-	-	1	-	-	-
Non-indexed Ch$	390,088	141,392	277,356	505,603	423,022	148,258	291,395	527,887
U.F.	17,321	4,621	712,691	576,845	21,689	5,383	791,310	577,373
Other non-current financial liabilities	1,710,559	2,118,866	4,847,087	5,997,998	1,349,908	2,625,264	5,226,237	5,446,595
US Dollars	1,702,164	2,114,245	4,142,228	5,997,998	1,334,855	2,619,881	4,444,609	5,446,595
Euros	-	-	7,832	-	-	-	(9,682)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	219	-	-	-	2,996	-	-	-
U.F.	8,176	4,621	712,691	-	12,057	5,383	791,310	-
Bank loans	548,454	677,507	298,250	582,867	406,167	1,297,133	-	626,357
US Dollars	548,454	677,507	298,250	582,867	406,103	1,297,133	-	626,357
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	-	-	64	-	-	-
Obligations	1,065,419	1,414,296	4,415,461	5,415,131	847,944	1,313,161	5,102,279	4,820,238
US Dollars	1,065,419	1,414,296	3,034,864	5,415,131	847,944	1,313,161	3,613,723	4,820,238
Euros	-	-	678,446	-	-	-	711,734	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	702,151	-	-	-	776,822	-
Finance Lease	32,714	27,063	26,552	-	26,970	14,970	44,407	-
US Dollars	24,322	22,442	16,012	-	11,981	9,587	29,919	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	216	-	-	-	2,996	-	-	-
U.F.	8,176	4,621	10,540	-	11,993	5,383	14,488	-
Others	63,972	-	106,824	-	68,827	-	79,551	-
US Dollars	63,969	-	793,102	-	68,827	-	800,967	-
Euros	-	-	(686,278)	-	-	-	(721,416)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	3	-	-	-	-	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other liabilities non-current	5,093,753	141,392	295,332	2,002,537	4,850,416	148,258	308,056	2,160,613
US Dollars	4,694,724	-	17,976	920,089	4,420,668	-	16,661	1,055,353
Euros	14	-	-	-	89	-	-	-
Other currencies	1	-	-	-	1	-	-	-
Non-indexed Ch$	389,869	141,392	277,356	505,603	420,026	148,258	291,395	527,887
U.F.	9,145	-	-	576,845	9,632	-	-	577,373

34. Sanctions

As of December 31, 2018 and December 31, 2017, neither Codelco Chile nor its Directors and Managers have been sanctioned by the CMF or any other administrative authorities.

35. Environmental Expenditures

Each of Codelco's operations is subject to national, regional and local regulations related to protection of the environment and natural resources, including standards relating to water, air, noise and disposal and transportation of dangerous residues, among others. Chile has introduced environmental regulations that have obligated companies, including Codelco, to carry out programs to reduce, control or eliminate relevant environmental impacts. Codelco has executed and shall continue to execute a series of environmental projects to comply with these regulations.

Pursuant to the Letter of Values approved in 2010, Codelco is governed by a series of internal policies and regulations that frame its commitment to the environment, including the Sustainable Development Policy (2003) and the Corporate Security, Occupational Health and Environmental Management Policy (2007).

The environmental management systems of the divisions and the Head Office, structure their efforts in order to comply with the commitments assumed by the corporation's environmental policies, incorporating planning, operating, verifying and reviewing elements. As of December 31, 2018, they have received ISO 14001 certification for the environmental management of Chuquicamata, Radomiro Tomic, Andina, Salvador, El Teniente, Ventanas, Gabriela Mistral and the Head Office.

In accordance with Supreme Decree D.S. No. 28, the Corporation is carrying out is environmental, maintenance and operating plans for its smelting plants.

To comply with the Circular No. 1901 of 2008 of the CMF, the details of the Corporation's main expenditures related to the environment during the years ended December 31, 2018 and 2017, respectively, and the projected future expenses are stated below.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Entity	Proyect name	Disbursements 12/31/2018				12/31/2017	Future committed disbursements	
		Proyect Status	Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
	Chuquicamata		**492,963**			**339,883**	**479,386**	
Codelco Chile	Talambre dam capacity extension, 8th stage	In Progress	148,715	Asset	P, P & E	86,757	131,287	2020
Codelco Chile	Emergency restoration system dust control crushing plant 2/3	In Progress	345	Asset	P, P & E	6,114	-	-
Codelco Chile	Replacement of circulation pot 1A and 2A	In Progress	1,370	Asset	P, P & E	21,447	15,717	2019
Codelco Chile	Construction installation surplus management	In Progress	-	Asset	P, P & E	6,644	-	-
Codelco Chile	Replacement of water treatment plant	In Progress	-	Asset	P, P & E	24,318	-	-
Codelco Chile	Replacement gas management system	In Progress	745	Asset	P, P & E	849	10,440	2019
Codelco Chile	Acid plant tranformation 3-4 DC/DA	In Progress	200,844	Asset	P, P & E	115,588	198,863	2019
Codelco Chile	Enablement refining gas treatment system	In Progress	26,973	Asset	P, P & E	10,163	47,122	2019
Codelco Chile	Dryer replacement n ° 5 fuco	In Progress	23,204	Asset	P, P & E	11,373	36,257	2019
Codelco Chile	Management feeding and transport powders	In Progress	1,363	Asset	P, P & E	620	-	-
Codelco Chile	Construction Relle Res Dom-Asim Montec	In Progress	599	Asset	P, P & E	22	11,781	2019
Codelco Chile	Construction IX stage Talambre tranque	In Progress	6,063	Asset	P, P & E	78	11,259	2019
Codelco Chile	Construction 8 Seg Montecristo	In Progress	799	Asset	P, P & E	70	16,660	2019
Codelco Chile	Acid plants	In Progress	30,989	Expenditure	Adm. Expense	23,014	-	2019
Codelco Chile	Solid waste	In Progress	6,595	Expenditure	Adm. Expense	1,707	-	2019
Codelco Chile	Tailings	In Progress	23,047	Expenditure	Adm. Expense	15,474	-	2019
Codelco Chile	Water treatment plant	In Progress	17,501	Expenditure	Adm. Expense	14,849	-	2019
Codelco Chile	Environmental monitoring	In Progress	3,811	Expenditure	Adm. Expense	796	-	2019
	Salvador		**138,153**			**110,683**	**167,627**	
Codelco Chile	Improved integration of the gas process	In Progress	91,755	Asset	P, P & E	76,785	100,552	2019
Codelco Chile	Concentrator filter plant construction	In Progress	28	Asset	P, P & E	10,994	-	-
Codelco Chile	Water capture improvement	In Progress	147	Asset	P, P & E	807	-	-
Codelco Chile	Tailings	In Progress	2,008	Expenditure	Adm. Expense	2,180	1,006	2019
Codelco Chile	Acid plants	In Progress	29,677	Expenditure	Adm. Expense	18,401	7,562	2019
Codelco Chile	Solid waste	In Progress	902	Expenditure	Adm. Expense	768	334	2019
Codelco Chile	Water treatment plant	In Progress	687	Expenditure	Adm. Expense	528	486	2019
Codelco Chile	Overhaul thickeners tailings sal-proy	In Progress	1,443	Asset	P, P & E	220	17,888	2019
Codelco Chile	Dangerous substances warehouse	In Pogress	82	Asset	P, P & E	-	356	2019
Codelco Chile	Bell replacement	In Pogress	11,185	Asset	P, P & E	-	24,555	2019
Codelco Chile	Ditch hazardous waste	In Pogress	62	Asset	P, P & E	-	865	2019
Codelco Chile	DRPA Emergency	In Pogress	177	Asset	P, P & E	-	14,023	2019
	Andina		**166,793**			**208,822**	**59,220**	
Codelco Chile	Drain water treatment	Finished	171	Asset	P, P & E	11,236	-	-
Codelco Chile	Water Normative Phase 2	In Progress	1,274	Asset	P, P & E	4,095	-	-
Codelco Chile	Construction site emergency plan	In Progress	11,176	Asset	P, P & E	22,127	3,500	2019
Codelco Chile	Construction site emergency plan	Finished	5,975	Asset	P, P & E	27,670	-	-
Codelco Chile	Improved water internal tip E2	In Progress	2,620	Asset	P, P & E	2,906	-	-
Codelco Chile	Construction early alert plan	Finished	-	Asset	P, P & E	303	-	-
Codelco Chile	Implementation in RCA compliance wells (Hydraulic Barrier)	In Progress	3,010	Asset	P, P & E	868	-	-
Codelco Chile	Catchment water drainage hill black	In Progress	2,301	Asset	P, P & E	329	627	2019
Codelco Chile	Construction canal outline DL east	In Progress	6,136	Asset	P, P & E	843	20,490	2020
Codelco Chile	Standard fuel supply system	In Progress	258	Asset	P, P & E	18	-	-
Codelco Chile	Construction site emergency plan	In Progress	7,942	Asset	P, P & E	63	5,115	2019
Codelco Chile	Oo Sbr Level 640 Msnm Tranq	In Progress	16,720	Asset	P, P & E	63,195	-	-
Codelco Chile	Solid waste	In Progress	2,735	Expenditure	Adm. Expense	1,884	746	2019
Codelco Chile	Water treatment plant	In Progress	3,927	Expenditure	Adm. Expense	2,591	920	2019
Codelco Chile	Trailing	In Progress	68,220	Expenditure	Adm. Expense	50,956	17,435	2019
Codelco Chile	Acid drainage	In Progress	30,894	Expenditure	Adm. Expense	17,462	9,474	2019
Codelco Chile	Environmental monitoring	In Progress	554	Expenditure	Adm. Expense	824	122	2019
Codelco Chile	Sustainability and external matters management	In Progress	2,880	Expenditure	Adm. Expense	1,452	791	2019
Subtotal			**797,909**			**659,388**	**706,233**	

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Entity	Proyect name	Disbursements 12/31/2018				12/31/2017	Future committed disbursements	
			Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
	El Teniente		**407,794**			**250,563**	**496,088**	
Codelco Chile	Construction of 7th phase of Carén	In Progress	27,866	Asset	P, P & E	2,436	280,642	2022
Codelco Chile	Construction of 6th phase of Carén	Finished	-	Asset	P, P & E	7,550	-	-
Codelco Chile	Construction of slag treatment plant	In Progress	108,854	Asset	P, P & E	42,919	108,225	2019
Codelco Chile	Construction of slag treatment plant	In Progress	19,749	Asset	P, P & E	23,214	-	-
Codelco Chile	Smelting emissions network	In Progress	51,273	Asset	P, P & E	60,058	27,997	2019
Codelco Chile	Smoke capacity reduction	In Progress	5,579	Asset	P, P & E	2,744	24,555	2019
Codelco Chile	Smoke capacity reduction	In Progress	38,749	Asset	P, P & E	6,693	6,862	2019
Codelco Chile	Construction of slag treatment plant	In Progress	1,650	Asset	P, P & E	455	2,223	2019
Codelco Chile	Acid plants	In Progress	66,294	Expenditure	Adm. Expense	53,294	14,069	2019
Codelco Chile	Solid waste	In Progress	4,460	Expenditure	Adm. Expense	3,933	951	2019
Codelco Chile	Water treatment plant	In Progress	16,688	Expenditure	Adm. Expense	10,962	4,332	2019
Codelco Chile	Tailings	In Progress	66,632	Expenditure	Adm. Expense	36,305	16,232	2019
	Gabriela Mistral		**12,126**			**8,425**	**47,405**	
Codelco Chile	Installation of the rubble dump folder phase VI	Finished	-	Asset	P, P & E	6,446	-	-
Codelco Chile	Installation of the rubble dump folder phase VII	Finished	-	Asset	P, P & E	262	-	-
Codelco Chile	Replacement three tracked tractors	In Progress	-	Asset	P, P & E	154	5,753	-
Codelco Chile	Environmental monitoring	In Progress	6	Expenditure	Adm. Expense	46	11	2019
Codelco Chile	Solid waste	In Progress	2,420	Expenditure	Adm. Expense	1,441	617	2019
Codelco Chile	Environmental consultancy	In Progress	2,087	Expenditure	Adm. Expense	38	30	2019
Codelco Chile	Water treatment plant	In Progress	106	Expenditure	Adm. Expense	38	30	2019
Codelco Chile	Garbage dump extension	In Progress	7,446	Asset	P, P & E	-	40,553	2020
Codelco Chile	Improved dust collection system	In Progress	61	Asset	P, P & E	-	411	2020
	Ventanas		**43,492**			**40,080**	**9,783**	
Codelco Chile	Capturing of second gases	Finished	-	Asset	P, P & E	723	-	-
Codelco Chile	Removal of visible fumes raf	Finished	-	Asset	P, P & E	3,612	-	-
Codelco Chile	Fugitive gas treatment	Finished	-	Asset	P, P & E	3,432	-	-
Codelco Chile	Second gas collection CT	Finished	-	Asset	P, P & E	3,589	-	-
Codelco Chile	Fugitive gas treatment CT	Finished	-	Asset	P, P & E	2,270	-	-
Codelco Chile	Construction new warehouse of concentrate	In Progress	2,072	Asset	P, P & E	518	-	-
Codelco Chile	Acid plants	In Progress	30,514	Expenditure	Adm. Expense	19,483	6,530	2019
Codelco Chile	Solid waste	In Progress	1,908	Expenditure	Adm. Expense	1,883	715	2019
Codelco Chile	Environmental monitoring	In Progress	1,586	Expenditure	Adm. Expense	1,088	358	2019
Codelco Chile	Water treatment plant	In Progress	5,340	Expenditure	Adm. Expense	3,482	2,180	2019
Codelco Chile	Distribution system replacement	In Progress	2,072	Asset	P, P & E	-	-	-
	Radomiro Tomic		**2,806**			**1,867**	**770**	
Codelco Chile	Solid waste	In Progress	1,132	Expenditure	Adm. Expense	823	276	2019
Codelco Chile	Environmental monitoring	In Progress	725	Expenditure	Adm. Expense	296	245	2019
Codelco Chile	Water treatment plant	In Progress	949	Expenditure	Adm. Expense	748	249	2019
	Ministro Hales		**1,529**			**2,187**	**12,809**	
Codelco Chile	Solid waste	In Progress	664	Expenditure	Adm. Expense	1,377	1,956	2019
Codelco Chile	Environmental monitoring	In Progress	664	Expenditure	Adm. Expense	572	237	2019
Codelco Chile	Water treatment plant	In Progress	180	Expenditure	Adm. Expense	238	366	2019
Codelco Chile	Pit drainage wells mine	In Progress	10	Asset	P, P & E	-	6,693	2019
Codelco Chile	Implementation monitoring acuifero pit	In Progress	11	Asset	P, P & E	-	3,557	2019
	Ecometales Limited		**621**			**731**	**828**	
Codelco Chile	Smelting powders leaching plant	In Progress	613	Expenditure	Adm. Expense	515	817	2019
Codelco Chile	Smelting powders leaching plant	In Progress	8	Expenditure	Adm. Expense	216	11	2019
Subtotal			**468,368**			**303,853**	**557,683**	
Total			**1,266,277**			**963,241**	**1,263,916**	

36. Subsequent events

- On January 16, 2019, it is reported as an essential fact that Mr. Patricio Chávez Inostroza ceases to exercise his functions as Vice President of Corporate Affairs and Sustainability of the Corporation and assuming his duties on an “acting” basis, is, José Pesce Rosenthal who will also maintain the position of Vice President of Management of Mining Resources and Development, a role he currently exercises.

- On January 28, 2019, it is reported as an essential fact that Codelco issued bonds in New York for USD 1,300 million at 30 years, with an annual rate of 4.375%. This operation will give greater financial flexibility for it to invest in its structural projects, the first of which, Chuquicamata Subterránea, will start operations this year. The issue will allow the Corporation to lighten its profile of debt repayments for the period 2020 - 2025 and extend part of its financial commitments to 30 years, matching the payment dates with the years in which, in addition to Chuquicamata Subterránea, the New Mine level, Andean Transfer and Inca Rajo also will be in full production.

With this transaction, Codelco's net debt is not increased and a new step is taken in a sustainable financing, according to the guidelines given by the Board of Directors in terms of advancing the realization of structural projects and maintaining a solid financial position.

In this way, Codelco launched in New York an offer to purchase its bonds issued in dollars with maturities between 2020 and 2025. The offer of purchase points to two groups of bonds. The first includes those with expiration in 2020, 2021, and 2022, and was offered for aggregate amount of up to US$1,907 million, which corresponds to the total maturities of those papers.

These activities were led on this occasion by HSBC Securities (USA) Inc., JP Morgan Securities LLC, Citigroup Global Markets Inc., and Scotiabank.

The impact on results associated with this refinancing, reached an estimated loss after taxes of US$14 million.

- On February 1, 2019, it is reported as essential fact, the withdrawal from the Corporation of Mr. Ricardo Montoya Peredo, General Manager of the Gabriela Mistral Division; and, on an “acting” basis, Mr. Gustavo Cordova Alfaro, who up until this date had served as the Mine Manager of the same Division, assumes his role.

- On February 8, 2019, it was reported as an essential fact, according to the provisions in Circular No. 1,072, details of the financing operation carried out on January 28, 2019.

- On February 8, 2019, it was reported as an essential fact that, on the occasion of climatic phenomenon that affected the north of the country, Codelco has had to put on hold part of the tasks in divisions Chuquicamata and Ministro Hales. The restoration of operations will be progressive as long as the climatic conditions allow, while mitigation measures to minimize the effects of this paralysis are put in place.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

It is estimated that, with the existing information up to this moment, this situation will not cause a material or significant impact on Codelco's results in 2019.

- On February 28, 2019, an extraordinary capital contribution was received through the Exempt Decree No. 311 of the Ministry of Finance, pursuant to Law No. 20.970, for an amount of ThUS$400 million.

- On March 1, 2019, it was reported as an essential fact that it was proceeded to designate from April 1, 2019, the following principal executives:

1. Mr. Jaime Rivera Machado was appointed as General Manager of the Andina Division.
2. Mr. Andrés Music Garrido was appointed as General Manager of the Ministro Hales Division.
3. Mr. Sergio Herbage Lundín was appointed as General Manager of the Gabriela Mistral Division.

- As of March 1, 2019, the role of Vice-Presidency of Technology was created reporting to the Executive President., Don Alvaro García González was appointed, starting on March 11, 2019.

The administration of the Corporation is not aware of other significant events of a financial nature or of any other nature that could affect these financial statements, which occurred between January 1, 2019 and the date of issuance of these consolidated financial statements up to the March 28, 2019.

Nelson Pizarro Contador Chief Executive Officer	Alejandro Rivera Stambuk Chief Financial Officer
Gonzalo Zamorano Martínez Accounting and Finance Control Manager	Javier Tapia Avila Accountant Director

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Offering Memorandum

Joint Book-Running Managers

BofA Securities	**J.P. Morgan**	**Mizuho Securities**	**Scotiabank**

December 7, 2020