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

PE - 199/2019
Santiago, 20 de noviembre de 2019

Señor
Joaquín Cortez Huerta
Presidente
Comisión para el Mercado Fijnanciero
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 nuestras notas PE 171/2019 y PE 172/2019 de fechas 23 y 24 de septiembre de 2019, respectivamente.

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	2 690 3221
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 Hong Kong (HKD).
3.2	Moneda total emisión	HKD 500.000.000
3.3	Portador / a la orden	Bonos registrados en Clearstream Banking, societé anonyme y Euroclear Bank S.A./N.V.
3.4	Series	Bonos 2034
3.4.1	Monto de la serie	HKD 500.000.000
3.4.2	Nº de bonos	Ver 3.4.3
3.4.3	Valor nominal bono	HKD 1.000.000 mínimo. En caso de sumas superiores, serán por múltiplos de HKD 1.000.000.
3.4.4	Tipo reajuste	N/A
3.4.5	Tasa de interés	2,840%
3.4.6	Fecha de emisión	07 de Noviembre de 2019

3.4.7 Para cada serie llenar la siguiente tabla de desarrollo:

Bonos 2034:

El capital de los bonos será pagadero en su integridad a su vencimiento, el día 07 de noviembre de 2034.

Los bonos devengarán un interés de 2,840% anual, base de un año de 365 días (Act/365), el cual será pagadero en 15 cuotas anuales los días 07 de noviembre de cada año, a partir del 07 de noviembre de 2020.

Nº Cuota Interés	Nº Cuota Amortiz.	Fecha	Intereses	Amortización	Total Cuota	Saldo Capital
1	-	Nov 07-2020		-		
2	-	Nov 07-2021		-		
3	-	Nov 07-2022		-		
4	-	Nov 07-2023		-		
5	-	Nov 07-2024		-		
6	-	Nov 07-2025		-		
7	-	Nov 07-2026		-		
8	-	Nov 07-2027		-		
9	-	Nov 07-2028				
10	-	Nov 07-2029		-		
11	-	Nov 07-2030		-		
12	-	Nov 07-2031		-		
13	-	Nov 07-2032		-		
14	-	Nov 07-2033		-		
15	-	Nov 07-2034		HKD 500.000.000		

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	-----

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: *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 ("*Base Prospectus*") de fecha 04 de noviembre de 2019. 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 Suscripción ("*Subscription Agreement*") celebrado el día 04 de noviembre de 2019 entre (A) CODELCO CHILE, como emisor de los bonos, y (B) HSBC Securities (USA) Inc. como Comprador Inicial ("*Initial Purchaser*"). Ver **Anexo 3.**

El objeto del Subscription Agreement fue la adquisición, por el Comprador Inicial ("*Initial Purchaser*"), de la totalidad de los bonos emitidos por CODELCO-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 CODELCO-CHILE constituyen obligaciones directas, no garantizadas y no subordinadas de la compañía emisora. Los tenedores de bonos pueden declarar exigible anticipadamente la totalidad del capital más intereses en ciertos casos de incumplimiento por parte de CODELCO-CHILE.

8.0 OTROS ANTECEDENTES IMPORTANTES

Los bonos no han sido registrados en los Estados Unidos de América bajo la *U.S. Securities Act* de 1933 y no se ha solicitado el registro de la emisión a ninguna bolsa a nivel mundial. La emisión constituye una colocación privada con un inversionista en los términos descritos.

9.0 DECLARACIÓN DE RESPONSABILIDAD

El suscrito, en su calidad de Consejero Jurídico Corporativo de la Corporación Nacional del Cobre de Chile (la "**Sociedad**"), ambos domiciliados en calle Huérfanos N°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 07 de noviembre de 2019.

NOMBRE	CARGO	C.N.I.	FIRMA
Nicolai Bakovic H.	Consejero Jurídico Corporativo	9.856.858-1	

ANEXO 1

MEMORIA ANUAL

https://www.codelco.com/memoria2018/

ANEXO 2

BASE PROSPECTUS

Base Prospectus
November 4, 2019

Corporación Nacional del Cobre de Chile

Corporación Nacional del Cobre de Chile ("CODELCO") may from time to time issue senior unsecured notes (the "notes") pursuant to the Regulation S note program described herein (the "Program") denominated in currencies or currency units as may be set forth in the final terms relating to such notes (the "Final Terms") to this base prospectus (the "prospectus").

The notes will constitute direct, general, unconditional, unsecured and unsubordinated obligations of CODELCO. 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."

Unless otherwise specified in the applicable Final Terms, we may redeem certain notes at our option, in whole or in part, at any time and from time to time prior to the date stated in the applicable Final Terms, 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. 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—Redemption—Tax Redemption" and "—Optional Redemption."

The notes may have a maturity of at least one year and no more than 30 years from the date of issue.

We may list certain notes issued under the Program on a securities exchange.

Notice of the aggregate nominal amount of notes, interest (if any) payable in respect of notes, the issue price of notes and any other terms and conditions contemplated herein which are applicable to a particular issuance of notes will be set out in the relevant Final Terms relating to such 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 prospectus. 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 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 prospectus has not been approved by a competent authority within the meaning of the 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.

Each initial and subsequent purchaser of the notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of such notes and may in certain circumstances be required to provide confirmation of compliance with such resale or other transfer restrictions below and as set forth in "Transfer Restrictions."

The date of this prospectus is November 4, 2019.

We have not, and the deal manager has not, authorized anyone to provide any information other than that contained in this prospectus. We and the deal manager 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 deal manager is 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 prospectus is accurate as of any date other than the date on the front of this prospectus.

After having made all reasonable inquiries, we confirm that (i) the information contained in this prospectus 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 prospectus 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 prospectus to the "Company," "we," "our," "ours," "us" or similar terms refer to CODELCO and its subsidiaries.

TABLE OF CONTENTS

Page

Note Regarding Forward-Looking Statements iv
Enforceability of Civil Liabilities v
Presentation of Financial and Statistical Information vi
Available Information ix
Summary 1
Summary Consolidated Financial Data 12
Risk Factors 16
Use of Proceeds 29
Exchange Rates 30
Selected Consolidated Financial Data 31
Selected Operating Data 35
Management's Discussion and Analysis of Financial Condition and Results of Operations 37
Business and Properties 62
Overview of The Copper Market 89
Regulatory Framework 92
Management 98
Related Party Transactions 102
Foreign Investment and Exchange Controls in Chile 104
Description of Notes 105
Taxation 117
Plan of Distribution 121
Transfer Restrictions 126
Glossary of Certain Mining Terms 128
General Information 132
Index to Financial Statements F-1

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 prospectus has been prepared by CODELCO solely for use in connection with the proposed offering of the securities described herein. This prospectus 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 deal manager reserve the right to reject for any reason any offer to purchase any of the notes.

This prospectus should be read and understood in conjunction with any supplement hereto. Full information on the Company and any notes issued under the Program is only available on the basis of the combination of this prospectus (including any supplement) and the relevant Final Terms.

The deal manager makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this prospectus. Nothing contained in this prospectus is, or shall be relied upon as, a promise or representation by the deal manager as to the past or future. CODELCO has furnished the information contained in this prospectus.

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 prospectus 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 prospectus 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 deal manager and (ii) at the office of the paying agent.

IN CONNECTION WITH OFFERINGS IN THE PROGRAM, THE DEALER MANAGER OR ANY PERSON ACTING ON ITS BEHALF, 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 THE DEALER MANAGER OR ANY PERSON ACTING ON ITS BEHALF, 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 prospectus 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 deal manager 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 prospectus will be determined by CODELCO and the deal manager 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 prospectus;

- you have not relied on the deal manager or any person affiliated with the deal manager 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 prospectus and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or the deal manager.

This prospectus is only being distributed to and is only directed at: (i) persons who are outside the United Kingdom (the "UK"); (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus 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"). 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 MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (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 the Prospectus Regulation. No key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling packaged retail and insurance based investment products or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA 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 prospectus 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 and natural disasters. 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 prospectus.

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 prospectus 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 subscription agreement will provide that CODELCO will appoint an agent with offices 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 subscription 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 prospectus, 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. 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 No. 368 (*Oficio Circular No. 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, 2016 and 2017 and the audited consolidated financial statements as of and for the years ended December 31, 2017 and 2018 included herein are referred to as the "2016-2017 Consolidated Financial Statements" and the "2017-2018 Consolidated Financial Statements," respectively. The 2016-2017 Consolidated Financial Statements and the 2017-2018 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 June 30, 2019 and for the six-month periods ended June 30, 2018 and 2019 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 2017-2018 Consolidated Financial Statements, except for the adoption of the new leases standard IFRS 16 as of January 1, 2019. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—New Accounting Standards."

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 prospectus 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 prospectus, 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. Impairment charges includes charges and reversals of charges of investment projects, research projects and investment in associates and joint ventures. 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. Total costs and expenses is calculated by adding the costs of sales of CODELCO's own copper plus the finance costs, less finance income, plus other expenses, excluding expenses corresponding to a special export tax required under Law No. 13,196 (the "Copper Reserve Law"), less other income by function. 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 prospectus 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 prospectus 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 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 No. 20,026. These taxes are included in "other expenses" by function. See "Summary—Recent Developments—Repeal of the Copper Reserve Law" and "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 and 2018.

Certain figures included in this prospectus and in the Consolidated Financial Statements have been rounded for ease of presentation. Percentage figures included in this prospectus have in some cases been calculated on the basis of such figures prior to rounding. For this reason, certain percentage amounts in this prospectus 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 prospectus 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 July 3, 2018 was Ch$651.21 = U.S.$1.00; (iii) as of January 2, 2019 was Ch$694.77 = U.S.$1.00; and (iv) as of July 1, 2019 was Ch$679.15 = 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 prospectus, 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 prospectus 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% indirect 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 reflect the value of CODELCO's mining concessions or its resources and reserves.

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

AVAILABLE INFORMATION

CODELCO may provide additional information, which may be more recent that the information in this prospectus, through its website www.codelco.com or through public filings with the CMF in Chile. Neither the documents filed with the CMF nor the contents of the websites referenced herein are a part of this prospectus and are not incorporated by reference herein.

SUMMARY

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

The following summary is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this prospectus. Except as otherwise disclosed herein or indicated, financial information with respect to CODELCO provided in this prospectus 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.$14.3 billion in 2018). As of December 31, 2018, CODELCO's total assets were U.S.$ 37.1 billion and equity amounted to U.S.$11.3 billion. As of June 30, 2019, total assets were U.S.$37.9 billion and equity amounted to U.S.$11.6 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 2018, CODELCO had an estimated 9% share of total world copper production, with production amounting to approximately 1.81 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 9% share of the world's molybdenum production, with production amounting to approximately 24,031 metric tons excluding CODELCO's share of Anglo American Sur.

CODELCO's main commercial product is Grade A cathode copper. In 2018, CODELCO derived 92% of its total sales from copper and 8%of its total sales from byproducts of its copper production. In the first six months of 2019, 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 2018 were geographically diversified, with approximately 59% of sales made to Asia, including approximately 46% to China, as well as approximately 30% to North and South America and 11% to Europe. CODELCO's top ten customers purchased approximately 41.0% of its total copper sales volume in 2018.

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 2018, this division produced 465,040 metric tons of copper, or 25.7% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 106.5 cents per pound, compared to 113.5 cents per pound in 2017, and a total cash cost of U.S.$1.1 billion in 2018, compared to U.S.$1.2 billion in 2017. During the first six months of 2019, this division produced 202,936 metric tons of copper with a cash cost of 105.8 cents per pound and a total cash cost of U.S.$465 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 2018, this division produced 332,667 metric tons of copper cathodes, or 18.4% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 134.1 cents per pound, compared to 131.4 cents per pound in 2017, and a total cash cost of U.S.$973 million in 2018 compared to U.S.$915 million in 2017. During the first six months of 2019, this division produced 127,422 metric tons of copper with a cash cost of 141.3 cents per pound and a total cash cost of U.S.$395 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 2018, this division produced 320,744 metric tons of copper cathodes, or 17.8% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 131.5 cents per pound, compared to 130.9 cents per pound in 2017, and a total cash cost of U.S.$908 million in 2018, compared to U.S.$933 million in 2017. During the first six months of 2019, this division produced 166,131 metric tons of copper with a cash cost of 125.6 cents per pound and a total cash cost of U.S.$447 million.

- The Mina Ministro Hales Division was created in September 2010 for the operation of the Mina Ministro Hales ore body, which first began producing copper at the end of 2013. In 2018, this division produced 195,485 metric tons of copper, or 10.8% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 124.0 cents per pound, compared to 121.8 cents per pound in 2017, and a total cash cost of U.S.$517 million in 2018, compared to U.S.$560 million in 2017. During the first six months of 2019, this division produced 72,252 metric tons of copper with a cash cost of 140.4 cents per pound and a total cash cost of U.S.$216 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 2018, this division produced 195,531 metric tons of copper, or 10.8% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 163.7 cents per pound, compared to 139.6 cents per pound in 2017, and a total cash cost of U.S.$682 million in 2018, compared to U.S.$654 million in 2017. During the first six months of 2019, this division produced 83,793 metric tons of copper with a cash cost of 183.8 cents per pound and a total cash cost of U.S.$328 million.

- The Gabriela Mistral Division was created in January 2013 and operates the Gabriela Mistral mine, which uses SX-EW technology. The Gabriela Mistral mine produced its first copper cathodes in May 2008 after a 26-month construction period. In 2018, this division produced 107,247 metric tons of copper, or 5.9% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 191.9 cents per pound, compared to 151.9 cents per pound in 2017, and a total cash cost of U.S.$454 million in 2018, compared to U.S.$411 million in 2017. During the first six months of 2019, this division produced 42,284 metric tons of copper with a cash cost of 265.4 cents per pound and a total cash cost of U.S.$247 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 2018, this division produced 60,840 metric tons of copper cathodes, or 3.4% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 223.5 cents per pound, compared to 198.7 cents per pound in 2017, and a total cash cost of U.S.$296 million in 2018, compared to U.S.$269 million in 2017. During the first six months of 2019, this division produced 15,138 metric tons of copper with a cash cost of 225.8 cents per pound and a total cash cost of U.S.$74 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 Empresa Nacional de Minería ("ENAMI") in May 2005. In 2018, this division refined 409,049 metric tons of copper, compared to 410,024 metric tons of copper in 2017. 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 2018, CODELCO's proved and probable reserves represented at least 26 years of future production at current levels.

- *Market Presence*. CODELCO is the largest copper producer in the world, with an estimated 9% share of the total world copper production and 1.81 million metric tons (including CODELCO's share of the El Abra deposit and Anglo American Sur) of production in 2018. CODELCO is also one of the largest producers of molybdenum in the world, with an estimated 9% share of total world molybdenum production, producing 24,031 metric tons in 2018 (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. 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 2018, CODELCO's total costs and expenses increased by 18.0 cents per pound (7.9%) to 245.1 cents per pound, compared to 227.1 cents per pound in 2017 and 214.6 cents per pound in 2016, 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 six months of 2019, CODELCO's total costs and expenses increased by 21.1 cents per pound (8.9%) to 258.3 cents per pound, compared to 237.2 cents per pound for the same period in 2018, mainly 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, upgrades at the Chuquicamata and Salvador smelters that suspended operations temporarily, the appreciation of the Chilean peso against the U.S. dollar, higher bonuses and other employment benefits associated with its collective bargaining agreements and higher financing costs. 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, due to the same reasons that contributed to the increase of total costs and expenses per pound in 2018. In 2017, CODELCO's total costs and expenses increased by 7.5% to U.S.$8.7 billion, compared to U.S.$8.1 billion in 2016, mainly due to the appreciation of the Chilean peso against the U.S. dollar, higher interest and fuel and energy expenses. For the first six months of 2019, CODELCO's total costs and expenses decreased to U.S.$4.0 billion, compared to U.S.$4.3 billion for the same period in 2018, due to the same reasons that contributed to the increase of total costs and expenses per pound during the first six months of 2019. In 2018, CODELCO's cash cost of production was 139.1 cents per pound, compared to 135.9 cents per pound in 2017 and 126.1 cents per pound in 2016. For the first six months of 2019, CODELCO's cash cost of production was 142.3 cents per pound, compared to 137.6 cents per pound for the same period in 2018. In 2018, CODELCO'S total cash cost was U.S.$5.1 billion, compared to U.S.$5.1 billion in 2017 and U.S.$4.7 billion in 2016. For the first six months of 2019, CODELCO's total cash cost was U.S.$2.2 billion, as compared to U.S.$2.4 billion for the same period in 2018 (such cash cost total 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 2018, CODELCO's Adjusted EBITDA amounted to U.S.$4.7 billion, total debt to capitalization as of December 31, 2018 was 57.4% and the ratio of total debt to Adjusted EBITDA was 3.2. As of June 30, 2019, Adjusted EBITDA amounted to U.S.$1.6 billion and total debt to capitalization was 56.7%.

- *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, 2018 (U.S.$14.3 billion) and is a key contributor to the budget of the Government of Chile. In 2018, CODELCO contributed U.S.$ 1.8 billion to the Chilean Treasury and accounted for approximately 17.2% 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.$13.4 billion between 2019 and 2021 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 2019 and 2021 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.$2.0 billion between 2019 and 2021). Environmental approvals were obtained in September 2010, and the project is approximately 90% complete as of June 30, 2019.

    - 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.$371 million between 2019 and 2021). Operations are expected to begin in 2021, and the project is approximately 77% complete as of June 30, 2019.

    - The development of a new production level in the existing El Teniente underground mine (an approximate investment of U.S.$1.6 billion between 2019 and 2021) 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 June 30, 2019, the project is approximately 52% complete.

    - The upgrade of CODELCO's smelters to new emission standards was required to maintain our operating licenses in Chuquicamata, El Teniente, Salvador and Ventanas, and such upgrade required an investment of U.S.$1.1 billion in Chuquicamata, U.S.$703 million in El Teniente, U.S.$441 million in Salvador and U.S.$113 million in Ventanas for a total approximate investment of U.S.$2.3 billion. As of the date of this prospectus, 100%, 97%, 95% and 96% of the upgrades at the Ventanas, Salvador, El Teniente and Chuquicamata smelters, respectively, have been completed, and all four smelters are operating.

    - 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.$900 million between 2019 and 2021. As of June 30, 2019, the feasibility study has been completed, and the initial work relating to the project has commenced.

- 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.$95 million between 2019 and 2021) starting in 2027. As of June 30, 2019, the feasibility study has been authorized and is approximately 31% 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.

- *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

Appointment of New Executives

On July 12, 2019, CODELCO announced the appointment of Octavio Araneda Osés as Chief Executive Officer of CODELCO as of September 1, 2019, replacing Nelson Pizarro Contador, who will retire. Mr. Araneda Osés is the current Vice President of Central Southern Operations and has worked at CODELCO for 33 years in various positions.

On July 26, 2019, CODELCO announced the appointment of Mauricio Barraza Gallardo as Vice President of Central Southern Operations, replacing Mr. Araneda Osés. The same day CODELCO announced the appointment of Nicolás Rivera Rodriguez, the former General Manager of the El Teniente Division, as 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. See "Management."

Repeal of the Copper Reserve Law

On July 24, 2019, the Congress of Chile passed new legislation, which, among other matters, repeals the Copper Reserve Law. If this new law becomes effective during 2019, 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. This new law will become effective once recorded by the Comptroller General of the Republic of Chile and published in the Official Gazette.

Bilateral Credit Facility

On July 25, 2019, CODELCO entered into a ten-year bilateral credit facility with Export Development Canada in an aggregate principal amount of U.S.$300 million. The credit facility matures in 2029. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Bank Debt."

New Bond Issuances

On July 15, 2019, CODELCO issued notes in an aggregate principal amount of AUD 70 million. The notes will mature on July 22, 2039 and accrue interest at a rate of 3.580% per annum payable on an annual basis.

On August 8, 2019, CODELCO issued notes in an aggregate principal amount of U.S.$130 million. These notes will mature on August 23, 2029 and accrue interest at a rate of 2.869% per annum payable on a semi-annual basis.

On September 23, 2019, CODELCO issued notes in an aggregate total principal amount of U.S.$2,000 million. From these notes, U.S.$1,100 million will mature on September 30, 2029 and accrue interest at a rate of 3.000% per annum, while U.S.$900 million will mature on January 30, 2050 and accrue interest at a rate of 3.700% per annum. Both tranches will pay interest on a semi-annual basis.

Tender Offer

On September 23, 2019, CODELCO launched a tender offer to purchase any and all (the "Any and All Offer") of its outstanding 3.750% Notes due 2020 (the "2020 Notes") and 3.875% Notes due 2021 (the "2021 Notes" and, together with the 2020 Notes, the "Any and All Notes") and up to $639,146,000 aggregate principal, less 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 its outstanding 3.000% Notes due 2022 (the "2022 Notes"), 4.500% Notes due 2023 (the "2023 Notes") and 4.500% Notes due 2025 (the "2025 Notes" and, together with the 2022 Notes and 2023 Notes, the "Maximum Tender Notes"), in each case validly tendered and accepted by CODELCO on or before the expiration date of the applicable Tender Offers. As of the date of this prospectus, CODELCO purchased all the Any and All Notes validly tendered and not validly withdrawn at or prior to the expiration date and all the Maximum Tender Notes validly tendered and not validly withdrawn at or prior to the early tender date. As of the date of this prospectus, the total Any and All Notes and Maximum Tender Notes purchased amounted to U.S.$147.4 million.

Lithium Development Project

On August 1, 2019, CODELCO announced that it signed a non-binding memorandum of understanding ("MOU") with Minera Salar Blanco S.A. to develop a joint lithium project in the Maricunga salt flat, which we believe would allow the project to become the third largest lithium producer in Chile. Terms and details of the definitive agreement will be finalized in the coming months, subject to mutual due diligence and other conditions. Once a definitive agreement is reached, it is expected that the construction of the joint project will begin in 2020 or early 2021, after all permits are obtained and the financial structure is finalized.

Sale of Participation in GNL Mejillones

On August 6, 2019, CODELCO consummated the sale of its 37% stake in GNL Mejillones S.A. to Ameris

Capital AGF for an amount of US$193.5 million.

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.
Distribution	Notes may be distributed outside the United States to persons other than U.S. persons (as such terms are defined in Regulation S under the Securities Act) by way of private or public placement, on a syndicated or non-syndicated basis, subject to the selling restrictions described under "Transfer and Selling Restrictions."
Issue Price	Notes may be issued at an issue price which is equal to, less than or more than their principal amount (as indicated in the applicable Final Terms).
Specified Currencies	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between CODELCO and the relevant purchaser or dealer manager (as indicated in the applicable Final Terms).
Interest and Interest Period	Such interest rate per year may be agreed between CODELCO and the relevant purchaser or dealer manager (as indicated in the applicable Final Terms). The interest on the notes will be payable on the dates and for the interest periods specified in the applicable Final Terms. Interest on the notes will be calculated as indicated in the applicable Final Terms. See "Description of Notes."
Maturity Date	Such maturities as may be agreed between CODELCO and the relevant purchaser or dealer manager (as indicated in the applicable Final Terms as the stated maturity), subject to such minimum or maximum term as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to CODELCO. Notwithstanding the foregoing, the notes will have a maturity of at least one year and no more than 30 years from the date of issue.

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—Redemption—Tax Redemption," "Taxation—Chilean Taxation" and "Risk Factors—Risks Relating to the Offering."
Optional Redemption	Unless otherwise stated in the applicable Final Terms, 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 stated in the applicable Final Terms, 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. See "Description of Notes—Redemption—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 as may be agreed between CODELCO and the dealer manager. The notes will be represented by one or more global notes (the "Global Notes"). The Global Note will be deposited with a common depositary for the account of Euroclear and Clearstream. See "Description of Notes—Registration, Form and Delivery" and "Form of Notes, Clearing and Settlement."
Settlement	Delivery of the notes will be made in book-entry form through the facilities of Euroclear and Clearstream. There will be a paying agent. See "Form of Notes, Clearing and Settlement."

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 transfer and selling restrictions. Accordingly, the notes may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in accordance with an exemption or outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act or pursuant to another exemption from the registration requirements of the Securities Act and any state securities laws. 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 may list certain notes issued under the Program on a securities exchange.

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 issued under the Program may be rated or unrated. Where the notes are rated, such rating will be set out in the applicable Final Terms. 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 for general corporate purposes.
Trustee, Transfer Agent and Registrar	The Bank of New York Mellon.
Paying Agent	The Bank of New York Mellon, London Branch or as set out in the applicable Final Terms.
Risk Factors	Before investing, you should carefully consider all information in this prospectus, any supplements related thereto and the applicable Final Terms and, in particular, the risks set forth under "Risk Factors" beginning on page 16 of this prospectus.

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 prospectus. 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 prospectus are presented in accordance with IFRS. The unaudited interim information as of June 30, 2019 and for the six-month periods ended June 30, 2018 and 2019 includes all adjustments, consisting of only normal recurring adjustments, with the exception of adjustments made to the statement of financial position as of June 30, 2019 for the adoption of IFRS 16, that in the opinion of management are necessary for the fair presentation of such information. The unaudited results of operations for the six months ended June 30, 2018 and 2019 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 six months ended June 30,	
	2016	2017	2018	2018	2019
	(in thousands of U.S.$)				
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
Revenue	$ 11,536,751	$ 14,641,555	$ 14,308,758	$ 7,426,464	$ 5,916,749
Cost of sales[1]	(9,449,668)	(10,380,403)	(11,194,341)	(5,577,274)	(4,661,912)
Gross profit	2,087,083	4,261,152	3,114,417	1,849,190	1,254,837
Other income, by function	138,474	154,332	124,826	65,511	90,713
Impairment loss determined in accordance with IFRS 9	N/A	N/A	158	1,315	588
Distribution costs	(11,891)	(10,403)	(18,262)	(9,746)	(7,784)
Administrative expenses	(415,395)	(428,140)	(465,328)	(232,345)	(203,446)
Other expenses[2]	(1,324,149)	(1,557,473)	(2,115,314)	(964,409)	(985,326)
Other gains	29,400	32,605	21,395	8,248	13,114
Finance income	23,402	29,836	51,329	24,709	17,668
Finance costs	(547,347)	(644,610)	(463,448)	(237,609)	(260,139)
Share of profit (loss) of associates and joint ventures accounted for using equity method	(177,358)	185,428	119,114	73,723	5,233
Foreign exchange differences	(232,895)	(206,058)	178,143	95,645	(60,182)
Profit (loss) for the period before tax	(430,676)	1,816,669	547,030	674,232	(134,724)
Income tax expense[3]	97,096	(1,193,067)	(357,283)	(430,318)	34,490
Profit (loss) for the period	(333,580)	623,602	189,747	243,914	(100,234)
Profit (loss) attributable to owners of the parent	(275,418)	569,175	155,719	223,307	(104,573)
Profit (loss) attributable to non-controlling interests	(58,162)	54,427	34,028	20,607	4,339
Profit (loss) for the period	$ (333,580)	$ 623,602	$ 189,747	$ 243,914	$ (100,234)

	As of December 31			
	2016	2017	2018	As of June 30, 2019
	(in thousands of U.S.$)			
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION				
Total current assets	$ 4,690,418	$ 6,211,053	$ 5,828,206	$ 5,114,271
Total property, plant and equipment	23,977,261	25,275,512	26,754,998	28,242,219
Investments accounted for using equity method[4]	3,753,974	3,665,601	3,568,293	3,484,027
Non-current receivables	95,316	91,442	84,731	96,063
All other assets[5]	904,161	1,112,533	854,577	973,938
Total assets	$ 33,421,130	$ 36,356,141	$ 37,090,805	$ 37,910,518
Total current liabilities	2,462,453	3,315,456	3,539,412	4,242,041
Total non-current liabilities	21,068,268	22,115,347	22,207,524	22,103,563

Total liabilities	$ 23,530,721	$ 25,430,803	$ 25,746,936	$ 26,345,604
Non-controlling interests	978,666	1,007,495	969,204	917,815
Equity attributable to owners of the parent	8,911,743	9,917,843	10,374,665	10,647,099
Total equity	$ 9,890,409	$ 10,925,338	$ 11,343,869	$ 11,564,914
Total liabilities and equity	$ 33,421,130	$ 36,356,141	$ 37,090,805	$ 37,910,518

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2016	2017	2018	2018	2019
OTHER ITEMS	(in thousands of U.S.$, except ratios and copper prices)				
Depreciation and amortization of assets	$ 1,936,152	$ 2,101,101	$ 2,181,140	$ 1,043,427	$ 1,005,720
Interest expense, net	$ (523,945	$ (614,774)	$ (412,119)	$ (212,900)	$ (242,471
Ratio of earnings to fixed charges (adjusted)[6]	0.5	3.8	3.0	4.4	0.5
Average LME copper price (U.S. ¢ per pound)[7]	220.6	279.7	295.9	313.7	279.6
Adjusted EBITDA[8]	$ 3,075,187	$ 5,668,314	$ 4,695,792	$ 2,691,781	$ 1,587,832
Ratio of debt to Adjusted EBITDA[9]	4.8	2.6	3.2	N/A	N/A
Adjusted EBITDA coverage ratio[10]	5.9	9.2	11.4	12.6	6.5

(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 retirement plan and severance indemnities, costs of environmental exit, restoration and similar liabilities and the 10% special export tax paid by the Company that is required by the Copper Reserve Law. See note 24.b of the Audited Annual 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 2016 and 2018. See note 5 of the Audited Annual Consolidated Financial Statements and Unaudited Interim 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. In addition, CODELCO is subject to the corporate income tax rate of 24% in 2016 and 25% since 2017 (pursuant to the recent tax reform) 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.

(4) See note 9 of the Audited Annual 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 prospectus 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 9, 23 and 24 of the Audited Annual 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 prospectus 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 9, 23 and 24 of the Audited Annual 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 23 and 24 of the Audited Annual 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.

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 six months ended June 30,	
	2016	2017	2018	2018	2019
			(in thousands of U.S.$)		
Profit (loss) for the period	$ (333,580)	$ 623,602	$ 189,747	$ 243,914	$ (100,234)
Income tax expense	(97,096)	1,193,067	357,283	430,318	(34,490)
Finance costs	547,347	644,610	463,448	237,609	260,139
Impairments[1]	156,709	7,378	395,965	138,183	–
Adjusted EBIT[2]	**273,380**	**2,468,657**	**1,406,443**	**1,050,024**	**125,415**
Ratio of earnings to fixed charges (adjusted)[3]	**0.5**	**3.8**	**3.0**	**4.4**	**0.5**
Depreciation and amortization of assets[4]	1,936,152	2,101,101	2,181,140	1,043,427	1,005,720
Copper Reserve Law[5]	865,655	1,098,556	1,108,209	598,330	456,697
Adjusted EBITDA	**$ 3,075,187**	**$ 5,668,314**	**$ 4,695,792**	**$ 2,691,781**	**$ 1,587,832**

(1) Impairments include charges and reversals related to charges of investment projects, research projects and investment in associates and joint ventures. See notes 9, 23 and 24 of the Audited Annual 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 prospectus 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 9, 23 and 24 of the Audited Annual 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 22 of the Audited Annual 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 "Summary—Recent Developments—Repeal of Copper Reserve Law" and "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 six months ended June 30,	
	2016	2017	2018	2018	2019
	(in thousands of U.S.$, except ratios)				
Debt	$ 14,913,561	$ 14,709,790	$ 15,257,685	$ 15,101,192	$ 15,118,691
Ratio of debt to Adjusted EBITDA	4.8	2.6	3.2	N/A	N/A
Finance income	23,402	29,836	51,329	24,709	17,668
Adjusted EBITDA coverage ratio[(1)]	5.9	9.2	11.4	12.6	6.5

(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

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, 2018, 72.1% 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. 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 2018, copper prices averaged 295.9 cents per pound, up from 279.7 cents per pound in the same period in 2017. In the first six months of 2019, copper prices averaged 279.6 cents per pound, down from 313.7 cents per pound in the same period in 2018, which may be attributable primarily to ongoing trade disputes between the United States and China. China has been the main driver of copper consumption in recent years, and in 2016, 2017 and 2018, 46.1%, 39.6% and 49.8%, respectively, of CODELCO's sales were made to China. If economic conditions deteriorate in China or other emerging markets, 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 2018, each one-cent change in CODELCO's average annual copper price per pound sold caused a variation in operating profit of approximately U.S.$40 million. If CODELCO's average annual copper price per pound declines significantly, we may 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 23 and 24 of the Audited Annual 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 61.9% of its copper output in 2018 (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 465,040 metric tons of copper in 2018. The Radomiro Tomic mine produced an aggregate of 332,667 metric tons of copper and the Chuquicamata mine produced an aggregate of 320,744 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 prospectus, 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.$2.3 billion, but the full cost will be determined when all the necessary engineering projects to ensure compliance are finished and implemented. Such additional costs could also be material. As of the date of this prospectus, the Ventanas and El Teniente smelters meet the requirements of this standard and the engineering projects in the other smelters are currently under development. 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, 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.

Any of these new laws or regulations could result in significant additional environmental compliance costs or delays in expansion projects. As of June 30, 2019, CODELCO had total provisions of U.S.$1.5 million 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 prospectus, 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, 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 prospectus 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.$13.4 billion between 2019 and 2021 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, 2018, CODELCO employed 18,036 employees, approximately 92.3% 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). These strikes diminished production by 17,600 metric tons.

CODELCO negotiated nine collective bargaining agreements in the six-month period ended June 30, 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, 2018, CODELCO employed 18,036 employees, approximately 92.3% 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 2017-2018 Consolidated Financial Statements and notes 27 and 28 to the Unaudited Interim 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 at the request of customers with respect to certain sales of its own copper in order to provide its customers with protection against fluctuation in the sale price paid in connection with such sales. No assurance can be given that CODELCO will be adequately protected by its hedging activities.

See "Business and Properties—Marketing—Pricing and Hedging," notes 29 and 30 to the 2017-2018 Consolidated Financial Statements and notes 29 and 30 to the Unaudited Interim 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 planned 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 decision of the UK to withdraw from the European Union ("EU"), commonly referred to as "Brexit," has caused significant volatility in the global financial markets. 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 planned 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 has 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. See "Summary—Recent Developments—Repeal of the Copper Reserve Law."

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 2018, CODELCO distributed a total of U.S.$1.8 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 2016, 2017 and 2018.

In 2014, an extensive tax reform was enacted in Chile through which certain cornerstones of the Chilean tax system were changed. Among these changes, the tax reform modified the corporate tax regime by allowing for the coexistence of two alternative tax regimes from 2017 onwards. Consequently, as of January 1, 2017, Chilean companies are able to opt between the following two tax regimes: (i) the partially integrated regime (*parcialmente integrado*) or (ii) the attributable taxation regime (*renta atribuida*). Under both regimes, the corporate tax rate gradually increased from 21% in 2014, to 22.5% in 2015 and to 24% in 2016. In 2017, depending on the tax regime chosen by a company, the corporate tax rate was increased to 25% (in the case of the attributable taxation regime) and 25.5% (in the case of the partially integrated regime). On January 1, 2018, the tax rate applicable to the partially integrated regime increased to 27%. In addition, this tax reform also contemplates additional changes, such as thin capitalization rules, the taxation of controlled foreign corporations with passive income (effective January 2016) and an increase to 0.8% in the maximum stamp tax rate from 2016 onwards.

Nonetheless, CODELCO as a 100% state-owned corporation, will not be subject to either of the aforementioned tax regimes but instead will be 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. This regime has been confirmed by Circular No. 49 (*Oficio Circular No. 49*) issued by the *Servicio de Impuestos Internos* (the "Internal Tax Services, or "SII") in 2016. Currently, CODELCO is also subject to a 40% tax on net earnings applicable to state-owned enterprises as specified by Decree Law 2,398, Art. 2. For further information, see "Taxation—Chilean Taxation."

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. While Chile has experienced relative political stability in recent years, 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 decreased 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 Estadísticas*, or the "Chilean National Institute of Statistics") through June 30, 2019:

Year	**Inflation (CPI)**
	(in percentages)
2016	2.7
2017	2.3
2018	2.6
2019 (though June 30, 2019)	1.6

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 (7.1% of the total amount of liabilities on a consolidated basis) as of June 30, 2019. 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 prospectus 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 dealer manager is 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 judgment in Chile is obtained.

USE OF PROCEEDS

The net proceeds from the sale of the notes issued under the Program will be used by us for general corporate purposes.

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:				
March	683.73	651.79	667.68	681.09
April	678.53	660.48	667.40	677.67
May	708.20	678.68	692.00	707.86
June	709.80	678.32	692.41	679.86
July	699.98	677.62	686.06	699.98
August	724.20	700.82	713.70	720.65
September (through September 23)	725.69	707.07	716.07	715.24

(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 September 23, 2019 was Ch$715.24 = 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 prospectus. 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 prospectus are presented in accordance with IFRS. The unaudited interim information as of June 30, 2019 and for the six-month periods ended June 30, 2018 and 2019 includes all adjustments, consisting of only normal recurring adjustments, with the exception of adjustments to the statement of financial position as of June 30, 2019 for the adoption of IFRS 16, that in the opinion of management are necessary for the fair presentation of such information. The unaudited results of operations for the six months ended June 30, 2018 and 2019 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 six months ended June 30,	
	2016	2017	2018	2018	2019
	(in thousands of U.S.$)				
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
Revenue	$ 11,536,751	$ 14,641,555	$ 14,308,758	$ 7,426,464	$ 5,916,749
Cost of sales[1]	(9,449,668)	(10,380,403)	(11,194,341)	(5,577,274)	(4,661,912)
Gross profit	2,087,083	4,261,152	3,114,417	1,849,190	1,254,837
Other income, by function	138,474	154,332	124,826	65,511	90,713
Impairment loss determined in accordance with IFRS 9	N/A	N/A	158	1,315	588
Distribution costs	(11,891)	(10,403)	(18,262)	(9,746)	(7,784)
Administrative expenses	(415,395)	(428,140)	(465,328)	(232,345)	(203,446)
Other expenses[2]	(1,324,149)	(1,557,473)	(2,115,314)	(964,409)	(985,326)
Other gains	29,400	32,605	21,395	8,248	13,114
Finance income	23,402	29,836	51,329	24,709	17,668
Finance costs	(547,347)	(644,610)	(463,448)	(237,609)	(260,139)
Share of profit (loss) of associates and joint ventures accounted for using equity method	(177,358)	185,428	119,114	73,723	5,233
Foreign exchange differences	(232,895)	(206,058)	178,143	95,645	(60,182)
Profit (loss) for the period before tax	(430,676)	1,816,669	547,030	674,232	(134,724)
Income tax expense[3]	97,096	(1,193,067)	(357,283)	(430,318)	34,490
Profit (loss) for the period	(333,580)	623,602	189,747	243,914	(100,234)
Profit (loss) attributable to owners of the parent	(275,418)	569,175	155,719	223,307	(104,573)
Profit (loss) attributable to non-controlling interests	(58,162)	54,427	34,028	20,607	4,339
Profit (loss) for the period	$ (333,580)	$ 623,602	$ 189,747	$ 243,914	$ (100,234)

	As of December 31			
	2016	2017	2018	As of June 30, 2019
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	(in thousands of U.S.$)			
Total current assets	$ 4,690,418	$ 6,211,053	$ 5,828,206	$ 5,114,271
Total property, plant and equipment	23,977,261	25,275,512	26,754,998	28,242,219
Investments accounted for using equity method[4]	3,753,974	3,665,601	3,568,293	3,484,027
Non-current receivables	95,316	91,442	84,731	96,063
All other assets[5]	904,161	1,112,533	854,577	973,938
Total assets	$ 33,421,130	$ 36,356,141	$ 37,090,805	$ 37,910,518
Total current liabilities	2,462,453	3,315,456	3,539,412	4,242,041
Total non-current liabilities	21,068,268	22,115,347	22,207,524	22,103,563

Total liabilities	$ 23,530,721	$ 25,430,803	$ 25,746,936	$ 26,345,604
Non-controlling interests	978,666	1,007,495	969,204	917,815
Equity attributable to owners of the parent	8,911,743	9,917,843	10,374,665	10,647,099
Total equity	$ 9,890,409	$ 10,925,338	$ 11,343,869	$ 11,564,914
Total liabilities and equity	$ 33,421,130	$ 36,356,141	$ 37,090,805	$ 37,910,518

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2016	2017	2018	2018	2019
	(in thousands of U.S.$, except ratios and copper prices)				
OTHER ITEMS					
Depreciation and amortization of assets	$ 1,936,152	$ 2,101,101	$ 2,181,140	$ 1,043,427	$ 1,005,720
Interest expense, net	$ (523,945)	$ (614,774)	$ (412,119)	$ (212,900)	$ (242,471)
Ratio of earnings to fixed charges (adjusted)[6]	0.5	3.8	3.0	4.4	0.5
Average LME copper price (U.S. ¢ per pound)[7]	220.6	279.7	295.9	313.7	279.6
Adjusted EBITDA[8]	$ 3,075,187	$ 5,668,314	$ 4,695,792	$ 2,691,781	$ 1,587,832
Ratio of debt to Adjusted EBITDA[9]	4.8	2.6	3.2	N/A	N/A
Adjusted EBITDA coverage ratio[10]	5.9	9.2	11.4	12.6	6.5

(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 retirement plan and severance indemnities, costs of environmental exit, restoration and similar liabilities and the 10% special export tax paid by the Company that is required by the Copper Reserve Law. See note 24.b of the Audited Annual 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 2016 and 2018. See note 5 of the Audited Annual Consolidated Financial Statements and Unaudited Interim 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. In addition, CODELCO is subject to the corporate income tax rate of 24% in 2016 and 25% since 2017 (pursuant to the recent tax reform) 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.

(4) See note 9 of the Audited Annual 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 prospectus 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 9, 23 and 24 of the Audited Annual 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 prospectus 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 9, 23 and 24 of the Audited Annual 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 23 and 24 of the Audited Annual 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.

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 six months ended June 30,	
	2016	2017	2018	2018	2019
	(in thousands of U.S.$)				
Profit (loss) for the period	$ (333,580)	$ 623,602	$ 189,747	$ 243,914	$ (100,234)
Income tax expense	(97,096)	1,193,067	357,283	430,318	(34,490)
Finance costs	547,347	644,610	463,448	237,609	260,139
Impairments[1]	156,709	7,378	395,965	138,183	–
Adjusted EBIT[2]	**273,380**	**2,468,657**	**1,406,443**	**1,050,024**	**125,415**
Ratio of earnings to fixed charges (adjusted)[3]	**0.5**	**3.8**	**3.0**	**4.4**	**0.5**
Depreciation and amortization of assets[4]	1,936,152	2,101,101	2,181,140	1,043,427	1,005,720
Copper Reserve Law[5]	865,655	1,098,556	1,108,209	598,330	456,697
Adjusted EBITDA	**$ 3,075,187**	**$ 5,668,314**	**$ 4,695,792**	**$ 2,691,781**	**$ 1,587,832**

(1) Impairments include charges and reversals related to charges of investment projects, research projects and investment in associates and joint ventures. See notes 9, 23 and 24 of the Audited Annual 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 prospectus 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 9, 23 and 24 of the Audited Annual 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 22 of the Audited Annual 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 "Summary—Recent Developments—Repeal of Copper Reserve Law" and "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 six months ended June 30,	
	2016	2017	2018	2018	2019

	(in thousands of U.S.$, except ratios)				
Debt	$ 14,913,561	$ 14,709,790	$ 15,257,685	$ 15,101,192	$ 15,118,691
Ratio of debt to Adjusted EBITDA	4.8	2.6	3.2	N/A	N/A
Finance income	23,402	29,836	51,329	24,709	17,668
Adjusted EBITDA coverage ratio[(1)]	5.9	9.2	11.4	12.6	6.5

(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, 2016, 2017 and 2018 and for the six months ended June 30, 2018 and 2019. For more information regarding such data, see "Business Properties."

	Year ended December 31,			For the six months ended June 30,	
	2016	2017	2018	2018	2019
COPPER MINING OPERATIONS					
Ore Mined (in thousands of dry metric tons):					
Mina Ministro Hales	26,494	23,653	19,827	9,687	9,136
Chuquicamata Division	45,642	50,104	56,909	25,247	30,263
Radomiro Tomic Division	79,971	78,582	77,692	39,414	32,614
Gabriela Mistral Division	39,596	40,503	39,430	19,014	17,773
El Teniente Division	50,826	50,812	52,454	24,962	25,493
Andina Division	28,218	31,863	29,264	15,200	13,978
Salvador Division	16,392	14,513	12,892	6,568	4,948
Total	287,139	290,029	288,467	140,091	134,204
Average Copper Ore Grade:					
Mina Ministro Hales	1.19%	1.08%	1.09%	1.12%	0.95%
Chuquicamata Division	0.79	0.77	0.62	0.62	0.64
Radomiro Tomic Division	0.47	0.51	0.53	0.53	0.51
Gabriela Mistral Division	0.43	0.43	0.37	0.36	0.36
El Teniente Division	1.01	0.98	0.96	0.98	0.94
Andina Division	0.78	0.78	0.75	0.75	0.69
Salvador Division	0.54	0.56	0.59	0.57	0.62
Weighted Average	0.71%	0.71%	0.67%	0.67%	0.65%
PLANT COPPER PRODUCTION					
(by division in metric tons):					
Mina Ministro Hales	237,020	215,086	195,485	97,060	72,252
Chuquicamata Division	302,010	330,910	320,744	136,508	166,131
Radomiro Tomic Division	318,255	318,878	332,667	178,354	127,422
Gabriela Mistral Division	121,712	122,737	107,247	49,875	42,284
El Teniente Division	475,340	464,328	465,040	224,585	202,936
Andina Division	193,341	220,030	195,531	101,048	83,793
Salvador Division	59,796	61,942	60,840	26,016	15,138
Total	1,707,474	1,733,911	1,677,554	813,446	709,954
PLANT COPPER PRODUCTION					
(contained copper in metric tons):					
ER Cathodes	93,724	65,579	44,308	18,863	-
SX-EW Cathodes	440,587	442,136	410,649	201,383	179,273
Calcined	166,159	159,113	152,653	77,026	46,743
Anodes – Blister	393,820	381,526	386,393	185,666	104,080
Concentrates	613,184	685,557	683,551	330,508	379,858
Total	1,707,474	1,733,911	1,677,554	813,446	709,954
MOLYBDENUM PRODUCTION					
(contained molybdenum in metric tons)	30,641	28,674	24,031	12,942	10,161
COPPER SALES					
(in metric tons; includes sales of third-party copper):					
Cathodes	1,358,519	1,233,012	1,231,172	631,025	457,561
Fire Refined	-	-	-	-	-
Anodes – Blister	100,337	118,986	135,509	59,166	9,790
Concentrates	595,567	610,852	529,292	236,690	388,236
Total	2,054,423	1,962,850	1,895,974	926,881	855,586
COPPER EXPORTS					
(in metric tons; includes sales of third-party copper):					
Cathodes	1,267,012	1,164,459	1,173,010	599,520	434,873
Blister	100,325	118,986	133,499	57,163	9,790

Concentrates	543,726	515,214	379,398	181,480	290,967
Total	1,911,063	1,798,659	1,685,906	838,163	735,629
INVENTORIES OF COPPER AT PERIOD-END (in metric tons)	58,675	54,448	80,233	46,804	33,160

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 prospectus, 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 prospectus 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 2018, CODELCO derived 92% of its total sales from copper and 8% 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.$108.2 billion (in 2018 currency) to the Chilean Treasury. Approximately 62.4% of this amount was generated in the last 15 years, representing 8.8% of the revenues of the Government of Chile. In 2018, CODELCO accounted for 17.2% 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 295.9 cents per pound in 2018, compared to 279.7 cents per pound in 2017 and 220.6 cents per pound in 2016. Copper prices averaged 279.6 cents per pound in the first half of 2019, compared to 313.7 cents per pound in the first half of 2018. As of late 2016, copper prices have rebounded and our results have experienced a positive effect. Nonetheless, since the first half of 2018 copper prices have been affected by the ongoing 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 2018, CODELCO's total costs and expenses were 245.1 cents per pound, compared to 227.1 cents per pound in 2017 and 214.6 cents per pound in 2016, 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. The increase in 2017 compared to 2016 is primarily attributable to the appreciation of the Chilean peso against the U.S. dollar followed by higher interest expenses and higher fuel and energy expenses. For the six months ended June 30, 2019, CODELCO's total costs and expenses were 258.3 cents per pound, compared to 237.2 cents per pound for the same period in 2018, mainly due to lower production in connection with weather disruptions in the northern area of Chile, a 14-day strike at the Chuquicamata mine, upgrades at the Chuquicamata and Salvador smelters that suspended operations temporarily, the negative impact of foreign exchange rate translation effects, higher bonuses and other employment benefits associated with its collective bargaining agreements and higher financing costs.

In 2018, CODELCO'S total cash cost was U.S.$5.1 billion, compared to U.S.$5.1 billion in 2017 and U.S.$4.7 billion in 2016. For the six months ended June 30, 2019, CODELCO's total cash cost was U.S.$2.2 billion, as compared to U.S.$2.4 billion for the six months ended June 30, 2018. 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." In 2018, CODELCO's cash cost of production was 139.1 cents per pound, compared to 135.9 cents per pound in 2017 and 126.1 cents per pound in 2016, primarily attributable to the appreciation of the Chilean peso against the U.S. dollar, lower production levels and higher main input prices. The higher cash cost in 2017 over 2016 is primarily attributable to higher operational costs, the appreciation of the Chilean peso against the

U.S. dollar and higher interest expenses. For the six months ended June 30, 2019, 142.3 cents per pound, compared to 137.6 cents per pound in the same period in 2018, primarily attributable 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.

CODELCO conducts hedging operations from time to time to reduce the risks associated with copper price volatility. CODELCO also periodically enters into futures contracts at the request of customers with respect to certain sales of its own copper in order to provide its customers with protection against fluctuations in the sale price paid in connection with such sales. 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 June 30, 2019, CODELCO did not have any production hedging commitments and, accordingly, there was no related impact on pre-tax income for the six months ended June 30, 2019. 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 29 and 30 to the 2017-2018 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 2018, CODELCO's annual production, including its investment in El Abra and Anglo American Sur, slightly decreased to 1.81 million metric tons from 1.84 million metric tons in 2017 and 1.83 million metric tons in 2016. 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. The higher production in 2017 was mainly due to an increase in production from the Andina and the Chuquicamata Divisions, partially offset by a decrease in the Mina Ministro Hales and the El Teniente Divisions, as well as lower production coming from CODELCO's stake in El Abra.

In 2018, each one-cent change in CODELCO's average annual copper price per pound caused a variation in operating profit of approximately U.S.$40 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 2018, CODELCO invested U.S.$3.6 million, 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. Other than pursuant to the joint venture with China Minmetals Non-Ferrous Metals Co. Ltd. ("Minmetals"), a Chinese state-owned metals company, which ended in April 2016, CODELCO has no long-term commitments regarding third-party copper purchases or sales. 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 prospectus:

	Year ended December 31,			Six months ended June 30,	
	2016	**2017**	**2018**	**2018**	**2019**
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	(81.9)	(70.9)	(78.2)	(75.1)	(78.8)
Gross profit	18.1	29.1	21.8	24.9	21.2
Other income, by function	1.2	1.1	0.9	0.9	1.5
Administrative expenses	(3.6)	(2.9)	(3.3)	(3.1)	(3.4)
Other expenses	(11.5)	(10.6)	(14.8)	(13.0)	(16.7)
Finance costs	(4.7)	(4.4)	(3.2)	(3.2)	(4.4)
Profit (loss) for the period before tax	(3.7)	12.4	3.8	9.1	(2.3)
Income tax expense	0.8	(8.1)	(2.5)	(5.8)	0.6
Profit (loss) for the period	(2.9)%	4.3%	1.3%	3.3%	(1.7)%

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

	Year ended December 31,			Six months ended June 30,	
	2016	2017	2018	2018	2019
CODELCO Average Metal Price (per pound)[1]					
Copper	$ 2.14	$ 2.86	$ 2.76	$ 2.93	$ 2.65
Molybdenum	$ 6.38	$ 7.88	$ 11.64	$ 11.60	$ 12.02
CODELCO Sales Volume (in metric tons)					
Own copper(2)	1,860,465	1,846,452	1,838,150	895,083	836,423
Third-party copper	401,966	304,026	296,109	147,510	81,823
Total copper	2,262,431	2,150,478	2,134,259	1,042,592	918,246
Molybdenum (in oxide and concentrate)	29,823	28,918	25,385	13,584	11,982
CODELCO's Cash Cost of Production (per pound)	126.1¢	135.9¢	139.1¢	137.6¢	142.3¢

(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.

Results of Operations for the Six months Ended June 30, 2018 and 2019

The following table sets forth CODELCO's summarized results of operations for the six months ended June 30, 2018 and 2019:

	Six months ended June 30,		% Change
	2018	2019	2018/2019
	(in millions of U.S.$)		
Revenue	$ 7,426	$ 5,917	(20.3)%
Cost of sales	(5,577)	(4,662)	(16.4)
Gross profit	1,849	1,255	(32.1)
Other income, by function	66	91	38.5
Administrative expenses	(232)	(203)	(12.4)
Other expenses	(964)	(985)	2.2
Finance costs	(238)	(260)	9.5
Share of profit (loss) of associates and joint ventures accounted for using equity method	74	5	(92.9)
Foreign exchange differences	96	(60)	(162.9)
Profit (loss) for the period before tax	674	(135)	(120.0)
Income tax expense	(430)	34	(108.0)
Profit (loss) for the period	244	(100)	(141.1)
Profit (loss) attributable to owners of parent	223	(105)	(146.8)
Profit (loss) attributable to non-controlling interests	21	4	(78.9)

Revenue. The following table sets forth CODELCO's revenue for the six months ended June 30, 2018 and 2019:

	Six months ended June 30,		% Change
	2018	2019	2018/2019
	(in millions of U.S.$)		
Revenue	$ 7,426	$ 5,917	(20.3)%
Sales of CODELCO's own copper	5,794	4,883	(15.7)
Sales of third-party copper	1,021	487	(52.3)
Sales of byproducts and other	611	547	(10.5)

Revenue decreased by 20.3% to U.S.$5.9 billion in the first six months of 2019, compared to U.S.$7.4 billion for the same period in 2018. This decrease was primarily attributable to a decrease in CODELCO's

average copper price from U.S.$2.93 per pound in the first six months of 2018 to U.S.$2.65 per pound in the first six months of 2019 and a decrease in the volume of copper sold by 11.9% as a result of lower production levels. Our own copper sales decreased by 15.7% mainly due to the decrease in CODELCO's average copper price and 6.6% lower volume sold. The decline in copper prices in July, August and September 2019 may result in a downward adjustment in CODELCO's revenues and trade receivables recognized in June 2019, primarily attributable to adjustments to account for the provisional billing of copper at the time of shipment and the final amount billed after shipment. Because the downward adjustment to provisional invoices is expected to be greater than the decreases in copper prices between the date of sale and the final pricing as a result of changes in the forward curves used to effect the provisional pricing, the impact to CODELCO's revenues would be expected to be substantially greater than the decrease in copper prices during the third quarter of 2019, and the impact to CODELCO's net profit would be expected to be substantially greater than the decrease in revenues during the third quarter of 2019. Such adjustments will be recorded in the consolidated financial statements for the nine months ended September 30, 2019. See "Critical Accounting Estimates—Provisional Pricing Arrangements" for more information.

Third-party copper sales totaled U.S.$487 million in the first six months of 2019, compared to U.S.$1.0 billion for the same period in 2018, attributable to lower average copper prices and a 44.5% decline in volume sold. In general, changes in the volume of third-party copper sold are dependent upon CODELCO's need to meet requirements under sales contracts and, to a lesser extent, purchase 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 10.5% to U.S.$547 million in the first six months of 2019, compared to U.S.$611 million for the same period in 2018. This decrease was primarily due to the 11.8% decrease in molybdenum volume sold, partially offset by a 3.6% increase in molybdenum average price.

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 six months ended June 30, 2018 and 2019:

	Six months ended June 30,		% Change
	2018	2019	2018/2019
	(in millions of U.S.$)		
Cost of sales	$ 5,577	$ 4,661	(16.4)%
Cost of CODELCO's own copper	4,250	3,865	(9.1)
Cost of third-party sales	1,004	482	(52.0)
Cost of byproducts and other	323	315	(2.4)

CODELCO's total cost of sales decreased by 16.4% to U.S.$4.7 billion (78.8% of sales) in the first six months of 2019, compared to U.S.$5.6 billion (75.1% of sales) for the same period in 2018, primarily due to a lower volume sold, 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. Some of the minerals that CODELCO sells are purchased at market prices, and CODELCO also purchases mineral ore from third parties at market prices that it processes and sells as copper.

CODELCO's cost of sales of its own copper decreased to U.S.$3.9 billion during the first six months of 2019, compared to U.S.$4.3 billion for the same period in 2018. This decrease is primarily attributable to lower volume sold 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.

The cost of copper purchased from third parties decreased by 52.0% in the first six months of 2019 to U.S.$482 million, compared to U.S.$1 billion for the same period in 2018. The decrease was caused by a 44.5% lower volume of third-party copper sold and by a decrease in the average price of copper.

The cost of byproducts and other decreased by 2.4% to U.S.$315 million in the first six months of 2019, compared to U.S.$323 million for the same period in 2018, primarily due to lower volume sold of molybdenum, sulfuric acid, gold and silver.

Depreciation and amortization expenses decreased by 3.6% to U.S.$1.01 billion during the six months of 2019, compared to U.S.$ 1.04 million for the same period in 2018. This decrease was primarily due to lower production since the amounts recognized in property, plant and equipment are depreciated under a units-of-production method.

Gross profit. Gross profit amounted to U.S.$1.3 billion for the first six months of 2019, compared to U.S.$ 1.8 billion for the same period in 2018. The 32.1% decrease was primarily attributable to the decrease in revenues mainly due to lower average price received for CODELCO's product mix and lower volumes sold of copper, molybdenum, sulfuric acid, silver and gold, partially offset by the decrease in the cost of sales mainly due to lower volumes sold and cost reduction efforts.

Other income, by function. The largest components of other income, by function, are sales of services to third parties, insurance claims received and sales of assets. Other income, by function increased 38.5% to U.S.$91 million in the first six months of 2019, compared to U.S.$66 million for the same period in 2018, primarily attributable to miscellaneous sales, guarantees charged to contractors, as well as an insurance claim compensation.

Administrative expenses. Administrative expenses decreased to U.S.$203 million (3.4% of total revenues) during the first six months of 2019, compared to U.S.$232 million (3.1% of total revenues) for the same period in 2018. This decrease was primarily attributable to the positive effect of the depreciation of the Chilean peso against the U.S. dollar and the decrease in the depreciation and amortization.

Other expenses. Other expenses amounted to U.S.$985 million (16.7% of total revenues) during the first six months of 2019, compared to U.S.$964 million (13.0% of total revenues) for the same period in 2018. This increase was primarily attributable to an increase in indirect fixed costs and the impact of the collective bargaining process, especially at the Chuquicamata Division, partially offset by the decrease in the amount of special export tax payments due to a lower average copper price 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 during the first half of 2018.

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

	Six months ended June 30,	
	2018	2019
	(in millions of U.S.$)	
Copper Reserve Law	$ 598	$ 457
Bonus for the end of collective bargaining and other employee benefits	88	143
Other expenses	278	385
Total other expenses by function	$ 964	$ 985

CODELCO recorded other expenses of U.S.$598 million and U.S.$457 million in the first six months of 2018 and 2019, 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 decrease of this tax recorded in the first six months of 2019 compared to the same period in 2018 is primarily attributable to lower revenues from CODELCO's own copper sales.

Bonuses for the end of collective bargaining and other employee benefits increased to U.S.$143 million from U.S.$88 million, mainly due to higher number of employees involved in such negotiations, in addition to an increase in the bonus amounts.

Other expenses increased from U.S.$278 million to U.S.$385 million due to an increase in indirect fixed costs, partially offset by the absence of a non-cash charges related to a U.S.$138.1 million write-off in connection with an underground mining innovation project during the first half of 2018.

Finance costs. Finance costs increased to U.S.$260 million in the first six months of 2019, compared to U.S.$238 million for the same period in 2018. This increase was primarily attributable to costs incurred in connection with the consummation of the tender offer in February 2019. The average interest rate was 4.3% as of June 30, 2019, compared to 4.3% as of June 30, 2018. As of June 30, 2019, 85% of our debt had a fixed rate and 15% 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.$5 million in the six months of 2019, compared to a net profit of U.S.$74 million for the same period 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.

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 loss from foreign exchange differences of U.S.$60 million in the first six months of 2019, compared to a gain from foreign exchange differences of U.S.$ 96 million in the same period of 2018. The loss recorded in the first six months of 2019 is primarily attributable to the appreciation of the Chilean peso against the U.S. dollar as of June 30, 2019 as compared to December 31, 2018.

Loss before tax. Loss before tax was U.S.$135 million during the first six months of 2019, compared to a profit of U.S.$674 million for the same period in 2018, primarily attributable to lower sales and lower share of profit of associates and joint ventures, partially offset by lower cost of sale and administrative costs and the foreign exchange difference due to the appreciation of the Chilean peso against the U.S. dollar.

Income tax expense. During the first six months of 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 for its 2012 fiscal year, is imposed at progressive rates of between 5% and 14%. CODELCO's effective rate of the mining tax for 2018 and 2017 was 5%. CODELCO's taxes on income amounted to a benefit of U.S.$34 million during the first six months of 2019 and an expense of U.S.$430 million during the same period of 2018. The decrease in expense from taxes on income was primarily due to the losses before tax generated in during the first six months of 2019.

Loss for the period. As a result of the factors described above, CODELCO's loss after tax was U.S.$100 million during the first six months of 2019, compared to a profit of U.S.$244 million for the same period of 2018.

Results of Operations for the Three Years Ended December 31, 2018

The following table sets forth CODELCO's summarized results of operations for the years ended December 31, 2016, 2017 and 2018:

	Year ended December 31,			% Change	
	2016	2017	2018	2016/2017	2017/2018
	(in millions of U.S.$)				
Revenue	11,537	14,642	14,309	26.9%	(2.3)%
Cost of sales	(9,450)	(10,380)	(11,194)	9.8	7.8
Gross profit	2,087	4,261	3,114	104.2	(26.9)
Other income, by function	138	154	125	11.6	(18.8)
Administrative expenses	(415)	(428)	(465)	3.1	8.6
Other expenses	(1,324)	(1,557)	(2,115)	17.6	35.8
Finance costs	(547)	(645)	(463)	17.9	(28.2)
Share of profit (loss) of associates and joint ventures accounted for under the equity method	(177)	185	119	(204.5)	(35.7)
Foreign exchange differences	(233)	(206)	178	(11.6)	(186.4)
Profit (loss) for the period before tax	(431)	1,817	547	(521.6)	(69.9)
Income tax expense	97	(1,193)	(357)	(1,329.9)	(70.1)
Profit (loss) for the period	(334)	624	190	(286.8)	(69.6)
Profit (loss) attributable to owners of parent	(275)	569	156	(306.9)	(72.6)
Profit (loss) attributable to non-controlling interests	(58)	54	34	(193.1)	(37.0)

Revenue. The following table sets forth CODELCO's revenues for the years ended December 31, 2016, 2017 and 2018:

	Year ended December 31,			% Change	
	2016	2017	2018	2016/2017	2017/2018
	(in millions of U.S.$)				
Revenue	$ 11,537	$ 14,642	$ 14,309	26.9%	(2.3)%
Sales of CODELCO's own copper	8,779	11,635	11,219	32.5	(3.6)
Sales of third-party copper	1,753	2,006	1,901	14.4	(5.2)
Sales of byproducts and other	1,004	1,001	1,189	(0.3)	18.8

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. Revenue increased in 2017 by 26.9% to U.S.$14.6 billion, compared to U.S.$11.5 billion in 2016, mainly due to CODELCO's average copper price growth from an average of 214 cents per pound in 2016 to 286 cents per pound in 2017. CODELCO's own copper sales increased 32.5% to U.S.$11.6 billion in 2017, compared to U.S.$8.8 billion in 2016, primarily attributable to the 33.6% increase in CODELCO's copper price, partially offset by a 0.8% reduction in the tonnage volume sold.

Third-party copper sales totaled U.S.$1.9 billion in 2018, compared to U.S.$2.0 billion in 2017 and U.S.$1.8 billion in 2016. 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. The increase in 2017 as compared to 2016 was primarily attributable to a 33.6% increase in CODELCO's copper price, partially offset by a 24.4% reduction in the tonnage volume sold. In general, changes in the volume of third-party copper sold are dependent upon CODELCO's need to meet requirements under sales contracts and, to a lesser extent, to purchase 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 totaled U.S.$1,189 million in 2018, compared to U.S.$1,001 million in 2017 and U.S.$1,004 million in 2016. 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. The decrease of 0.3% in 2017 as compared to 2016 was primarily attributable to lower anodic slimes coming from Chuquicamata because of scheduled refinery maintenance.

Cost of sales. The following table sets forth CODELCO's total cost of sales for the years ended December 31, 2016, 2017 and 2018:

	Year ended December 31,			% Change	
	2016	2017	2018	2016/2017	2017/2018
	(in millions of U.S.$)				
Cost of sales	$ 9,450	$10,380	$ 11,194	9.8%	7.8%
Cost of CODELCO's own copper	7,140	7,793	8,646	9.1	10.9
Cost of third-party sales	1,767	2,000	1,881	13.2	(6.0)
Cost of byproducts and other	543	588	667	8.3	13.4

CODELCO's total cost of sales in 2018 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. In 2017, CODELCO's total cost of sales increased 9.8% to U.S.$10.4 billion (70.9% of sales), compared to U.S.$9.5 billion (81.9% of sales) in 2016, mainly due to higher operational costs arising from the appreciation of the Chilean peso against the U.S. dollar.

CODELCO's cost of sales of its own copper increased by 10.9% to U.S.$8.6 billion in 2018 compared to U.S.$7.8 billion in 2017 and increased 9.1% to U.S.$7.8 billion in 2017 compared to U.S.$7.1 billion in 2016. The increases in 2018 and 2017 compared to 2017 and 2016, respectively, were 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.

In 2018, the cost of copper purchased from third parties decreased by 6.0% 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. In 2017, the cost of copper purchased from third parties increased 13.2% to U.S.$2 billion from U.S.$1.8 billion in 2016 primarily attributable to higher copper prices, partially offset by 24.4% lower volume of third-party copper sold.

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 and increased by 8.3% to U.S.$588 million in 2017 compared to U.S.$543 million in 2016. The increases in 2018 and 2017 compared to 2017 and 2016, respectively, were 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 3.8% to U.S.$2.2 billion in 2018 compared to U.S.$2.1 billion in 2017 and increased by 8.5% to U.S.$2.1 billion in 2017 compared to U.S.$1.9 billion in 2016. The increases in 2018 and 2017 compared to 2017 and 2016, respectively, are mainly due to the higher capital expenditure.

Gross profit. Gross profit amounted to U.S.$3.1 billion in 2018, compared to U.S.$4.3 billion in 2017 and U.S.$2.1 billion in 2016. 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 an increase in the average price of CODELCO's product mix. The increase in 2017 as compared to 2016 was primarily attributable to copper price growth.

Other income. Other income decreased by 19.1% to U.S.$125 million in 2018 compared to U.S.$154 million in 2017 and increased by 11.5% to U.S.$154 million in 2017 compared to U.S.$138 million in 2016. The decrease in 2018 as compared to 2017 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. The increase in 2017 as compared to 2016 was primarily attributable to the increase in miscellaneous sales in 2017, partially offset by the absence in 2017 of the realized gain from the El Abra

deposit recorded in 2016. See note 24a to the 2017-2018 Consolidated Financial Statements and note 23a to the 2016-2017 Consolidated Financial Statements.

Administrative expenses. Administrative expenses increased to U.S.$465 million (3.3% of total revenues) in 2018 compared U.S.$428 million (2.9% of total revenues) in 2017 and U.S.$415 million (3.6% of revenues) in 2016. The increases in 2018 compared to 2017 and the one in 2017 compared to 2016 are mainly due to the appreciation of the Chilean peso against the U.S. dollar.

Other expenses. Other expenses amounted to U.S.$2.1 billion (14.8% of revenues) in 2018, compared to U.S.$1.6 billion (10.6% of revenues) in 2017 and U.S.$1.3 billion (11.5% of revenues) in 2016. 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.$138.1 million, an impairment recognition in the Ventanas Division amounting to U.S.$199 million and the increase in collective bargaining bonuses. The increase in 2017 as compared to 2016 was primarily attributable to the increase in export tax payments because of the increase in the spot market price of copper.

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

	Year ended December 31,		
	2016	2017	2018
	(in millions of U.S.$)		
Copper Reserve Law	$ (866)	$ (1,099)	$ (1,108)
Bonus for the end of collective bargaining and Employee Benefits	(129)	(53)	(269)
Asset impairments	(0)	(0)	(199)
Other non-cash charges	(43)	(89)	(217)
Other expenses	(287)	(317)	(322)
Total	$ (1,324)	$ (1,557)	$ (2,115)

CODELCO recorded other expenses of U.S.$1.1 billion, U.S.$1.1 billion and U.S.$866 million in 2018, 2017 and 2016, 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 export tax remained stable in 2018 due to there not being any significant changes in the export sales of CODELCO's own copper. On the other hand, the export tax increased in 2017 as compared to 2016 mainly attributable to the increase in the spot market price of copper.

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.

In 2018, CODELCO has impaired certain investment and research projects and recorded a loss to adjust inventories to net realizable value due to decreased copper prices.

Finance costs. Finance costs in 2018 amounted to U.S.$463 million, compared to U.S.$645 million in 2017 and U.S.$547 million in 2016. 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. On the other hand, the increase in 2017 as compared to 2016 was primarily attributable to costs incurred in connection with the consummation of the tender offer in August 2017 as well as the change in the interest rate of such debt. CODELCO's debt level was U.S.$15.3 billion as of December 31, 2018, U.S.$14.7 billion as of December 31, 2017, and U.S.$14.9 billion as of December 31, 2016. CODELCO's average interest rate was 4.34% as of December 31, 2018. As of December 31, 2017, 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, 2016, 2017 and 2018.

Share of profit (loss) of associates and joint ventures accounted for using the equity method. CODELCO's net equity participation in associates and joint ventures accounted for using the equity method was a profit of U.S.$119 million in 2018, compared to a profit of U.S.$185 million in 2017 and a loss of U.S.$177 million in 2016. The decrease in 2018 as compared to 2017 was primarily attributable to lower income from CODELCO's stake in Anglo American Sur. The increase in 2017 as compared to 2016 was primarily attributable to an increase in copper prices and the reversal of the impairment related to the El Abra deposit and the Anglo American Sur assets for U.S.$67 million. See note 9 to the Audited Annual Consolidated Financial Statements.

Profit (loss) before tax. Profit before tax was U.S.$547 million in 2018, compared to a profit of U.S.$1.8 billion in 2017 and a loss of U.S.$431 million in 2016. 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. The increase in 2017 as compared to 2016 was mainly due to an increase of the average copper price.

Income tax expense. In 2018, CODELCO had a statutory income tax rate of 65% in accordance with applicable regulations, comprised of a corporate income tax of 25% (a 17% historic corporate tax rate applied to income earned in and prior to 2011) and a 40% tax on net earnings applicable to state-owned enterprises as specified in Decree Law 2,398, Art. 2. CODELCO is also subject to an additional mining tax based on its operating income, and, effective as of fiscal year 2012, is imposed at progressive rates between 5% and 14%. CODELCO's statutory rate of the mining tax for 2018, 2017 and 2016 was 5%. In 2018, CODELCO's taxes on income amounted to an expense of U.S.$357 million, compared to an expense of U.S.$1.2 billion in 2017 and a benefit of U.S.$97 million in 2016, primarily as a result of a decrease in CODELCO's pre-tax profit in 2018 as compared to 2017 and CODELCO's
pre-tax profit in 2017 as compared to pre-tax loss in 2016. As of December 31, 2018, CODELCO's tax expense amounted to U.S.$357 million, primarily attributable to the deferred tax adjustments recorded in relation to Chile's recent tax reform. As of December 31, 2017, CODELCO's tax expense amounted to U.S.$1,193 million. For more information regarding this payment, see note 5 to the Annual Audited 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.$190 million in 2018 compared to U.S.$624 million in 2017 and a loss of U.S.$334 million in 2016.

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 recorded against other comprehensive income and profit and loss, amortization or depreciation. For the six-month period ended June 30, 2019, non-cash charges were U.S.$425 million in amortization and U.S.$581 million in depreciation. Non-cash deferred tax benefits of U.S.$40.2 million were recorded for the six-month period ended June 30, 2019. 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. 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 and U.S.$1.9 billion in 2016. 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. The increase in net cash flows from operating activities during 2017 was primarily attributable to more cash received from the sale of goods and services as the result of higher average copper and molybdenum prices. During the first six months of 2019, net cash flows from operating activities decreased by 37.7% to U.S.$1.8 billion from U.S.$2.9 billion for the same period 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 volumes sold and lower payments to suppliers and employees. 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 60.1% at December 31, 2016, 57.4% at December 31, 2017, 57.4% at December 31, 2018, and 56.7% at June 30, 2019. CODELCO's total outstanding financial debt at December 31, 2016, 2017 and 2018 was U.S.$14.9 billion, U.S.$14.7 billion and U.S.$15.3 billion, respectively, and U.S.$15.1 billion as of June 30, 2019. As adjusted to give effect to the U.S.$300 million bilateral credit facility with Export Development Canada and to the offering of AUD 70 million notes due in 2039, U.S.$130 million notes due in 2029, U.S.$1,100 million notes due in 2029, U.S.$900 million note due in 2050 and U.S.$147.4 million notes purchased CODELCO's total financial debt as a percentage of its total capital would have been 60.1% and its total outstanding financial debt would have been U.S.$17.5 billion as of June 30, 2019.

We intend to use the net proceeds from the sale of the notes for general corporate purposes. See "Use of Proceeds."

Between February and November 2011, CODELCO entered into five five-year U.S. dollar unsecured bilateral bank loans, each with a commitment fee of 10.0 basis points, with the banks and terms described below:

	Credit Amount	Interest Rate	Date Loan Drawn
Sumitomo Mitsui	U.S.$100.0 million	LIBOR plus 83.0 basis points	February 2011
The Bank of Tokyo–Mitsubishi UFJ, Ltd.	U.S.$250.0 million	LIBOR plus 50.0 basis points	April 2012
Mizuho Bank, Ltd.	U.S.$100.0 million	LIBOR plus 60.0 basis points	April 2012
HSBC Bank USA, National Association	U.S.$250.0 million	LIBOR plus 60.0 basis points	July 2012
Export Development Canada	U.S.$250.0 million	LIBOR plus 50.0 basis points	October 2012

As of June 30, 2019, CODELCO has paid back the abovementioned loans with Sumitomo Mitsui, Mizuho Bank, Ltd. and HSBC Bank USA, National Association, each of which matured, or was scheduled to mature, during 2016. However, between October and November 2016, CODELCO rolled over the loan with The Bank of Tokyo-Mitsubishi UFJ, Ltd. for U.S.$250.0 million and the loan with 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

As of June 30, 2019, U.S.$254 million was outstanding under the loan described above with Bank of Tokyo-Mitsubishi UFJ, Ltd. As of June 30, 2019, U.S.$301 million was outstanding under the loan described above with Export Development Canada.

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 June 30, 2019, U.S.$96 million was outstanding under the loan described above with Japan Bank for International Cooperation and we repaid in full the loan described above with The Bank of Tokyo Mitsubishi UFJ, Ltd. As of June 30, 2019, CODELCO had amortized U.S.$128 million of the loan with the Japan Bank for International Cooperation and U.S.$96 million of the loan with The Bank of Tokyo Mitsubishi UFJ, Ltd.

Between July and September 2013, CODELCO entered into four five-year U.S. dollar unsecured bilateral bank loans, each with a commitment fee of 10.0 basis points, with the banks and terms described below:

	Credit Amount	Interest Rate	Date Loan Drawn
Mizuho Bank, Ltd.	U.S.$300.0 million	LIBOR plus 62.0 basis points	September 2013
Bank of America N.A.	U.S.$300.0 million	LIBOR plus 65.0 basis points	October 2013
The Bank of Tokyo–Mitsubishi UFJ, Ltd.	U.S.$300.0 million	LIBOR plus 62.5 basis points	January 2014
Export Development Canada	U.S.$300.0 million	LIBOR plus 62.5 basis points	January 2014

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 the Bank of America N.A. loan for U.S.$300

million in full, as mentioned above. 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 its 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

Between November and December 2017, CODELCO prepaid in full the above-mentioned loans contracted in 2013 with Mizuho Bank, Ltd. and The Bank of Tokyo–Mitsubishi UFJ, Ltd., each of which was scheduled to mature during 2018.

As of June 30, 2019, U.S.$301 million was outstanding under the loan described above with Scotiabank & Trust (Cayman), Ltd. and U.S.$301 million was outstanding under the loan described above with Export Development Canada.

In June 2014, CODELCO entered into two five-year U.S. dollar unsecured bilateral loans with the banks and terms described below:

	Credit Amount	Interest Rate	Date Loan Drawn
Mizuho Bank, Ltd.	U.S.$95.0 million	LIBOR plus 62.0 basis points	June 2014
Export Development Canada	U.S.$300.0 million	LIBOR plus 62.0 basis points	October 2014

In May 2018, CODELCO prepaid in full the loan described above with Mizuho Bank, Ltd. and in October 2018, CODELCO rolled over the above-mentioned loan with Export Development Canada for the same amount. 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 June 30, 2019, U.S.$300 million was outstanding under the loan described above with Export Development Canada.

In December 2018, CODELCO entered into a one-year revolving credit facility 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 June 30, 2019, U.S.$300 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 June 30, 2019, U.S.$166 million was outstanding under the loans described above with Scotiabank Chile, U.S.$101 million was outstanding under the loan described above with Santander Chile, U.S.$30 million was outstanding under the loan described above with Itaú Chile, U.S.$50 million was outstanding under the loan described above with Banco de Crédito e Inversiones, U.S.$120 million was outstanding under the loan described above with Banco Chile.

Codelco-Kupferhandel GmbH has a short-term line of credit for €80 million, with a guarantee letter provided by CODELCO. As of June 30, 2019, there was no outstanding debt under this short-term line of credit.

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. The following table shows amounts due by CODELCO under notes issued in both international and local markets:

Type of Issuance	Maturity	Principal Amount	Outstanding Principal Amount and Accrued Interest as of June 30, 2019	Interest Rate
International	November 4, 2020	U.S.$1.00 billion	U.S.$404 million	3.75%
International	November 4, 2021	U.S.$1.15 billion	U.S.$238 million	3.88%
International	July 17, 2022	U.S.$1.25 billion	U.S.$528 million	3.00%
International	August 13, 2023	U.S.$750 million	U.S.$361 million	4.50%
International	July 9, 2024	€600 million	U.S.$690 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.$297 million	4.00%
Local	August 24, 2026	10 million UF	U.S.$434 million	2.50%
International	August 1, 2027	U.S.$1.50 billion	U.S.$1.5 billion	3.63%
International	September 21, 2035	U.S.$500 million	U.S.$500 million	5.63%
International	October 24, 2036	U.S.$500 million	U.S.$503 million	6.15%
International	July 17, 2042	U.S.$750 million	U.S.$748 million	4.25%
International	October 18, 2043	U.S.$950 million	U.S.$944 million	5.63%
International	November 4, 2044	U.S.$980 million	U.S.$969 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.$598 million	4.85%
International	February 5, 2049	U.S.$1.3 billion	U.S.$1.2 billion	4.38%

The following table sets forth the scheduled maturities of CODELCO's bank and secured note obligations as of June 30, 2019:

	Bank and Secured Note Obligations Outstanding (in millions of U.S.$)						
	Total	Less than 1 year	1-2 years	2-3 years	3-5 years	More than 5 years	Average Annual Interest Rate
Loans from financial institutions.....	U.S.$ 2,932	U.S.$ 859	U.S.$ -	U.S.$ 911	U.S.$ 299	U.S.$ 862	LIBOR+0.69%
Bonds issued.....	12,187	170	401	236	876	10,504	4.45%
Total.....	U.S.$ 15,119	U.S.$ 1,029	U.S.$ 401	U.S.$ 1,147	U.S.$ 1,175	U.S.$ 11,366	

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.$22 million and U.S.$830 million, respectively, as of December 31, 2018 and to U.S.$24 million and U.S.$838 million, respectively, as of June 30, 2019. See notes 18 and 19 to the 2017-2018 Consolidated Financial Statements and to the Unaudited Interim Consolidated Financial Statements. In addition, as of June 30, 2019, CODELCO believes that their net deferred taxes will reverse as follows: deferred tax benefit in the amount of U.S.$65 million in 2019 and deferred tax expense in the amount of U.S.$(129) million in 2020, U.S.$429 million in 2021, U.S.$361 million in 2022 and U.S.$3,745 million after 2023. CODELCO currently has no hedges related to its production of copper through 2018. 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 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 Mitsui 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 Mitsui 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 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. As of June 30, 2019, the aggregate outstanding balance of the credit agreements is U.S.$612 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.$13.4 billion between 2019 and 2021 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 2019 and 2021 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.$2.0 billion between 2019 and 2021). Environmental approvals were obtained in September 2010, and the project is approximately 90% complete as of June 30, 2019.

- 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.$371 million between 2019 and 2021). Operations are expected to begin in 2021, and the project is approximately 77% complete as of June 30, 2019.

- The development of a new production level in the existing El Teniente underground mine (an approximate investment of U.S.$1.6 billion between 2019 and 2021) 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 June 30, 2019, the project is approximately 52% complete.

- The upgrade of CODELCO's smelters to new emission standards was required to maintain our operating licenses in Chuquicamata, El Teniente, Salvador and Ventanas, and such upgrade required an investment of U.S.$1.1 billion in Chuquicamata, U.S.$703 million in El Teniente, U.S.$441 million in Salvador and U.S.$113 million in Ventanas for a total approximate investment of U.S.$2.3 billion. As of the date of this prospectus, 100%, 97%, 95% and 96% of the upgrades at the Ventanas, Salvador, El Teniente and Chuquicamata smelters, respectively, have been completed, and all four smelters are operating.

- 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.$900 million between 2019 and 2021. As of June 30, 2019, the feasibility study has been completed, and the initial work relating to the project has commenced.

- 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.$95 million between 2019 and 2021) starting in 2027. As of June 30, 2019, the feasibility study has been authorized and is approximately 31% complete.

CODELCO has already begun investing in the aforementioned projects. In 2018, CODELCO invested U.S.$3.6 million 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.$3.5 million in 2017 and U.S.$2.7 million in 2016. 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 Result 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.$ 2.8 billion in these projects from 2012 to 2018 and plans to continue implementing its pollution abatement plan through additional capital investments of approximately U.S.$1 billion from 2019 through 2020. In 2018, CODELCO invested U.S.$861 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.$750 million in 2019 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 2020, 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.$2.3 billion, which was incurred over a period of approximately five years and which started in 2013, but the full cost will be determined when all the necessary engineering projects are finished and implemented in order to ensure compliance.

The following table sets forth CODELCO's principal environmental investments in the years 2016-2018:

	Environmental Investments (in millions of U.S.$)			
	2016	**2017**	**2018**	**Total**
Decontamination plans	185.0	433.2	581.6	1,199.8
Tailing dams	125.1	183.5	245.9	554.5
Solid wastes	8.2	15.2	9.0	32.4
Liquid wastes and water management	31.5	24.9	15.6	72.0
Others	32.3	6.7	8.9	47.9
Total	382.1	663.3	861.0	1,906.5

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 2016 CODELCO did not distribute dividends due to the absence of profits that year. 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, 2018 and for the six months ended June 30, 2019.

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

	Year Ended December 31,			Six months ended June 30,
	2016	2017	2018	2019
Income tax payments	$ 25	$ 31	$ 70	$ 40
Copper Reserve Law	917	1,062	1,137	-
Subtotal	$ 942	$ 1,093	$ 1,207	$ 40
Dividends	-	273	602	-
Total	$ 942	$ 1,366	$ 1,809	$ 40

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 29 and 30 to the 2017-2018 Year end Consolidated Financial Statements and notes 29 and 30 to the Unaudited Interim Consolidated Financial Statements. In 2017, 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 30 to the 2017-2018 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 June 30, 2019, CODELCO had swap contracts in place to hedge the risk of future UF/U.S.$ and Euro/U.S.$ exchange rate fluctuations with respect to a notional amount of U.S.$615 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 June 30, 2019.

As of June 30, 2019, 11% of CODELCO's financial debt was at a variable interest rate and 89% 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, 2018. 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, 2018, except for the adoption of IFRS 16 as of January 1, 2019.

In the current period, CODELCO has applied IFRS 16 for the first time. CODELCO 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.

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, 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 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: (a) single discount rate applied to a lease portfolio; (b) short-term lease exemption for those contracts whose term ends within twelve months from January 1, 2019; (c) exclusion of initial direct costs on the measurement of the right-of-use asset; and (d) 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	$ 368,890	$ 27,123,888
Total Assets	37,090,805	368,890	37,459,695
Other current financial liabilities [1]	872,277	94,281	966,558
Other non-current financial liabilities [1]	14,674,510	274,609	14,949,119
Total Liabilities	25,746,936	368,890	26,115,826
Net Effect [2]	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.
(2) IFRS 16 does not affect the cumulative result.

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 recognized as of January 1, 2019	**141,701**
Plus:	
Leases identified in existing contracts as of January 1, 2019 under IFRS 16[(1)]	414,326
Discounted using the incremental borrowing rate at the date of the initial application (January 1, 2019)	4.67%
Discounted financing lease liabilities recognized as of January 1, 2019	368,890
Lease liabilities related to leases previously classified as financial leases	107,839
Total lease liabilities recognized on January 1, 2019	**476,729**
Consisting of:	
Lease liabilities current portion	115,791
Lease liabilities non-current portion	360,938
Total lease liabilities recognized on January 1, 2019	**476,729**

(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 Unaudited Interim 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 Audited Annual Consolidated Financial Statements and Section II to the Unaudited Interim 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. 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.

Depreciation Method. Estimated useful lives, residual values and our depreciation method are reviewed at the end of each year, and we record the effect of any change in estimates prospectively.

Additionally, the depreciation method and the estimated useful lives of the various assets, especially plants, facilities and infrastructure, are likely to be revised at the beginning of each year and pursuant to changes in the structure of our reserves and productive long-term plans that are updated as of that date.

This 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.

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 No. 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 reduction 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 four 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 No. 16,624, modified by Article 15 of Decree Law No. 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 amounts can be measured reliably and when the services have been provided.

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.$14.3 billion in 2018). As of December 31, 2018, CODELCO's total assets were U.S.$ 37.1 billion and equity amounted to U.S.$11.3 billion. As of June 30, 2019, total assets were U.S.$37.9 billion and equity amounted to U.S.$11.6 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 2018, CODELCO had an estimated 9% share of the total world copper production, with production amounting to approximately 1.81 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 9% share of the world's molybdenum production with production amounting to approximately 30,641 metric tons.

CODELCO's main commercial product is Grade A cathode copper. In 2018, CODELCO derived 92% of its total sales from copper and 8% of its total sales from byproducts of its copper production or, for the six-month period ended June 30, 2019, 91% and 9%, respectively.

The following table sets forth certain production, cost and price information relating to CODELCO for the three-year period ended December 31, 2018 and the six-month periods ended June 30, 2018 and 2019:

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,			Six months ended June 30,	
	2016	2017	2018	2018	2019
CODELCO's Copper Production	1,707	1,734	1,678	813	710
CODELCO's Cash Cost of Production	126.1	135.9	139.1	137.6	142.3
Average LME Price[(1)]	220.6	279.7	295.9	313.7	279.6

(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.$13.4 billion between 2019 and 2021 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 2019 and 2021 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.$2.0 billion between 2019 and 2021). Environmental approvals were obtained in September 2010, and the project is approximately 90%

complete as of June 30, 2019.

- 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.$371 million between 2019 and 2021). Operations are expected to begin in 2021, and the project is approximately 77% complete as of June 30, 2019.

- The development of a new production level in the existing El Teniente underground mine (an approximate investment of U.S.$1.6 billion between 2019 and 2021) 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 June 30, 2019, the project is approximately 52% complete.

- The upgrade of CODELCO's smelters to new emission standards was required to maintain our operating licenses in Chuquicamata, El Teniente, Salvador and Ventanas, and such upgrade required an investment of U.S.$1.1 billion in Chuquicamata, U.S.$703 million in El Teniente, U.S.$441 million in Salvador and U.S.$113 million in Ventanas for a total approximate investment of U.S.$2.3 billion. As of the date of this prospectus, 100%, 97%, 95% and 96% of the upgrades at the Ventanas, Salvador, El Teniente and Chuquicamata smelters, respectively, have been completed, and all four smelters are operating.

- 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.$900 million between 2019 and 2021. As of June 30, 2019, the feasibility study has been completed, and the initial work relating to the project has commenced.

- 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.$95 million between 2019 and 2021) starting in 2027. As of June 30, 2019, the feasibility study has been authorized and is approximately 31% 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.

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 2018, this division produced 465,040 metric tons of copper, or 25.7% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 106.5 cents per pound, compared to 113.5 cents per pound in 2017, and a total cash cost of U.S.$1.1 billion in 2018, compared to U.S.$1.2 billion in 2017. During the first six months of 2019, this division produced 202,936 metric tons of copper with a cash cost of 105.8 cents per pound and a total cash cost of U.S.$465 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 2018, this division produced 332,667 metric tons of copper cathodes, or 18.4% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 134.1 cents per pound, compared to 131.4 cents per pound in 2017, and a total cash cost of U.S.$973 million in 2018 compared to U.S.$915 million in 2017. During the first six months of 2019, this division produced 127,422 metric tons of copper with a cash cost of 141.3 cents per pound and a total cash cost of U.S.$395 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 2018, this division produced 320,744 metric tons of copper cathodes, or 17.8% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 131.5 cents per pound, compared to 130.9 cents per pound in 2017, and a total cash cost of U.S.$908 million in 2018, compared to U.S.$933 million in 2017. During the first six months of 2019, this division produced 166,131 metric tons of copper with a cash cost of 125.6 cents per pound and a total cash cost of U.S.$447 million.

- The Mina Ministro Hales Division was created in September 2010 for the operation of the Mina Ministro Hales ore body, which first began producing copper at the end of 2013. In 2018, this division produced 195,485 metric tons of copper, or 10.8% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 124.0 cents per pound, compared to 121.8 cents per pound in 2017, and a total cash cost of U.S.$517 million in 2018, compared to U.S.$560 million in 2017. During the first six months of 2019, this division produced 72,252 metric tons of copper with a cash cost of 140.4 cents per pound and a total cash cost of U.S.$216 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 2018, this division produced 195,531 metric tons of copper, or 10.8% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 163.7 cents per pound, compared to 139.6 cents per pound in 2017, and a total cash cost of U.S.$682 million in 2018, compared to U.S.$654 million in 2017. During the first six months of 2019, this division produced 83,793 metric tons of copper with a cash cost of 183.8 cents per pound and a total cash cost of U.S.$328 million.

- The Gabriela Mistral Division was created in January 2013 and operates the Gabriela Mistral mine, which uses SX-EW technology. The Gabriela Mistral mine produced its first copper cathodes in May 2008 after a 26-month construction period. In 2018, this division produced 107,247 metric tons of copper, or 5.9% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 191.9 cents per pound, compared to 151.9 cents per pound in 2017, and a total cash cost of U.S.$454 million in 2018, compared to U.S.$411 million in 2017. During the first six months of 2019, this division produced 42,284 metric tons of copper with a cash cost of 265.4 cents per pound and a total cash cost of U.S.$247 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 2018, this division produced 60,840 metric tons of copper cathodes, or 3.4% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 223.5 cents per pound, compared to 198.7 cents per pound in 2017, and a total cash cost of U.S.$296 million in 2018, compared to U.S.$269 million in 2017. During the first six months of 2019, this division produced 15,138 metric tons of copper with a cash cost of 225.8 cents per pound and a total cash cost of U.S.$74 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 May 2005. In 2018, this division refined 409,049 metric tons of copper, compared to 410,024 metric tons of copper in 2017. 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 the 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, increased to 1,806,363 metric tons during the twelve months of 2018 from 1,842,075 metric tons in the twelve months of 2017. This decrease was mainly due to lower copper production from the Andina, Mina Ministro Hales, Gabriela Mistral and Chuquicamata Divisions. Molybdenum production decreased by 16.2% in 2018 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, 2018 and the six-month period ended June 30, 2019:

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

	Year ended December 31,			Six months ended June 30,
	2016	2017	2018	2019
El Teniente Division	475	464	465	203
Radomiro Tomic Division	318	319	333	127
Chuquicamata Division	302	331	321	166
Mina Ministro Hales	237	215	195	72
Andina Division	193	220	196	84
Gabriela Mistral Division	122	123	107	42
Salvador Division	60	62	61	15
El Abra[(1)]	49	38	44	18

Anglo American Sur[2]	71	70	84	42
CODELCO Total Production	1,827	1,842	1,806	769
Chilean Private Sector[3]	3,725	3,661	4,026	1,993
Total Chilean Production	5,553	5,503	5,832	2,762

(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, 2017 and the six-month period ended June 30, 2019:

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

	Year ended December 31,			Six months ended June 30,
	2016	**2017**	**2018**	**2019**
Cathodes	534	508	455	179
Blister and anodes	394	382	386	104
Calcines	166	159	153	47
Concentrates	613	686	684	380
Total	**1,707**	**1,734**	**1,678**	**710**

The following table sets forth CODELCO's initial capital expenditures budget for the period 2019-2021 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	$ 3,747
El Teniente	2,941
Andina	1,339
Radomiro Tomic	656
Salvador	1,164
Mina Ministro Hales	221
Gabriela Mistral	227
Ventanas	110
Executive Offices	481
Subsidiaries	38
Deferred expenses	2,460
Total	**$ 13,385**

(1) Includes equipment replacement and facilities repair, contributions to subsidiaries and other. Current currency, CODELCO's commercial guidelines May 2016.

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.$)
El Teniente	New mining level (2023)	Execution[1]	5,598
Chuquicamata	Chuquicamata Underground (2019)	Execution[1]	5,019
Andina	Expansion phase II (N.A.)	Feasibility	3,440
	Reallocation Plant (2020)	Execution[1]	1,361
Salvador	Inca Pit (2021)	Feasibility	1,262
		Total	**$ 19,571**

(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 2019 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 465,040 metric tons in 2018, 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 rocks 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 142,000 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 June 30, 2019, the El Teniente Division employed 4,222 persons and produced 202,936 metric tons of copper at a cash cost of 105.8 cents per pound and a total cash cost of U.S.$465 million, as compared to a cash cost of 109.0 cents per pound and a total cash cost of U.S.$535 million during the first six months of 2018. In 2018, this division had a cash cost of 106.5 cents per pound, compared to 113.5 cents per pound in 2016 and 97.2 cents per pound in 2016, and a total cash cost of U.S.$1.1 million in 2018, compared to U.S.$1.2 million in 2017 and U.S.$1.0 million in 2016.

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,			Six months ended June 30,
	2016	**2017**	**2018**	**2019**
Copper Production	475	464	465	203
Cash Cost	97.2	113.5	106.5	105.8

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

Radomiro Tomic. 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. In 2018, the Radomiro Tomic Division produced 332,667 metric tons of copper.

As of June 30, 2019, the Radomiro Tomic Division employed 1,233 persons and produced 127,422 metric tons of copper at a cash cost of 141.3 and a total cash cost of U.S.$395 million compared to a cash cost of 135.2 cents per pound and a total cash cost of U.S.$525 million during the first six months of 2018. In 2018, this division had a cash cost of 134.1 cents per pound compared to a cash cost of 131.4 cents per pound in 2017 and 134.8 cents per pound in 2016 and a total cash cost of U.S.$973 million in 2018, compared to a total cash cost of U.S.$ 915 million in 2017 and U.S.$936 million in 2016.

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,			Six months ended June 30,
	2016	2017	2018	2019
Copper Production Radomiro Tomic	318	319	333	127
Cash Cost Radomiro Tomic	134.8	131.4	134.1	141.3

Chuquicamata Division

Chuquicamata—Mining Operations. Chuquicamata is one of the largest open pits in the world with a total production of 320,744 metric tons in 2018. Located in the Atacama Desert, 1,200 kilometers north of Santiago and 240 kilometers east of the Chilean city of Antofagasta, the 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."

Chuquicamata—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 June 30, 2019, the Chuquicamata Division employed 5,189 persons and produced 166,131 metric tons of copper at a cash cost of 125.6 cents per pound and a total cash cost of U.S.$447 million, compared to a cash cost of 133.4 cents per pound and a total cash cost of U.S.$392 million during the first six months of 2018. In 2018, this division had a cash cost of 131.5 cents per pound compared to a cash cost of 130.9 cents per pound in 2017 and 118.3 cents per pound in 2016 and a total cash cost of U.S.$908 million in 2018, compared to a total cash cost of U.S.$933 million in 2017 and U.S.$774 million in 2016.

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

	Year ended December 31,			Six months ended June 30,
	2016	2017	2018	2019
Copper Production Chuquicamata	302	331	321	166
Cash Cost Chuquicamata	118.3	130.9	131.5	125.6

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. In 2018, it produced 195,485 metric tons of fine copper.

As of June 30, 2019, Mina Ministro Hales employed 763 persons and produced 72,252 metric tons of fine copper at a cash cost of 140.4 cents per pound and a total cash cost of U.S.$216 million, compared to a cash cost of

111.1 cents per pound and a total cash cost of U.S.$230 million during the first six months of 2018. In 2018, this division had a cash cost of 124.0 cents per pound, compared to a cash cost of 121.8 cents per pound in 2017 and 115.3 cents per pound in 2016 and a total cash cost of U.S.$517 million in 2018, compared to a total cash cost of U.S.$560 million in 2017 and U.S.$584 million in 2016.

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,			Six months ended June 30,
	2016	2017	2018	2019
Copper Production	237	215	195	72
Cash Cost	115.3	121.8	124.0	140.4

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. In 2018, the Gabriela Mistral Deposit produced 107,247 metric tons of copper.

As of June 30, 2019, the Gabriela Mistral Division employed 536 persons and produced 42,284 metric tons of copper at a cash cost of 265.4 cents per pound and a total cash cost of U.S.$247 million, as compared to a cash cost of 196.3 cents per pound and a total cash cost of U.S.$216 million during the first six months of 2018. In 2018, this division had a total cash cost of 191.9 cents per pound, compared to a cash cost of 151.9 cents per pound in 2017 and 144.2 cents per pound in 2016 and a total cash cost of U.S.$411 million in 2017, compared to a total cash cost of U.S.$387 million in 2016 and U.S.$440 million in 2015.

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,			Six months ended June 30,
	2016	2017	2018	2019
Copper Production	122	123	107	42
Cash Cost	144.2	151.9	191.9	265.4

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 June 30, 2019, the Andina Division employed 1,641 persons and produced 83,793 metric tons of copper at a cash cost of 183.8 cents per pound and a total cash cost of U.S.$328 million, as compared to a cash cost of 160.8 cents per pound and a total cash cost of U.S.$346 million during the first six months of 2018. In 2018, this division produced 195,531 metric tons of copper and had a cash cost of 163.7 cents per pound, compared to a cash cost of 139.6 cents per pound in 2017 and 146.6 cents per pound in 2016 and a total cash cost of U.S.$682 million in 2018, compared to a total cash cost of U.S.$654 million in 2017 and U.S.$603 million in 2016.

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,			Six months ended June 30,
	2016	2017	2018	2019
Copper Production	193	220	196	84
Cash Cost	146.6	139.6	163.7	183.8

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. In 2018, it produced 60,840 metric tons of fine copper. 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 June 30, 2019, Salvador employed 1,518 persons and produced 15,138 metric tons of fine copper at a cash cost of 225.8 cents per pound and a total cash cost of U.S.$74 million, compared to a cash cost of 218.5 cents per pound and a total cash cost of U.S.$124 million during the first six months of 2018. In 2018, this division had a cash cost of 223.5 cents per pound, compared to a cash cost of 198.7 cents per pound in 2017 and 182.3 cents per pound in 2016 and a total cash cost of U.S.$296 million in 2018, compared to a total cash cost of U.S.$269 million in 2017, and U.S.$239 million in 2016.

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,			Six months ended June 30,
	2016	2017	2018	2019
Copper Production	60	62	61	15
Cash Cost	182.3	198.7	223.5	225.8

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 May 2004 and is currently conducting conceptual engineering for a proposed expansion of capacity of the Potrerillos refinery.

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 May 2005. The Ventanas smelter has the capacity to treat of over 400,000 metric tons of concentrate. Ventanas refined approximately 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 products for the small- and medium-sized mining industry that ENAMI serves. As of June 30, 2019, the Ventanas Division employed 838 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:

- *Copper Partners Investment Company Ltd.*: In March 2006, CODELCO and Minmetals created a joint venture company equally owned by both companies. Under a 15-year sales contract covering a total of 836,250 metric tons of copper, CODELCO sells cathodes to Copper Partners Investment Company Ltd. ("CuPIC"). The joint venture made an initial up-front payment of U.S.$550 million to CODELCO in March 2006 and pays a price balance on shipments during the term of the contract. In turn, the joint venture sells the cathodes to Minmetals at market prices. Shipments under the contract commenced in June 2006. CODELCO also granted Minmetals an option to acquire, at market price, a minority interest in a company that will be formed to exploit the Gabriela Mistral mineral deposit. In September 2008, CODELCO and Minmetals suspended the option indefinitely. The option may be revived upon the agreement of both parties. CODELCO and Minmetals also agreed to identify joint opportunities in the future. On April 7, 2016, CODELCO (i) reached an agreement with Minmetals to lower sale of copper from CODELCO to CuPIC by half and (ii) sold its 50% direct ownership interest in CuPIC. Under this arrangement, CODELCO no longer makes payments to, directly or indirectly, or receives payments from, directly or indirectly, Minmetals or CuPIC. This company had delivered dividends to CODELCO in an aggregate amount of U.S.$104.7 million and U.S.$14.4 million in 2015 and 2016, respectively.

- *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 November 2004.

    - In October 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 2018, SCM El Abra produced 90,532 metric tons of fine copper at a cash cost of 234 cents per pound. For the six months ended June 30, 2019, the production was 36,481 metric tons of fine copper with a cash cost of 271 cents per pound.

- The project had delivered total dividends of U.S.$110 million, U.S.$80 million, and U.S.$10 million in 2016, 2017 and 2018, respectively, and CODELCO had received U.S.$53.9 million, U.S.$39.2 million and U.S.$4.9 million in dividends in 2016, 2017 and 2018, respectively. In the first six months of 2019, the project had not delivered dividends. As of June 30, 2019, the carrying value of SCM El Abra's ownership interest was equal to U.S.$599.9 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.

  - 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.

- 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.

- On November 26, 2016, CODELCO signed a credit agreement with 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.

- 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.

- Anglo American Sur fine copper production was 422,247 metric tons in 2018 with a cash cost of 149 cents per pound, compared to 348,732 metric tons in 2017 with a cash cost of 173 cents per pound and 354,178 metric tons in 2016 with a cash cost of 157 cents per pound. For the six months ended June 30, 2019, the production was 208,210 metric tons of fine copper with a cash cost of 138 cents per pound. Anglo American Sur has distributed U.S.$0 in 2016, U.S.$ 187.3 million in 2017, U.S.$182.9 million in 2018, and U.S.$84.4 million as of June 30, 2019 in cash dividends to Becrux, and CODELCO has a 67.8% indirect participation in Becrux. As of June 30, 2019, the carrying value of equity of Anglo American Sur was equal to U.S.$2.8 billion, of which CODELCO has a 20% indirect participation. See "Risk Factors." A substantial amount of our total assets are property, plant and equipment. We have recently recognized a significant impairment charge for certain assets and, if market and industry conditions continue to deteriorate, further impairment charges may be recognized" for information regarding the recorded impairment related to CODELCO's equity investment in Anglo American Sur.

- *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 2016, 2017, 2018 and the first six months of 2019, 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 (43%) and Minera Meridian Limitada (57%), a subsidiary of Yamaha 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 (34%) and PanAust Minera Limited (66%) 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 includes an agreement which allows CODELCO to produce wire rod until December 31, 2018 to fulfill its sales contract obligations that expire 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 announced the sale of its 37% stake in GNL Mejillones S.A. to to Ameris Capital AGF, for an amount of US$193.5 million.

- *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 August 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, with the aim of the project becoming the third largest lithium producer in Chile. During the term of the MOU, the companies will negotiate the definitive terms of the association that will allow them to carry out this initiative, combining their experiences. This MOU seeks to enable CODELCO to participate in a lithium project that consolidates 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:

    - *BioSigma S.A.*: CODELCO (66.67%) established BioSigma S.A. ("BioSigma") in 2002 with the Japanese company JX-Nippon Mining and Metals Corporation (33.33%). BioSigma's mission today is to be a company known for its competence in deploying and adapting full innovative biotechnology solutions, adding value to mining operations by way of using environmentally sustainable technologies. BioSigma plays a leading role in CODELCO's efforts to develop bioleaching technologies to improve the leaching process of primary copper sulfide ores operations that will add more copper to solvent extraction and electro-winning plants that are not being fully used due to

depletion of oxidized mineral resources. In December 2012, a full industrial test of BioSigma's technologies commenced and was applied to mining resources in the Radomiro Tomic Division, which involves a pioneer biomass plant to supply leaching microorganisms into low grade primary sulfide ores heaps. The test was successfully finished in May 2014. Results indicate that BioSigma's bioleaching technology produced a significant improvement in copper recovery and profitability compared to those of conventional bioleaching technologies;

- *Kairos Mining S.A.*: Kairos Mining S.A. is a company created in December 2006 in association with Honeywell Chile S.A., which owns 95% (CODELCO owns the remaining 5%). 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., is an 91.32% shareholder in EcoSea Farming ("EcoSea"), a technology-driven company setting the standard for aquaculture on a global scale. The company's objective is 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 is discovering new properties that allow for lower operational costs and the expansion of offshore aquaculture in exposed areas. Today, CODELCO is seeking a strategic partner that can work with EcoSea to promote this technology on a global scale;

- *CoMoTech S.A.*: CODELCO, through its subsidiary Innovaciones en Cobre S.A., owns 48.61% of CoMoTech, Molibdenos y Metales S.A. owns 48.61% and The University of Chile owns the remaining shares. CoMoTech was created for research and development purposes to increase molybdenum demand through new and enhanced applications. CoMoTech's results were not as expected and in April 2016 it was dissolved; and

- *Copper for Energy S.A. (C4E)*: CODELCO, through its subsidiary Innovaciones en Cobre S.A., along with the University of Chile, ICA and Fundación Chile formed the C4E consortium in 2010. C4E was created to develop renewable energy and water treatment technologies and products, using copper as the key material due to its superior conductivity and properties. C4E's results have not been as expected and the company is in the process of being wound up.

The following table sets forth the major mining and exploration agreements to which CODELCO is a party as of June 30, 2019:

Major Mining and Exploration Agreements
(As of June 30, 2019)

	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 Mitsubishi Corporation (Japan); and Mitsui & Co., Ltd. (Japan)	Copper
Exploration Agreement Projects Chile		
Anillo	Fortune Valley Resources (Chile)	Gold
Puntilla Galenosa	Pucobre (Chile)	Copper
Roberto	Anglo American Norte S.A.	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 No. 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*.

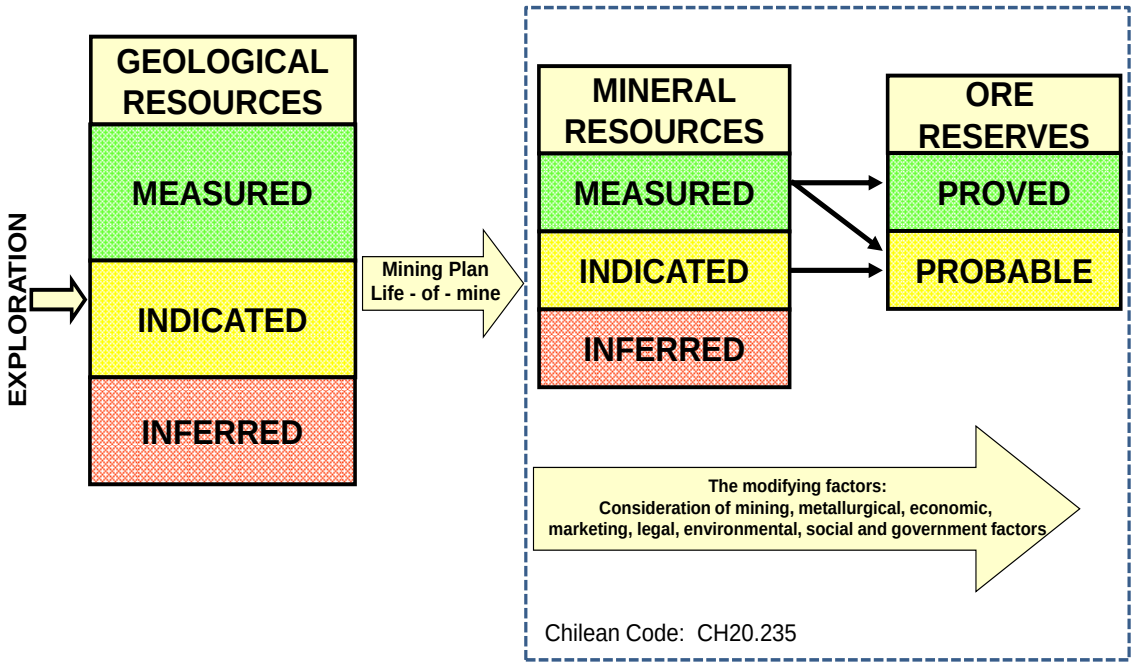
Mineral Resources

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 47.6 million metric fine tons of copper, an amount that represents at least 26 years of future production at current levels. CODELCO's mineral resources include 134.2 million metric fine tons of copper, and its identified geological resources include 392.1 million metric tons of copper, for a cut-off grade of 0.2% copper.

CODELCO's proved and probable reserves slightly decreased from 48.3 million metric tons in 2018 to 47.6 million metric tons in 2019, increased to 48.3 million metric tons in 2018 from 48.2 million metric tons in 2017 and decreased to 48.2 million metric tons in 2017 from 51.0 million metric tons in 2016 primarily due to the impact on the calculation of reserves from the decrease in production at Andina mine, as a result of the reformulation of the Andina expansion project.

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, 2018:

	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	7,442	0.41%	30.5	3,972	0.45%	17.8	1,926	0.50%	9.6
Chuquicamata	14,558	0.44%	63.7	1,934	0.69%	13.3	1,303	0.73%	9.5
Ministro Hales	2,421	0.79%	19.2	1,233	0.87%	10.7	185	0.91%	1.7
Gabriela Mistral	1,469	0.34%	4.9	414	0.35%	1.4	336	0.35%	1.2
Salvador	3,484	0.41%	14.3	828	0.59%	4.9	581	0.64%	3.7
Andina	22,096	0.61%	135.9	4,139	0.80%	32.9	1,163	0.69%	8.0
El Teniente	16,367	0.57%	93.4	4,381	0.80%	34.9	1,348	0.85%	11.4
Exploration/Business and Subsidiaries[4]	8,421	0.36%	30.4	3,201	0.56%	18.1	512	0.50%	2.5
Total	**76,290**	**0.51%**	**392.1**	**20,104**	**0.67%**	**134.2**	**7,353**	**0.65%**	**47.6**

(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, 2018:

	World (in millions of tons)	CODELCO (in millions of tons)	CODELCO's share (%)
Geological Resources	2,100[(1)]	392.1[(2)]	19
Proved and Probable Reserves	830[(1)]	47.6	6

(1) As defined by the U.S. Geological Survey (January 2019) 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 2019 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 2019 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 2019 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 2018, 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 2.438 million of metric tons of ore with an 0.44% average copper ore grade, and equivalent to 10.69 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, 2018:

	Potential Geological Reserves[(1)]		
Region	**Ore[(2)]**	**Grade Copper**	**Fine Copper[(2)]**
CODELCO Northern District (CND)	99	0.51	0.51
Don Felipe			
San Andrés NW			
Carmen			
International Exploration	2,339	0.44	10.18

Liberdade (Brazil)			
Llurimagua (Ecuador)			
Total	2,438	0.44	10.69

(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 and 214.6 cents per pound in 2016, 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. The increase in 2017 compared to 2016 is primarily attributable to the appreciation of the Chilean peso against the U.S. dollar followed by higher interest expenses and higher fuel and energy expenses. During the six months ended June 30, 2019, CODELCO's total costs and expenses were 258.3 cents per pound, compared to 237.2 cents per pound for the same period in 2018, mainly due to lower production in connection with weather disruptions in the northern area of Chile, a 14-day strike at the Chuquicamata mine, upgrades at the Chuquicamata and Salvador smelters that suspended operations temporarily, the negative impact of foreign exchange rate translation effects, higher bonuses and other employment benefits associated with its collective bargaining agreements and higher financing costs.

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 2018, CODELCO's cash cost of production was 139.1 cents per pound compared to 135.9 cents per pound in 2017 and 126.1 cents per pound in 2016 primarily attributable to the appreciation of the Chilean peso against the U.S. dollar, lower production levels, and higher main input prices. The higher cash cost in 2017 is mainly the consequence of higher operational costs, the appreciation of the Chilean peso against the U.S. dollar and the increase in interest expenses. For the six months ended June 30, 2019, CODELCO's cash cost was 142.3 cents per pound, compared to 137.6 cents per pound in the same period 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.

In 2018, CODELCO'S total cash cost was U.S.$5.1 billion, compared to U.S.$5.1 billion in 2017 and U.S.$4.7 billion in 2016. For the six months ended June 30, 2019, CODELCO's total cash cost was U.S.$2.2 billion, as compared to U.S.$2.4 billion for the six months ended June 30, 2018. 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, 2018 and the six months ended June 30, 2019:

Copper Sales by Product Type
(in thousands of metric tons)

	Year ended December 31,			Six months ended June 30,
	2016	**2017**	**2018**	**2019**
Cathodes	1,359	1,233	1,231	458
Blisters and Anodes	100	119	136	10
Concentrates	596	611	529	388
Total	2,054	1,963	1,896	856

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 2018, the base premium for CIF shipments (including shipping and insurance costs) to Rotterdam was set at U.S.$87 per metric ton, compared to U.S.$82 per metric ton in 2017 and U.S.$92 per metric ton in 2016. 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 at the request of customers 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 29 and 30 to the 2017-2018 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 2017 were

geographically diversified, with approximately 55% of sales made to Asia, including 40% to China, 15% of sales made to Europe and 30% to North and South America. CODELCO's top ten customers purchased approximately 37.8% of its total copper sales volume in 2017.

The following table shows CODELCO's copper sales for the three years ended December 31, 2018 to CODELCO's top export markets and in Chile:

CODELCO's Copper Sales by Destination
(in thousands of metric tons)

	2016	2017	2018
China	943	789	869
United States	203	295	248
South Korea	173	123	107
Chile	144	170	201
France	103	95	82
Brazil	78	88	72
Germany[(1)]	65	58	17
India	48	58	30
Japan	44	37	43
Taiwan	41	54	48
Spain	30	51	31
Bulgaria	22	28	22
Turkey	21	29	25
Greece	15	11	5
Mexico	15	10	14
Malaysia	14	7	5
Thailand	11	7	7
Vietnam	10	12	8
Canada	6	6	32
Others	60	63	33
Total	**2,047**	**1,991**	**1,899**

(1) Until 2016, sales in Austria, the Netherlands and Denmark were done through Germany and, as a result, such sales are consolidated with sales in Germany. In 2017, the sales figure also combines the sales in the Netherlands for comparability purposes. There were no sales in Austria or Denmark in 2017.

The sales to China increased in 2018 as compared to 2017 primarily driven by growth in the world copper consumption, while sales in China decreased in 2017 as compared to 2016 primarily driven by a reallocation of supply to stronger demand in the U.S. market.

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, 2018, CODELCO employed 18,036 employees as compared to 18,562 employees as of December 31, 2017. CODELCO spent U.S.$15.20 million during 2018 on staff development and training. A total of 8,144 training sessions were held, with many employees attending multiple courses, for a total of approximately 70,566 participants. CODELCO employed an average work force of 18,395 persons during the twelve months of 2018.

As of December 31, 2018, approximately 92.3% 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 six-month period ended June 30, 2019, CODELCO negotiated nine 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 June 30, 2019, there were 36,430 employees of regular independent operating contractors and 21,375 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 June 30, 2019, an aggregate principal amount of U.S.$195 million of these loans was outstanding.

Number of Employees by Division[(1)]

	January to December			Variation (%)	January to June
Divisions	**2016**	**2017**	**2018**	**2017/2018**	**2019**
Chuquicamata	6,126	5,679	5,650	(0.5)%	5,274
Radomiro Tomic	1,252	1,238	1,261	1.9%	1,222
Gabriela Mistral	561	548	554	1.1%	552
Mina Ministro Hales	764	758	790	4.2%	785
Salvador	1,503	1,666	1,666	0.0%	1,569
Andina	1,692	1,691	1,720	1.7%	1,657
El Teniente	4,549	4,526	4,395	(2.9)%	4,223
Headquarters	460	477	483	1.3%	602
Ventanas	952	936	894	(4.5)%	852
Shared Services (Vice Presidency of Projects)	872	855	948	10.9%	1,023
Internal Auditing	28	29	35	20.7%	41
Total	18,758	18,403	18,395	0.0%	17,800

(1) Average number of employees for the periods presented.

Chile Law No. 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 has been one fatality involving CODELCO personnel. CODELCO is currently investigating the cause of this fatality.

The total number of "lost time" accidents in 2018 was 122 and the accident frequency rate was 0.86 accidents per million hours worked. During 2019, the current total number of "lost time" accidents is 62 and the accident frequency is 0.76 accidents per million hours worked.

Comptroller General of the Republic

During 2017, the Comptroller issued three declarations (Opinions No. 15.759 and No. 18.850, both from 2017, and Final Auditor Report (*Informe Final de Auditoria*) No. 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 No. 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. 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 prospectus, 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 involved in various pending legal actions initiated by or against the Company. These lawsuits are inherent to the nature of the environment in which CODELCO develops its mining, industrial and commercial activities.

In November 2015 and November 2016, CODELCO initiated a legal proceeding against a tax resolution of the SII seeking a rebate of approximately U.S.$9 million and U.S.$3 million in connection with the rejection of certain expenses related to derivative agreements executed in the years 2011, 2012 and 2013. In August 2019, the Santiago Court of Appeals issued a final decision in favor of CODELCO, discarding all of the SII's claims and rendering the SII's resolution null and void. The SII may appeal the decision before the Supreme Court.

CODELCO has been subject to various proceedings in which workers and families of deceased workers allege that working conditions caused the workers to contract silicosis. CODELCO has a provision related to each of the claims detailed below:

- In September 2013, 24 former workers from the Andina Division and four families of deceased workers initiated a civil proceeding for approximately U.S.$20 million. A final resolution was issued in October 2017 granting the claimants a partial award which was subsequently appealed by both claimants and defendant. In May 2019, the Supreme Court dismissed CODELCO's appeal and granted the claimants a final award of U.S.$800 thousand, bringing an end to this proceeding.

- In May 2017, 56 former workers from the El Salvador Division initiated a civil legal proceeding for approximately U.S.$29.5 million. A final resolution was issued in September 2018 granting the claimants an award of approximately U.S.$2.3 million which was subsequently appealed by both claimants and defendant. A final decision is still pending.

In January 2016, the FESUC filed a labor claim accusing CODELCO of anti-union conduct for having released 350 workers and claiming damages under several concepts that, in the aggregate, amount to approximately U.S.$45 million. The proceedings are currently in the discovery period. A final ruling is pending.In March 2017, two labor unions from Chuquicamata Division filed a labor claim accusing CODELCO of violating fundamental labor rights and claiming payment of alleged overdue obligations that, in the aggregate, amount to approximately U.S.$14.2 million. The proceedings were the subject matter of a first instance ruling in August 2017 dismissing the claim. Subsequently, claimants appealed and, in November 2017, the Court of Appeals of Antofagasta upheld the first instance ruling. Finally, the case was brought before the Supreme Court on final appeal and, in March 2018, the Supreme Court dismissed the appeal, upholding the first instance ruling and bringing an end to this proceeding.

In April 2017, Sociedad Comercial IMS Ltda. filed a commercial claim against CODELCO requesting specific performance of an alleged agreement to supply uniforms specially tailored for female workers, as well as damages under several concepts that, in the aggregate, amount to approximately U.S.$14.2 million. The proceedings are currently in the discovery period with certain evidence pending to be filed before the court. A final ruling is still pending.

In May 2017, CODELCO and Minera Valle Aconcagua S.A. mutually decided to institute an arbitration proceeding against each other in connection with an agreement to build and operate a tailings treatment facility and treat tailings from CODELCO's Andina Division. CODELCO has requested specific performance plus a charge for power which, in the aggregate, amounts to approximately U.S.$16.1 million and alternatively has requested termination of the agreement plus a charge for power which, in the aggregate, amounts to approximately U.S.$140 million. In turn, Minera Valle Aconcagua S.A. has requested termination of the agreement and damages in the amount of approximately U.S.$79 million. To date, the proceedings have completed the discovery period. A ruling was issued in September 2018 awarding Minera Valle Aconcagua S.A. approximately U.S.$43 million and awarding CODELCO approximately U.S.$2 million. Both parties subsequently appealed the awards. In February 2019, the parties reached a settlement whereby CODELCO paid Minera Valle Aconcagua S.A. U.S.$25 million, bringing this proceeding to an end.

In March 2018, Eifel Ingeniería Eléctrica y Construcción Ltda. filed a civil claim against CODELCO seeking specific performance of a service agreement for electric works at CODELCO's Andina Division plus damages which they claim to amount to approximately U.S.$11.1 million. The proceedings are in the initial stages and have not yet reached 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, all of which amounts to approximately U.S.$12 million. The proceedings are in the initial stages and have not yet reached the discovery period. A final ruling is still 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,

amounting to approximately U.S.$46 million. The proceedings are in the initial stages and have not yet reached the discovery period. 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, see note 31 to the Unaudited Interim 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 2016 on the LME:

Average Copper Price
(U.S.¢/Pound)

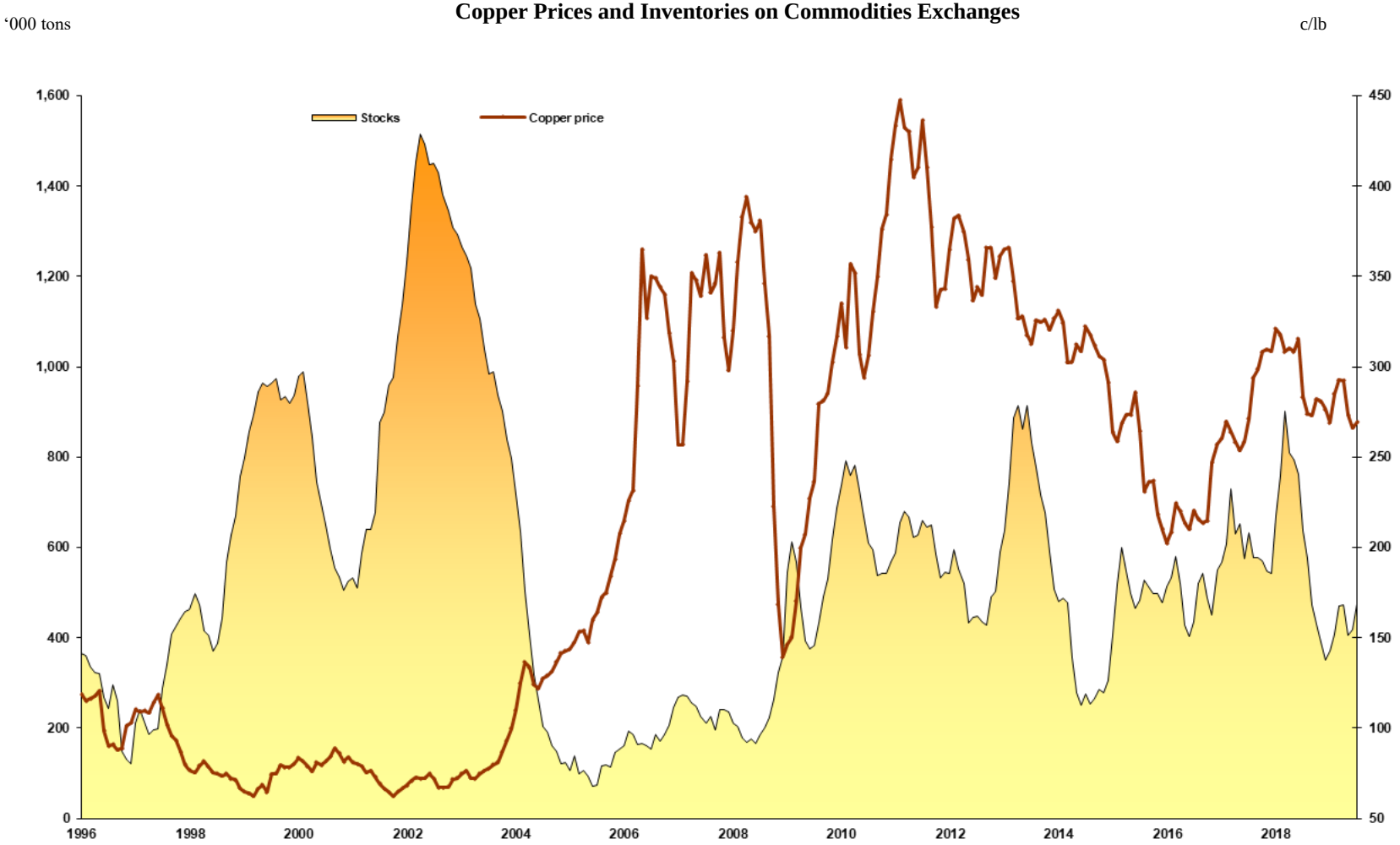
2016		
	First Quarter	221.9
	Second Quarter	214.5
	Third Quarter	216.5
	Fourth Quarter	239.4
2017		
	First Quarter	264.5
	Second Quarter	256.8
	Third Quarter	288.0
	Fourth Quarter	308.8
2018		
	First Quarter	315.7
	Second Quarter	311.7
	Third Quarter	276.9
	Fourth Quarter	280.0
2019		
	First Quarter	281.9
	Second Quarter	277.3
	Third Quarter (through September 18, 2019)	263.6

Source: London Metal Exchange, Monthly Average Settlement.

On September 18, 2019, the closing price for refined copper on the LME was 260.59 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 July 31, 2019:

Copper Prices and Inventories on Commodities Exchanges



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."

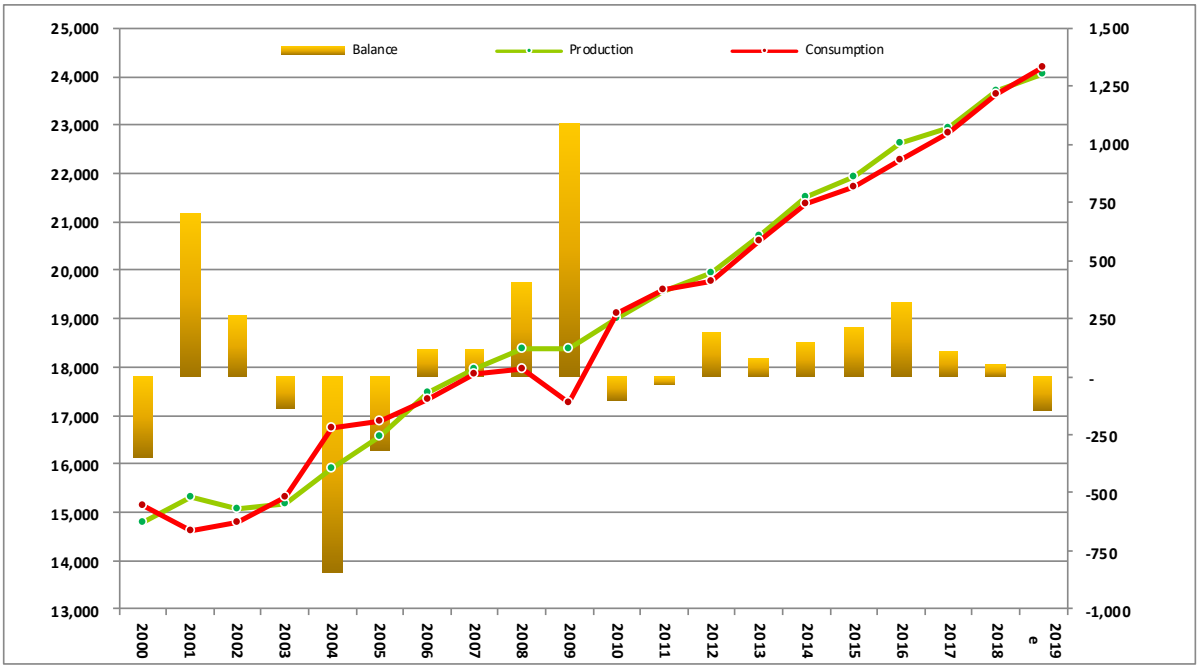
Opportunities for Copper

Since 2005, copper prices have experienced significant volatility. LME copper prices averaged 295.9 cents per pound in 2018, compared to 279.9 cents per pound in 2017 and 220.6 cents per pound in 2016. While lower copper prices in 2016 reflect the global volatility, the European crisis and the fears regarding China, the recovery in 2018 and 2017 reflects disruptions on the supply side, higher expectations in China and increased global demand. Global demand for copper in 2017 increased by 2.2%, including a 4.5% demand increase from China. In 2018 demand for copper is estimated that increased 2.8%, including a 5.3% demand growth from China. Copper demand remains strong, particularly in Asia, despite the geopolitical, trade and other global uncertainties during 2018. 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 2018 (in thousands of metric tons):

Refined Copper Supply and Demand Worldwide Balance



Sources: CODELCO, internal data (May 2019)

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 No. 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 FTC and both the FESUC and the 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 No. 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. As of June 30, 2019, CODELCO has paid U.S.$8.4 million in total concession fees for 2019.

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 No. 19,300), enacted in March 1994 and modified by Law No. 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 prospectus, one of these proceedings involves CODELCO, for an action brought by citizens against all the companies that operates 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 is under implementation by CODELCO. In 2017 the Environmental Court required a complement of this plan to include

the evaluation of possible environmental consequences. CODELCO has presented the required information to the Bureau of the Environment to comply with this requirement and a final decision is pending.

In 2016, the Bureau of the Environment also required information about the El Teniente Division due to the potential violation of environmental permits, to which CODELCO responded.

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 will not impose additional fines or require that additional measures be taken. As of the date of this prospectus, 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 2008 to 2018, CODELCO invested U.S.$2,988 million in projects, and plans to continue implementing pollution abatement plans through additional capital investments amounting to U.S.$1,021 million from 2019 through 2020. In 2018, CODELCO allocated U.S.$861 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 prospectus, 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 No. 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. CODELCO has preliminarily estimated that the cost of complying with this new standard will be U.S.$2.0 billion, which will be incurred over a period of approximately five years and which started in 2014, but the full cost will be determined when all the necessary engineering projects to ensure compliance are finished and implemented. Such additional costs could also be material.

Supreme Decree No.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 No. 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 No. 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, at December 31, 2018, and U.S.$1.5 billion at June 30, 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 4, 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 prospectus, 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.

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, No. 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 No. 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 February 27, 2015, CODELCO's Board of Directors appointed Alejandro Rivera Stambuk as Chief Financial Officer, Patricio Chávez Inostroza as Vice President of Corporate Affairs & Sustainability and César Correa Parker as General Auditor. On January 30, 2015, CODELCO announced the creation of the Vice President for Productivity and Costs position, to increase productivity and control costs. On February 27, 2015, CODELCO's Board of Directors appointed José Robles Becerra of the Vice President of Productivity and Costs. On August 3, 2016, CODELCO announced the appointment of Nicolai Bakovic Hudig as CODELCO's General Counsel, with his term beginning on October 1, 2016.

On April 1, 2016, CODELCO announced a restructuring of its operations management in order to better respond to operational business challenges and take advantage of existing operational and territorial synergies. Through this restructuring, which was implemented beginning May 1, 2016, the Salvador Division became under the supervision of the Vice President of Northern Operations (*Operaciones Norte*). Moreover, Álvaro Aliaga Jobet was appointed as Vice President of Northern Operations (*Operaciones Norte*), and Octavio Araneda Osés was appointed as Vice President of Central Southern Operations (*Operaciones Centro Sur*).

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.

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.

Directors and Executive Officers

The following table sets forth the current directors and executive officers of CODELCO and their positions:

Name	Position
Directors	
Juan Benavide 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]
Ignacio Briones Rojas	Director[1][2]
Raimundo Espinoza Concha	Director[6][7]
Ghassan Dayoub Pseli	Director[8][4]
Executive Officers	
Octavio Araneda Osses	Chief Executive Officer and President
Alejandro Rivera Stambuk	Chief Financial Officer
Marcelo Alvarez Jara	Vice President Human Resources
Roberto Ecclefield Escobar	Vice President Sales
Gerhard von Borries Harms	Vice President Projects
José Pesce Rosenthal	Vice President Mining Resources Management and Development
Renato Fernandez Baeza	Vice President Corporate Affairs & Sustainability
José Robles Becerra	Vice President Productivity and Costs
Alvaro García Gonzalez	Vice President Technology
Alejandro Sanhueza Diaz	Head of Finance
Nicolai Bakovic Hudig	General Counsel
César Correa Parker	General Auditor
Mauricio Barraza Gallargo	Vice President – Central Southern Operations
Alvaro Aliaga Jobet	Vice President – Northern Operations
Nicolás Rivera Rodriguez	General Manager – Chuquicamata Division
Lindor Quiroga Bugueño	General Manager – Radomiro Tomic Division
Rodrigo Barrera Páez	General Manager – Mina Ministro Hales Division
Sergio Herbage Lundín	General Manager – Gabriela Mistral Division
Christian Toutin	General Manager – Salvador Division
José Sanhueza Reyes	General Manager – Ventanas Division
Andrés Music Garrido	General Manager – El Teniente Division
Jaime Rivera Machado	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 Workers.

(7) Raimundo Espinoza Concha was reappointed in May 2016 and his term expires May 2020.

(8) 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.

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, Ignacio Briones Rojas and Raimundo Espinoza Concha. 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), Raimundo Espinoza Concha 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.

Corporate Governance and Sustainability Committee (Comité de Gobierno Corporativo y Sustentabilidad)

The corporate governance and sustainability committee consists of Ignacio Briones Rojas (Chair), Hernán De Solminihac Tampier (Vice Chair), Blas Tomic Errázuriz, Juan Enrique Morales Jaramillo and Ghassan Dayoub Pseli. The committee (i) considers any recommendations made by senior management regarding changes in corporate or divisional structure and any changes proposed to the internal operating procedures of the Company and responsibilities of senior management and (ii) oversees compliance with the code of conduct and corporate governance policies and coordinates self-evaluations of members of the Board of Directors. The committee also 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

In addition to the established Committees of the Board of Directors described above, in January 2016, a new Science, Technology and Innovation Committee began to meet in a trial run as a forum for discussion among directors about the challenges facing the corporation in these regards. The Science, Technology and Innovation Committee consists of Juan Enrique Morales Jaramillo (Chair), Paul Schiodtz Obilinovich (Vice Chair), Hernán De Solminihac Tampier, Ignacio Briones Rojas and Ghassan Dayoub Pseli.

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 Audited Annual Consolidated Financial Statements and note 3 to the Unaudited Interim 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 the 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 (the "Indenture"), dated as of February 5, 2019, between CODELCO, The Bank of New York Mellon, as trustee, paying agent, transfer agent and registrar (the "trustee") and The Bank of New York Mellon, Luxembourg Branch, as Luxembourg paying agent, as further amended and supplemented from time to time.

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 applicable Final Terms 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 in accordance with the applicable Final Terms or, if any such date is not a Business Day (as defined below), on the next succeeding Business Day (each such date, 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). The record dates relating to the Interest Payment Dates for the notes will be set forth in the Indenture. Interest on the notes will be calculated as indicated in the applicable Final Terms. 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 the date set forth in the applicable Final Terms. 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 series of 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 as may be agreed between CODELCO and the dealer manager and as indicated in the applicable Final Terms.. The notes will be exchangeable, and transfers thereof will be registrable, at the office of the registrar for the notes (including the office of the transfer and paying agent). 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 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 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

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 (the "Global Notes"), without interest coupons.

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 Euroclear or Clearstream.

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.

Certificated Notes

Notes represented by a Global Note will be exchangeable for note certificates, registered in the names of owners of beneficial interests in the Global Notes, with the same terms and in authorized denominations, only if:

- the applicable depositary notifies us that it is unwilling, unable or no longer permitted under applicable law to continue as depositary for that Global Note and CODELCO does not appoint another institution to act as depositary within 90 days;
- we notify the trustee that CODELCO wishes to terminate that Global Note, or
- an event of default has occurred with regard to the notes and has not been cured or waived.

In any such instance, an owner of a beneficial interest in the Global Notes will be entitled to physical delivery of the notes represented by the Global Notes equal in principal amount to that beneficial interest and to have those notes registered in its name. The notes so issued will be in definitive registered form, in denominations as specified by the applicable Final Terms. The notes so registered can be transferred by presentation for registration of transfer to the transfer agent at its corporate trust office and must be duly endorsed by the holder or his attorney duly authorized in writing or accompanied by a written instrument or instruments of transfer in form satisfactory to us or the trustee duly executed by the holder or its attorney duly authorized in writing. CODELCO may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any exchange or registration of transfer of definitive notes.

Clearing Systems

Euroclear

Euroclear advises that it was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. All operations are conducted by Euroclear Bank, S.A./N.V. and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with Euroclear Bank, not the cooperative. The cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the managers ("Euroclear participants"). Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Securities clearance accounts and cash accounts with Euroclear Bank are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian laws (collectively, the "Euroclear Terms and Conditions"). The Euroclear Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear and receipts of payment with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. Euroclear Bank acts under the Euroclear Terms and Conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Distributions with respect to the notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Euroclear Terms and Conditions, to the extent received by the Euroclear Bank and by Euroclear.

Clearstream

Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for Clearstream participants and facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in accounts of Clearstream participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream also deals with domestic securities markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Monetary Institute. Clearstream participants are financial institutions around the world including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations and may include the managers. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant either directly or indirectly.

Distributions with respect to the notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures, to the extent received by Clearstream.

Euroclear and Clearstream Arrangements

So long as Euroclear or Clearstream or their nominee or their common depositary is the registered holder of the Global Notes, Euroclear, Clearstream or such nominee or common depositary, as the case may be, will be considered the sole owner or holder of the notes represented by such Global Notes for all purposes under the Indenture and the notes. Payments of principal, interest and additional amounts, if any, in respect of the Global Notes will be made to Euroclear, Clearstream or such nominee or common depositary, as the case may be, as registered holder thereof. None of us, the trustee, the managers or any affiliate of any of the forgoing or any person by whom any of the above is controlled (as such term is defined in the Securities Act) will have any responsibility or liability for any records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Distributions of principal and interest with respect to the Global Note will be credited in U.S. dollars to the extent received by Euroclear or Clearstream from the trustee to the cash accounts of Euroclear or Clearstream customers in accordance with the relevant system's rules and procedures.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the Global Notes to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The holdings of book-entry interests in the Global Notes through Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. As necessary, the registrar will adjust the amounts of the Global Notes on the register for the accounts of the common depositary to reflect the amounts of notes held through Euroclear and Clearstream, respectively.

Initial Settlement

Investors holding their notes through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Notes will be credited to the securities custody accounts of Euroclear and Clearstream holders on the settlement date against payment for value on the settlement date.

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.

We may redeem the notes, in whole or in part, at our option at any time and from time to time, prior to date stated in the applicable Final Terms (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 a spread to be indicated in the Final Terms, plus, in either case, accrued and unpaid interest, if any, to the date of redemption.

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. 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.

"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 CODELCO from time to time to act as the "Independent Investment Banker."

"Reference Treasury Dealer" means 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 CODELCO; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, CODELCO 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 represented by a global security deposited with a common depositary for Clearstream and Euroclear, notices to holders may be given by delivery to Clearstream and Euroclear, and such notices shall be deemed to be given on the date of delivery to Clearstreamand Euroclear.

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 prospectus, 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 for more than six months in any calendar year, or for more than six months within two consecutive fiscal years 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 (the "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").

Pursuant to the terms of 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 us 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 both, and such beneficiary is

incorporated, domiciled, resident or established outside Chile; (iii) the indebtedness is guaranteed directly or indirectly by a third-party, unless they are not related to CODELCO, in the terms of clauses (i) or (ii) above, or (iv) hereafter, and such third-party guarantees the obligations for a fee determined under market conditions; however, the beneficiary shall be deemed related when the non-related third-party has executed an agreement or obtained the funds to guarantee the indebtedness granted to CODELCO with a related party of the latter under the terms established in clauses (i) or (ii), above and (iv) hereafter; (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.

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 prospectus 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, although it is not entirely clear to what types of income the book/tax conformity rule applies. Recently released 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.

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 that the notes will not be issued with more than a *de minimis* amount of original issue discount 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 subscription agreement between CODELCO and the deal manager, the deal manager has agreed to purchase from the Company the principal amount of notes at the initial offering price set forth on the applicable Final Terms, less commissions.

The subscription agreement provides that the obligations of the deal manager to purchase the notes offered hereby are subject to certain conditions precedent and that the dealer manager will purchase all of the notes offered by this prospectus if any of these notes are purchased. The dealer manager may use any of its affiliates to offer and sell any of the notes.

After the initial offering, the dealer manager may change the offering price and other selling terms.

CODELCO has agreed to indemnify the dealer manager against certain liabilities, including liabilities under the Securities Act, and to contribute to payments the dealer manager may be required to make in respect of any of these liabilities.

The notes have not been registered under the Securities Act. The dealer manager has agreed that it will offer or sell the notes only 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."

With respect to each offering of the notes under the Program, until 40 days following after the later of the commencement of such offering and the closing date, any offer or sale of notes within the United States by a broker-dealer (whether or not participating in any of the offerings) may violate the registration requirements of the Securities Act. Each purchaser of the notes will be deemed to have made acknowledgments, representations and agreements as described under "Transfer Restrictions."

The notes are a new issue of securities without an established trading market. The deal manager 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 deal manager 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 deal manager. 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 deal manager engages in stabilizing or syndicate covering transactions, they may discontinue them at any time without notice.

The deal manager and its affiliates may have performed certain commercial banking, investment banking or advisory services for us from time to time for which they have received customary fees and expenses. The deal manager may, from time to time, continue to engage in transactions with and perform services for us in the ordinary course of their business.

In addition, in the ordinary course of their business activities, the deal manager and its 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. The dealer manager may hedge their credit exposure to us consistent with their customary risk management policies. Typically, such dealer manager 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 deal manager and its 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 will take place as indicated in the applicable Final Terms.

Prohibition of Sales to EEA Retail Investors

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"). 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 MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (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 the Prospectus Regulation. No key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling packaged retail and insurance based investment products or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

For purposes of this provision, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended) and includes any relevant implementing measure in any Member State of the European Economic Area. 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.

Notice to Prospective Investors in the United Kingdom

The dealer manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(ii) 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.

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 prospectus (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 dealer manager is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Program.

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 prospectus 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 No. 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 No. 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 prospectus 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 No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 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 prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus 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 prospectus 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 prospectus 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 prospectus 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* No. 336 (General Rule No. 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 prospectus relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("DFSA"). This prospectus 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 prospectus nor taken steps to verify the information set forth herein and has no responsibility for this prospectus. The notes to which this prospectus 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 prospectus, you should consult an authorized financial advisor.

Notice to Prospective Investors in Taiwan

The dealer manager has represented and warranted that the offer of the notes has 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. The dealer manager has represented and warranted that 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 dealer manager has represented and agreed that 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. The dealer manager has undertaken to ensure that any securities dealer to which it sells the notes confirms that it is purchasing such notes as principal and agrees with such dealer manager that it will comply with the restrictions described above.

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 persons other than U.S. persons as such term is defined in Regulation S under the Securities Act in offshore transactions in reliance upon Regulation S.

(1) You acknowledge that:

(i) the notes have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and

(ii) the notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and, if applicable, in compliance with the conditions for transfer set forth in paragraph below.

(2) You represent that you are not a U.S. person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a U.S. person and you are purchasing notes in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that neither we nor the managers nor any person representing us or the managers has made any representation to you with respect to us or the offering of the notes, other than the information contained or incorporated by reference in this prospectus. You represent that you are relying only on this prospectus in making your investment decision with respect to the notes. You agree that you have had access to such financial and other information concerning us and the notes as you have deemed necessary in connection with your decision to purchase notes, including an opportunity to ask questions of and request information from us.

(4) You agree, and each subsequent holder of the notes by its acceptance of the notes will agree, that the notes may be offered, sold or otherwise transferred only:

(i) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act; or

(ii) pursuant to an exemption from registration under the Securities Act (if available).

As a condition to registration of transfer of the notes pursuant to the exemption referred to in clause (ii) above, we or the trustee may require delivery of any documents or other evidence that we or the trustee each, in our or its discretion, deems necessary or appropriate to evidence compliance with such exemption, and, in each case, in accordance with the applicable securities laws of the states of the United States and other jurisdictions.

In addition, with respect to each offering of the notes under the Program, until 40 days following after the later of the commencement of such offering and the closing date, an offer or sale of notes within the United States by a broker-dealer whether or not participating in any of the offerings may violate the registration requirements of the Securities Act.

(5) You acknowledge that we, the managers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of notes is no longer accurate, you will promptly notify us and the managers. If you are purchasing any notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

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 prospectus 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 managers shall have any responsibility therefor.

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 the issuance of the notes by Resolution No. 1,813 dated September 12, 2019.

CODELCO's Board of Directors authorized the issuance of the notes in its ordinary session of April 25, 2019 by means of Reserved Agreement No. 15/2019.

CODELCO has obtained or will obtain from time to time 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

The notes have been accepted for clearance through the clearing systems of Euroclear System and Clearstream Banking, S.A. The securities codes will be specified on the Final Terms.

Listing

CODELCO may list the notes issued under the Program on a securities exchange.

Registration and Form

The notes have been issued in registered, book-entry form through the facilities of Euroclear and Clearstream, and will be issued in certificated form only under the limited circumstances described in this prospectus.

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.

CODELCO – CHILE

Unaudited interim consolidated financial statements as of June 30, 2019 and for the six-month and three-month periods ended June 30, 2019 and 2018

(Translation into English of the unaudited interim consolidated financial statements originally issued in Spanish – see Note I.2)

TABLE OF CONTENTS
CONSOLIDATED FINANCIAL STATEMENTS
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION 5
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION 6
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) 7
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) 8
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD 9
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY 10
I. GENERAL INFORMATION 11
1. Corporate Information 11
2. Basis of Presentation of the Consolidated Financial Statements 12
II. SIGNIFICANT ACCOUNTING POLICIES 13
1. Significant Judgments and Key Estimates 13
2. Significant accounting policies 16
3. New standards and interpretations adopted by the Corporation 35
4. New accounting pronouncements 39
III. EXPLANATORY NOTES 41
1. Cash and cash equivalents 41
2. Trade and other receivables 41
3. Balance and transactions with related parties 43
4. Inventories 47
5. Income taxes and deferred taxes 48
6. Current and non-current tax assets and liabilities 51
7. Non-current assets or disposal groups classified as held for sale 51
8. Property, Plant and Equipment 52
9. Investments accounted for using the equity method 55
10. Intangible assets other than goodwill 63
11. Subsidiaries 65
12. Other non-current non-financial assets 66
13. Current and non-current financial assets 66
14. Other financial liabilities 67
15. Fair Value of financial assets and liabilities 78
16. Fair value hierarchy 78
17. Trade and other payables 79
18. Other provisions 80
19. Employee benefits 81
20. Equity 84
21. Revenue 88
22. Expenses by nature 88
23. Impairment of Assets 88
24. Other income and expenses by function 89
25. Finance costs 90
26. Operating segments 90
27. Foreign exchange differences 97
28. Statement of cash flows 97
29. Financial risk management, objectives and policies 97
30. Derivatives contracts 101
31. Contingencies and restrictions 104

32. Guarantees 109
33. Balances in foreign currency 111
34. Sanctions 115
35. Environmental Expenditures 115
36. Subsequent events 117

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of June 30, 2019 (Unaudited) and December 31, 2018
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	6/30/2019	12/31/2018
Assets			
Current Assets			
Cash and cash equivalents	1	478,871	1,229,125
Other current financial assets	13	401,888	231,409
Other current non-financial assets		23,763	6,805
Trade and other current receivables	2	2,006,725	2,212,209
Accounts receivable from related parties, current	3	20,256	92,365
Inventories	4	2,045,002	2,042,648
Current tax assets	6	48,247	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		5,024,752	5,828,206
Non-current assets or disposal groups classified as held for sale	7	89,519	-
Total current assets		**5,114,271**	**5,828,206**
Non-current assets			
Other non-current financial assets	13	162,816	145,751
Other non-current non-financial assets	12	9,198	6,817
Non-current receivables	2	96,063	84,731
Accounts receivable from related parties, non-current	3	18,030	20,530
Non-current inventories	4	555,968	457,070
Investments accounted for using equity method	9	3,484,027	3,568,293
Intangible assets other than goodwill	10	47,056	48,379
Property, plant and equipment	8	28,242,219	26,754,998
Investment property		981	981
Non-current tax assets	6	144,745	143,606
Deferred tax assets	5	35,144	31,443
Total non-current assets		**32,796,247**	**31,262,599**
Total Assets		**37,910,518**	**37,090,805**

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 June 30, 2019 (Unaudited) and December 31, 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°	6/30/2019	12/31/2018
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	14	1,185,501	872,277
Trade and other current payables	17	1,638,656	1,546,584
Accounts payable to related parties, current	3	141,930	150,916
Other current provisions	18	839,807	384,249
Current tax liabilities	6	9,322	10,777
Current provisions for employee benefits	19	330,182	510,034
Other current non-financial liabilities		96,643	64,575
Total current liabilities		**4,242,041**	**3,539,412**
Non-current liabilities			
Other non-current financial liabilities	14	14,634,405	14,674,510
Non-current payables		19,312	26,613
Other non-current provisions	18	1,610,406	1,600,183
Deferred tax liabilities	5	4,506,057	4,586,168
Non-current provisions for employee benefits	19	1,329,094	1,315,520
Other non-current non-financial liabilities		4,289	4,530
Total non-current liabilities		**22,103,563**	**22,207,524**
Total liabilities		**26,345,604**	**25,746,936**
Equity			
Issued capital	20	5,619,423	5,219,423
Accumulated deficit		(302,999)	(198,917)
Other reserves	20	5,330,675	5,354,159
Equity attributable to owners of the parent		**10,647,099**	**10,374,665**
Non-controlling interests	20	917,815	969,204
Total equity		**11,564,914**	**11,343,869**
Total liabilities and equity		**37,910,518**	**37,090,805**

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)
For the six month and three month periods ended June 30, 2019 and 2018 (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°	1/1/2019 6/30/2019	1/1/2018 6/30/2018	4/1/2019 6/30/2019	4/1/2018 6/30/2018
Revenue	21	5,916,749	7,426,464	2,766,611	3,906,611
Cost of sales		(4,661,912)	(5,577,274)	(2,352,840)	(2,969,801)
Gross profit		**1,254,837**	**1,849,190**	**413,771**	**936,810**
Other Income, by function	24.a	90,713	65,511	46,304	7,823
Reversal of impairment loss determined in accordance with IFRS 9		588	1,315	223	542
Distribution costs		(7,784)	(9,746)	(5,390)	(4,076)
Administrative expenses		(203,446)	(232,345)	(115,429)	(127,664)
Other expenses	24.b	(985,326)	(964,409)	(524,367)	(488,696)
Other gains		13,114	8,248	6,311	822
Income (loss) from operating activities		**162,696**	**717,764**	**(178,577)**	**325,561**
Finance income		17,668	24,709	8,568	14,608
Finance costs	25	(260,139)	(237,609)	(109,196)	(114,203)
Share of profit of associates and joint ventures accounted for using equity method	9	5,233	73,723	12,010	56,680
Foreign exchange difference	27	(60,182)	95,645	(6,219)	127,454
(Loss) income for the period before tax		**(134,724)**	**674,232**	**(273,414)**	**410,100**
Benefit (loss) tax expense continuing operations	5	34,490	(430,318)	165,815	(234,317)
Net (loss) income for the period		**(100,234)**	**243,914**	**(107,599)**	**175,783**
Net (loss) income attributable to owners of parent		(104,573)	223,307	(112,718)	159,311
Net income attributable to non-controlling interests	20.b	4,339	20,607	5,119	16,472
Net (loss) income for the period		**(100,234)**	**243,914**	**(107,599)**	**175,783**

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)
CONTINUED

For the six month and three month periods ended June 30, 2019 and 2018 (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°	1/1/2019 6/30/2019	1/1/2018 6/30/2018	4/1/2019 6/30/2019	4/1/2018 6/30/2018
Net (loss) income for the period		(100,234)	243,914	(107,599)	175,783
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		(3,861)	(5,288)	369	(1,834)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method that will not be reclassified to profit or loss before tax		-	635	(43)	-
Other comprehensive (loss) income that will not be reclassified to profit or loss before tax		**(3,861)**	**(4,653)**	**326**	**(1,834)**
Components of other comprehensive income that will be reclassified to profit or loss, before tax:					
(Losses) gains on exchange difference on translation, before tax		(123)	225	790	(1,203)
(Losses) gains on cash flow hedges, before tax		(63,068)	75,196	3,378	21,274
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		7	(668)	8	(991)
Other comprehensive (loss) income that will be reclassified to profit or loss before tax		**(63,184)**	**74,753**	**4,176**	**19,080**
Other comprehensive (loss) income, before tax		**(67,045)**	**70,100**	**4,502**	**17,246**
Income tax effect on components of other comprehensive income which will not be reclassified to profit or loss					
Income tax effect relating to cash flow hedges in other comprehensive income	5	2,565	3,028	(328)	1,359
Income tax effect of components of other comprehensive income which will be reclassified to profit or loss					
Income tax effect relating to cash flow hedges of the other comprehensive income	5	40,994	(48,877)	(2,196)	(13,828)
Total other comprehensive (loss) income		**(23,486)**	**24,251**	**1,978**	**4,777**
Total Comprehensive (loss) Income		**(123,720)**	**268,165**	**(105,621)**	**180,560**
Comprehensive (loss) income attributable to:					
Comprehensive (loss) income attributable to owners of the parent		(128,059)	247,558	(110,740)	164,088
Comprehensive income attributable to non-controlling interests	20.b	4,339	20,607	5,119	16,472
Total comprehensive (loss) income		**(123,720)**	**268,165**	**(105,621)**	**180,560**

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 six month periods ended June 30, 2019 and 2018 (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°	1/1/2019 6/30/2019	1/1/2018 6/30/2018
Cash flows provided by operating activities:			
Receipts from sales of goods and rendering of services		6,331,628	8,366,174
Other cash receipts from operating activities	28	987,521	858,939
Payments to suppliers for goods and services		(3,964,052)	(4,634,204)
Payments to and on behalf of employees		(966,688)	(1,041,767)
Other cash payments from operating activities	28	(640,860)	(701,726)
Dividends received		84,372	59,971
Income taxes paid		(39,468)	(27,973)
Cash flows provided by operating activities		1,792,453	2,879,414
Cash flows used in investing activities:			
Other payments to acquire equity or debt instruments of other entities		(240)	-
Purchase of property, plant and equipment		(2,107,817)	(1,855,342)
Interest received		14,169	16,458
Other outflows of cash		(204,590)	(131,338)
Cash flows used in investing activities		(2,298,478)	(1,970,222)
Cash flows used in financing activities:			
Proceeds from borrowings long term		1,300,000	600,000
Proceeds from borrowings short term		465,000	26,807
Total proceeds from borrowings		1,765,000	626,807
Repayment of borrowings		(1,843,963)	(185,219)
Payments of finance lease liabilities		(72,180)	(11,966)
Dividends paid		-	(445,246)
Interest paid		(313,424)	(292,622)
Other cash inflow		209,497	1,833
Cash flows used in financing activities		(255,070)	(306,413)
(Decrease) Increase in cash and cash equivalents before effect of exchange rate		(761,095)	602,779
Effect of exchange rate changes on cash and cash equivalents		10,841	(38,515)
(Decrease) increase in cash and cash equivalents		(750,254)	564,264
Cash and cash equivalents at beginning of period	1	1,229,125	1,448,835
Cash and cash equivalents at end of period	1	478,871	2,013,099

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 six month periods ended June 30, 2019 and 2018 (Unaudited)
(In thousands of US dollars - ThUS$)
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

June 30,2019	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 1/1/2019	**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**
Increase (decrease) through changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Initial balance restated	**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 (loss) income							(104,573)	(104,573)	4,339	(100,234)
Other comprehensive income (loss)		(123)	(22,074)	(1,296)	7	(23,486)		(23,486)	-	(23,486)
Comprehensive income								(128,059)	4,339	**(123,720)**
Dividends							-	-		-
Capital contributions	400,000	-	-	-	-	-	-	400,000	-	400,000
Increase (decrease) through transfers and other changes	-	-	(247)	-	249	2	491	493	(55,728)	(55,235)
Total changes in equity	**400,000**	**(123)**	**(22,321)**	**(1,296)**	**256**	**(23,484)**	**(104,082)**	**272,434**	**(51,389)**	**221,045**
Final balance as of 6/30/2019	**5,619,423**	**(6,986)**	**25,471**	**(275,776)**	**5,587,966**	**5,330,675**	**(302,999)**	**10,647,099**	**917,815**	**11,564,914**

June 30,2018	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 1/1/2018	**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							223,307	223,307	20,607	243,914
Other comprehensive income (loss)		225	26,319	(2,260)	(33)	24,251		24,251	-	24,251
Comprehensive income								247,558	20,607	268,165
Dividends							(223,307)	(223,307)		(223,307)
Capital contributions	-	-	-	-	-	-	-	-	-	-
Increase (decrease) through transfers and other changes	-	-	-	-	-	-	(3,512)	(3,512)	(57,484)	(60,996)
Total changes in equity	**-**	**225**	**26,319**	**(2,260)**	**(33)**	**24,251**	**(3,512)**	**20,739**	**(36,877)**	**(16,138)**
Final balance as of 6/30/2018	**4,619,423**	**(5,790)**	**37,655**	**(261,262)**	**5,588,740**	**5,359,343**	**(37,902)**	**9,940,864**	**970,618**	**10,911,482**

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", "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 unaudited interim 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 June 30, 2019 and December 31, 2018 and the unaudited consolidated statements of comprehensive income for the six month and three month periods ended June 30, 2019 and 2018, changes in equity and of cash flows for the six month periods ended June 30, 2019 and 2018, have been prepared in accordance with International Accounting Standards (IAS) No. 34. Interim Financial Reporting, as incorporated in the 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 June 30, 2019 and for the six-month and three-month periods ended June 30, 2019 and 2018, which financial statements fully comply with IFRS as issued by the IASB. These unaudited interim consolidated financial statements as of June 30, 2019 and for the six-month and three-month periods ended June 30, 2019 and 2018 were approved by the Board of Directors at a meeting held on August 29, 2019.

Accounting Principles

These unaudited interim consolidated financial statements reflect the financial position of Codelco and its subsidiaries as of June 30, 2019 and December 31, 2018, and the results of their operations for the six month and three month periods ended June 30, 2019 and 2018, changes in equity and cash flows for the six month periods ended June 30, 2019 and 2018, 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 Market ("CMF").

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 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 unaudited interim 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 -lived assets are indefinitely-lived 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 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) Application of IFRS 16 that include the following:

- Estimation of the lease term;
- Determine if it is reasonably true 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 unaudited interim consolidated financial statements of Corporación Nacional del Cobre de Chile include the following statements:

- Unaudited interim consolidated statements of financial position as of June 30, 2019 and December 31, 2018.
- Unaudited interim consolidated statements of comprehensive income for the six month and three month periods ended June 30, 2019 and 2018.
- Unaudited interim consolidated statements of changes in equity for the six month periods ended June 30, 2019 and 2018.
- Unaudited interim consolidated statements of cash flows for the six month periods ended June 30, 2019 and 2018.

b) Basis of preparation - The unaudited interim consolidated financial statements of the Corporation as of June 30, 2019 and for the six-month and three-month periods ended June 30, 2019 and 2018, has 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 (audited), and the consolidated statement of income for the six month and three month periods ended June 30, 2018 (unaudited), the consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period ended June 30, 2018 (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 June 30, 2019, except for the adoption of the new IFRS standards and interpretations adopted by the Corporation as of and for the six-month periods ended June 30, 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. 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.

The companies included in the consolidation are as follows:

Taxpayer ID Number	Company	Country	Functional Currency	6/30/2019			12/31/2018
				% 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	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	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	-	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 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	-	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	-	100.00	100.00	100.00
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

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 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.”

- **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 (6/30/2019: US$41.09; 12/31/2018: US$39.68; 6/30/2018: US$41.71). 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:

- Monetary 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".

The exchange rates used in each reporting period were as follows:

Relation	Closing exchange ratios		
	6/30/2019	12/31/2018	6/30/2018
USD /CLP	0.00147	0.00144	0.00154
USD /GBP	1.26984	1.27000	1.31926
USD /BRL	0.26055	0.25848	0.25874
USD /EURO	1.13688	1.14390	1.16754

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 employees, which are paid based on a fixed percentage applied to the monthly taxable salary of employees covered by this agreement. This employee benefit has been classified as a defined benefit plan.

These plans continue to be unfunded as of June 30, 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 implicit lease rate. If this rate cannot be easily determined, the Corporation uses the incremental loan 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 value to the asset by right of use 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 less any costs of dismantlement (if applicable – see above). 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 interim 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.

- **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, 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 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 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.

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.

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 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 its certain of 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 such trade receivables and is adjusted for forward-looking estimates taking into account the most relevant macroeconomic factors that affect bad debts.

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/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 unaudited 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, 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, 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. 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 a 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 ends within twelve months from January 1, 2019;
- Review of onerousness according to evaluation of onerous contracts under IAS 37 as an alternative to a deterioration review;
- Measurement of right-of-use assets at lease liability amount at date of initial application;

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	368,890	27,123,888
Total Assets	**37,090,805**	**368,890**	**37,459,695**
Other current financial liabilities	872,277	94,281	966,558
Other non-current financial liabilities	14,674,510	274,609	14,949,119
Total Liabilities	**25,746,936**	**368,890**	**26,115,826**
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 recognized as of January 1, 2019	**141,701**
Plus:	
Leases identified in existing contracts as of January 1, 2019 under IFRS 16 (1)	414,326
Discounted using the incremental borrowing rate at the date of the initial application (January 1, 2019)	4.67%
Discounted financing lease liabilities recognized as of January 1, 2019	368,890
Lease liabilities related to leases previously classified as financial leases	107,839
Total lease liabilities recognized on January 1, 2019	**476,729**
Consisting of:	
Lease liabilities current portion	115,791
Lease liabilities non-current portion	360,938
Total lease liabilities recognized on January 1, 2019	**476,729**

(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 adopted IFRIC 23 under the modified retrospective application option without re-expression of comparative information.

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.

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.

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

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 June 30, 2019 and December 31, 2018, is as follows:

Item	6/30/2019 ThUS$	12/31/2018 ThUS$
Cash on hand	53,657	25,033
Bank balances	185,250	59,030
Time deposits	224,129	1,131,049
Mutual Funds - Money Market	456	1,698
Repurchase agreements	15,379	12,315
Total cash and cash equivalents	**478,871**	**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.

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 June 30, 2019 and for provisions for unfinished sales invoices, a negative provision of ThUS$75,720 is presented in the trade and other current receivables.

As of December 31, 2018, a negative provision 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,

associated to customers that do not present balances owed to Codelco; totaling a negative effect of ThUS$101,421 for open invoices related to customers with no outstanding amounts to Codelco.

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	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables (1)	1,362,611	1,542,420	555	820
Allowance for doubtful accounts (3)	(29,401)	(37,811)	-	-
Subtotal trade receivables, net	**1,333,210**	**1,504,609**	**555**	**820**
Other receivables (2)	679,829	712,446	95,508	83,911
Allowance for doubtful accounts (3)	(6,314)	(4,846)	-	-
Subtotal other receivables, net	**673,515**	**707,600**	**95,508**	**83,911**
Total	**2,006,725**	**2,212,209**	**96,063**	**84,731**

(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$55,069 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$198,417 and ThUS$201,274 as of June 30, 2019 and December 31, 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 periods ended June 30, 2019 and for the year ended December 31, 2018, were as follows:

Items	6/30/2019	12/31/2018
	ThUS$	ThUS$
Opening balance	**42,657**	**40,100**
Net Increases	1,350	7,215
Write-offs/applications	(8,292)	(4,658)
Total movements	**(6,942)**	**2,557**
Closing balance	**35,715**	**42,657**

As of June 30, 2019 and December 31, 2018, the balance of past due but not impaired trade receivables, is as follows:

Maturity	6/30/2019 ThUS$	12/31/2018 ThUS$
Less than 90 days	4,218	3,473
Between 90 days and 1 year	3,150	4,789
More than 1 year	8,183	10,266
Total trade receivables past-due but not impaired	**15,551**	**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 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:

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2019 6/30/2019	1/1/2018 6/30/2018	4/1/2019 6/30/2019	4/1/2018 6/30/2018
					Amount ThUS$	Amount ThUS$	Amount ThUS$	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	16	55	-	55
Arcadis Chile S.A.	89.371.200-3	Chile	Employee´s relative	Services	-	3,511	-	3,511
Asociación Chilena de Seguridad	70.360.100-6	Chile	Member of Board of directors	Services	-	852	-	852
B.Bosch S.A.	84.716.400-K	Chile	Employee´s relative	Supplies	3,618	-	3,618	-
Centro de Capacitación y Recreación Radomiro Tomic.	75.985.550-7	Chile	Other related	Services	62	847	-	-
Exploraciones Mineras Andinas S.A.	99.569.520-0	Chile	Subsidiary	Services	-	358,130	-	358,130
Flsmidth S.A.	89.664.200-6	Chile	Employee´s relative	Supplies	7	-	7	-
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	680	-	680	-
Industrial Support Company Ltda	77.276.280-1	Chile	Employee´s relative	Services	22,691	-	2,144	-
Industrial y Comercial Artimatemb Ltda.	76.108.720-7	Chile	Employee´s relative	Services	20	28	20	-
Inoxa S.A.	99.513.620-1	Chile	Employee´s relative	Services	-	468	-	468
Institución de Salud Previsional Chuquicamata Ltda.	79.566.720-2	Chile	Subsidiary	Services	3,257	101	-	101
Komatsu Chile S.A.	96.843.130-7	Chile	Employee´s relative	Services and Supplies	10,729	2,347	8,307	-
Linde Gas Chile S.A.	90.100.000-K	Chile	Employee´s relative	Supplies	76	91	61	-
Marsol S.A.	91.443.000-3	Chile	Employee´s relative	Supplies	84	-	84	-
San Lorenzo Isapre Limitada	76.521.250-2	Chile	Subsidiary	Services	-	25,945	-	25,945
Servicios de Ingeniería IMA S.A.	76.523.610-K	Chile	Employee´s relative	Services	-	125	-	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	-	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	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	-	-

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 six month and three month periods ended June 30, 2019 and the year ended December 31, 2018, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

Name	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2019 6/30/2019	1/1/2018 6/30/2018	4/1/2019 6/30/2019	4/1/2018 6/30/2018
					Amount ThUS$	Amount ThUS$	Amount ThUS$	Amount ThUS$
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Directors´s fees	60	63	29	31
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Directors´s fees	-	34	-	8
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Directors´s fees	48	51	23	25
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Payroll	81	65	22	18
Hernán de Solminihac Tampier	6.263.304-2	Chile	Director	Directors´s fees	48	16	23	16
Ignacio Briones Rojas	12.232.813-9	Chile	Director	Directors´s fees	48	16	23	16
Isidoro Palma Penco	4.754.025-9	Chile	Director	Directors´s fees	48	51	23	25
Juan Benavides Feliú	5.633.221-9	Chile	Chairman of the Board	Directors´s fees	72	25	35	25
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Directors´s fees	48	51	23	25
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Directors´s fees	-	34	-	8
Oscar Landerretche Moreno	8.366.611-0	Chile	Chairman of the Board	Directors´s fees	-	51	-	13
Paul Schiodtz Obilinovich	7.170.719-9	Chile	Director	Directors´s fees	48	51	23	25
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Directors´s fees	48	51	23	25
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	20	28	10	10

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 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%.

On the other hand, the short-term benefits of key management of the Corporation paid during the six month periods ended June 30, 2019 and 2018, were ThUS$7,684 and ThUS$8,549, 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 six month periods ended June 30, 2019 and 2018, severance indemnities were paid to key management of the Corporation for ThUS$1,362 and ThUS$1,135, respectively.

There were no payments to key management for other non-current benefits during the six month periods ended June 30, 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 June 30, 2019 and December 31, 2018, is as follows:

Accounts receivable from related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					6/30/2019	12/31/2018	6/30/2019	12/31/2018
					ThUS$	ThUS$	ThUS$	ThUS$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	10,198	88,497	-	-
76.063.022-5	Inca de Oro S.A.	Chile	Associate	US$	425	380	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	8,271	3,099	17,806	20,306
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	1,356	383	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	US$	6	6	224	224
Totals					**20,256**	**92,365**	**18,030**	**20,530**

Accounts payable to related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					6/30/2019	12/31/2018	6/30/2019	12/31/2018
					ThUS$	ThUS$	ThUS$	ThUS$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	117,608	125,913	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	22,184	22,940	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	2,138	2,063	-	-
Totals					**141,930**	**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 six month and three month periods ended June 30, 2019 and 2018:

Taxpayer number	Entity	Nature of the transaction	Country	Index. Currency	1/1/2019 6/30/2019		1/1/2018 6/30/2018		4/1/2019 6/30/2019		4/1/2018 6/30/2018	
					Amount ThUS$	Effects on net income (charges) / credits ThUS$	Amount ThUS$	Effects on net income (charges) / credits ThUS$	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	2	2	2	2	1	1	1	1
96.801.450-1	Agua de la Falda S.A.	Capital contribution	Chile	US$	190	-	-	-	190	-	-	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	US$	84,372	-	59,003	-	-	-	-	-
77.762.940-9	Anglo American Sur S.A.	Dividends receivable	Chile	US$	-	-	123,900	-	-	-	123,900	-
77.762.940-9	Anglo American Sur S.A.	Sales of goods	Chile	US$	8,932	8,932	57,048	57,048	8,932	8,932	-	-
77.762.940-9	Anglo American Sur S.A.	Sales of services	Chile	CLP	4,279	4,279	3,923	3,923	1,042	1,042	3,919	3,919
77.762.940-9	Anglo American Sur S.A.	Purchase of products	Chile	US$	349,993	(349,993)	362,487	(362,487)	157,171	(157,171)	206,749	(206,749)
Foreing	Deutsche Geissdraht GmbH	Dividends received	Germany	EURO	-	-	968	-	-	-	968	-
76.063.022-5	Inca de Oro S.A.	Sales of services	Chile	CLP	36	8	70	21	26	4	27	4
77.781.030-K	Kairos Mining	Services	Chile	CLP	11,022	(11,022)	13,844	(13,844)	3,353	(3,353)	2,285	(2,285)
76.255.054-7	Planta Recuperadora de Metales SpA	Interest loans	Chile	US$	510	510	510	510	256	256	256	256
76.255.054-7	Planta Recuperadora de Metales SpA	Services	Chile	US$	11,611	(11,611)	9,669	(9,669)	8,390	(8,390)	6,145	(6,145)
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of services	Chile	CLP	4,695	4,695	940	940	4,695	4,695	940	940
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of goods	Chile	US$	14	14	4,077	4,077	14	14	4,077	4,077
96.701.340-4	Soc. Contractual Minera El Abra	Purchase of products	Chile	US$	107,793	(107,793)	156,444	(156,444)	58,924	(58,924)	82,705	(82,705)
96.701.340-4	Soc. Contractual Minera El Abra	Sales of goods	Chile	US$	12,444	12,444	12,695	12,695	5,400	5,400	9,196	9,196
96.701.340-4	Soc. Contractual Minera El Abra	Other sales	Chile	US$	746	746	373	373	373	373	-	-
96.701.340-4	Soc. Contractual Minera El Abra	Perceived commissions	Chile	US$	43	43	56	56	25	25	29	29
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 June 30, 2019 and December 31, 2018, is as follows:

Items	Current		Non-current	
	6/30/2019 ThUS$	12/31/2018 ThUS$	6/30/2019 ThUS$	12/31/2018 ThUS$
Finished products	199,763	446,344	-	-
Subtotal finished products, net	**199,763**	**446,344**	**-**	**-**
Products in process	1,337,721	1,137,605	555,968	457,070
Subtotal products in process, net	**1,337,721**	**1,137,605**	**555,968**	**457,070**
Material in warehouse and other	612,793	555,504	-	-
Obsolescence allowance adjustment	(105,275)	(96,805)	-	-
Subtotal material in warehouse and other, net	**507,518**	**458,699**	**-**	**-**
Total Inventories	**2,045,002**	**2,042,648**	**555,968**	**457,070**

The amount of inventories of finished goods transferred to cost of sales for the six month periods ended June 30, 2019 and 2018 were ThUS$4,639,337 and ThUS$5,550,856, respectively.

For the six month periods ended June 30, 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	6/30/2019 ThUS$	12/31/2018 ThUS$
Opening Balance	**(96,805)**	**(94,083)**
Period provision	(8,470)	(2,722)
Closing Balance	**(105,275)**	**(96,805)**

For the six month periods ended June 30, 2019 and 2018, the Corporation recognized write-offs of damaged inventories for ThUS$758 and ThUS$785, respectively.

The provision for the net realizable value of inventories was ThUS$51,589 for the six month ended June 30, 2019 (ThUS$29,133 for the six month ended June 30, 2018).

During the six month periods ended June 30, 2019 and 2018, increases in the provision for net realizable value were ThUS$22,456 and decrease ThUS$18,388, respectively.

As of June 30, 2019 and 2018, there are no unrealized gains or losses recognized on the intercompany sales of inventories of finished products.

As of June 30, 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 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Current income tax	(4,168)	(71,322)	(2,848)	(33,523)
Effect of Deferred Taxes	40,253	(362,357)	167,676	(208,322)
Adjustments to current tax from the prior period	-	2,922	1,618	2,922
Other	(1,595)	439	(631)	4,606
Total tax expense	**34,490**	**(430,318)**	**165,815**	**(234,317)**

b) Deferred tax assets and liabilities:

The following table details deferred tax assets and liabilities:

Deferred tax assets	6/30/2019 ThUS$	12/31/2018 ThUS$
Provisions	1,337,149	1,429,060
Financial leasing	16,988	13,162
Customers advance	503,621	250,255
Other	5,001	4,603
Total deferred tax assets	**1,862,759**	**1,697,080**

Deferred tax liabilities	6/30/2019 ThUS$	12/31/2018 ThUS$
Tax on mining activity	185,441	163,280
Property, plant and equipment variations	961,616	889,841
Post-employment benefit obligations	16,695	10,346
Accelerated depreciation for tax purposes	4,975,563	5,017,532
Fair value of mining properties acquired	108,518	108,518
Hedging derivatives – future contracts	16,977	12,282
Undistributed profits of subsidiaries	34,726	50,006
Assets classified as held for sale	34,136	-
Total deferred tax liabilities	**6,333,672**	**6,251,805**

The following tables sets forth the deferred taxes as presented in the statement of financial position:

Deferred taxes	6/30/2019 ThUS$	12/31/2018 ThUS$
Non-current assets	35,144	31,443
Non-current liabilities	4,506,057	4,586,168
Net	**4,470,913**	**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	6/30/2019 ThUS$	3/31/2018 ThUS$
Credit (charge) cash flow hedge	40,994	(48,877)
Defined Benefit Plans	2,565	3,028
Total deferred tax effect on components of other comprehensive income (loss)	**43,559**	**(45,849)**

The following table sets forth the reconciliation of the effective tax rate:

Reconciliation of tax rate	6/30/2019						
	Taxable Base			At the Tax rate			
	25.0% ThUS$	40.0% ThUS$	5% ThUS$	25.0% ThUS$	40.0% ThUS$	5% ThUS$	Total ThUS$
Tax effect on the income (loss) before taxes	(138,873)	(138,873)	(138,873)	34,718	55,549	6,944	97,211
Tax effect on the income (loss) before taxes of subsidiaries	4,149	4,149	4,149	(1,037)	(1,660)	(207)	(2,904)
Tax effect consolidated profit (loss) before taxes	(134,724)	(134,724)	(134,724)	33,681	53,889	6,737	94,307
Permanent differences:							
First category income tax (25%)	70,587			(17,647)			(17,647)
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)		26,344			(10,538)		(10,538)
Specific tax on mining activities			571,637			(28,582)	(28,582)
Single Tax Art. 21 Inc. N°1							(1,434)
Differences tax previous years							(1,616)
TOTAL TAX EXPENSE				**16,034**	**43,351**	**(21,845)**	**34,490**

Reconciliation of tax rate	6/30/2018						
	Taxable Base			At the Tax rate			
	25.0% ThUS$	40.0% ThUS$	5% ThUS$	25.0% ThUS$	40.0% ThUS$	5% ThUS$	Total ThUS$
Tax effect on the income (loss) before taxes	637,011	637,011	637,011	(159,253)	(254,804)	(31,851)	(445,908)
Tax effect on the income (loss) before taxes of subsidiaries	37,221	37,221	37,221	(9,305)	(14,888)	(1,862)	(26,055)
Tax effect consolidated profit (loss) before taxes	674,232	674,232	674,232	(168,558)	(269,692)	(33,713)	(471,963)
Permanent differences:							
First category income tax (25%)	(67,704)			16,926			16,926
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)		(106,779)			42,712		42,712
Specific tax on mining activities			389,816			(19,491)	(19,491)
Single Tax Art. 21 Inc. N°1							(1,424)
Others							2,922
TOTAL TAX EXPENSE				**(151,632)**	**(226,980)**	**(53,204)**	**(430,318)**

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.

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.

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 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	6/30/2019 ThUS$	12/31/2018 ThUS$
Taxes to be recovered	48,247	13,645
Total Current Tax Assets	**48,247**	**13,645**

Current Tax Liabilities	6/30/2019 ThUS$	12/31/2018 ThUS$
Monthly Provisional Payment Provision	6,386	6,910
Provision Tax	2,936	3,867
Total Current Tax Liabilities	**9,322**	**10,777**

Items	6/30/2019 ThUS$	12/31/2018 ThUS$
Non-Current Tax Assets	144,745	143,606
Total Non-Current Tax Assets	**144,745**	**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 utilized in the current period. The Corporation has tax loss carryforwards of ThUS$729,679.

7. Non-current assets or disposal groups classified as held for sale

As of June 30, 2019, the balance of the item Non-current assets or groups of assets for disposal classified as held for sale, of the consolidated current asset, corresponds entirely to the 37% share of the capital held by the Corporation in the company GNL Mejillones S.A.

At the date of issuance of these financial statements, the Corporation is in the process of selling its stake in said company, a transaction that was finalized in August 2019. (See note 36).

8. Property, Plant and Equipment

a) The items of property, plant and equipment as of June 30, 2019 and December 31, 2018, are as follows:

Property, Plant and Equipment, gross	6/30/2019 ThUS$	12/31/2018 ThUS$
Construction in progress	9,434,186	8,808,652
Land	174,110	173,926
Buildings	5,333,748	5,403,295
Plant and equipment	15,876,559	15,894,046
Fixtures and fittings	58,713	58,807
Motor vehicles	2,075,731	2,062,920
Land improvements	5,632,215	5,619,800
Mining operations	8,049,294	7,214,915
Mine development	4,294,795	4,117,362
Assets by right of use	646,406	-
Other assets	1,202,730	1,380,354
Total Property, Plant and Equipment, gross	**52,778,487**	**50,734,077**

Property, Plant and Equipment, accumulated depreciation	6/30/2019 ThUS$	12/31/2018 ThUS$
Construction in progress	-	-
Land	9,470	8,964
Buildings	3,058,785	3,048,902
Plant and equipment	10,298,149	10,125,253
Fixtures and fittings	45,713	43,878
Motor vehicles	1,432,127	1,378,911
Land improvements	3,363,241	3,267,244
Mining operations	4,839,188	4,728,591
Mine development	835,168	804,318
Assets by right of use	184,167	-
Other assets	470,260	573,018
Total Property, Plant and Equipment, accumulated depreciation	**24,536,268**	**23,979,079**

Property, Plant and Equipment, net	6/30/2019 ThUS$	12/31/2018 ThUS$
Construction in progress	9,434,186	8,808,652
Land	164,640	164,962
Buildings	2,274,963	2,354,393
Plant and equipment	5,578,410	5,768,793
Fixtures and fittings	13,000	14,929
Motor vehicles	643,604	684,009
Land improvements	2,268,974	2,352,556
Mining operations	3,210,106	2,486,324
Mine development	3,459,627	3,313,044
Assets by right of use	462,239	-
Other assets	732,470	807,336
Total Property, Plant and Equipment, net	**28,242,219**	**26,754,998**

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	1,761,183	-	-	6,281	22	-	-	285,984	-	65,789	33,214	2,152,473
Depreciation, property, plant and equipment	-	(506)	(69,675)	(290,662)	(1,836)	(55,249)	(97,316)	(372,442)	(37,570)	(64,404)	(14,592)	(1,004,252)
Increases (decreases) in transfers and other changes, properties, plant and equipment												
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(956,568)	-	15,149	111,053	-	15,037	34,824	780,505	-	-	-	-
Increases (decreases) by other changes, properties, plant and equipment	(175,099)	184	(21,592)	1,382	(115)	(80)	(20,837)	29,735	184,153	460,854	(90,994)	367,591
Increase (decrease) by transfers and other changes, properties, plant and equipment	**(1,131,667)**	**184**	**(6,443)**	**112,435**	**(115)**	**14,957**	**13,987**	**810,240**	**184,153**	**460,854**	**(90,994)**	**367,591**
Dispositions and withdrawals of service, property, plant and equipment												
Retirements, property, plant and equipment	(3,982)	-	(3,312)	(18,437)	-	(113)	(253)	-	-	-	(2,494)	(28,591)
Dispositions and withdrawals of service, property, plant and equipment	**(3,982)**	**-**	**(3,312)**	**(18,437)**	**-**	**(113)**	**(253)**	**-**	**-**	**-**	**(2,494)**	**(28,591)**
Increase (decrease) in properties, plant and equipment	**625,534**	**(322)**	**(79,430)**	**(190,383)**	**(1,929)**	**(40,405)**	**(83,582)**	**723,782**	**146,583**	**462,239**	**(74,866)**	**1,487,221**
Properties, plant and equipment at the end of the period. Closing balance 6/30/2019	**9,434,186**	**164,640**	**2,274,963**	**5,578,410**	**13,000**	**643,604**	**2,268,974**	**3,210,106**	**3,459,627**	**462,239**	**732,470**	**28,242,219**

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)	(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**

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 six month periods ended June 30, 2019 and 2018 were ThUS$182,643 and ThUS$143,014, respectively. The annual capitalization average rate for the periods ended June 30, 2019 and 2018 was 4.35% and 4.33%, 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 6/30/2019 ThUS$	1/1/2018 12/31/2018 ThUS$
Recognized in profit /(loss)	22,537	38,174
Cash outflows disbursed	19,864	30,970

g) The detail of "Other assets" under "Property, plant and equipment" is as follows:

Other assets, net	6/30/2019 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	261,686	235,091
Other assets – Calama Plan	63,199	72,225
Other	5,585	4,686
Total other assets, net	**732,470**	**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 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.

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 June 30, 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 23).

l) As of June 30, 2019, the composition by asset class of assets for right of use is:

Assets by right of use	6/30/2019 ThUS$	1/1/2019 ThUS$
Buildings	21,598	24,069
Plant and equipment	316,887	283,750
Motor vehicles	107,044	140,960
Fixtures and fittings	10,871	12,028
Others assets by right of use	5,839	6,265
Total Assets by right of use	**462,239**	**467,072**

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)		Net income (loss)	
			6/30/2019	12/31/2018	6/30/2019	12/31/2018	1/1/2019 6/30/2019	1/1/2018 6/30/2018	4/1/2019 6/30/2019	4/1/2018 6/30/2018
			%	%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Agua de la Falda S.A.	96.801.450-1	US$	42.26%	42.26%	5,014	4,953	(129)	(158)	(67)	(80)
Anglo American Sur S.A.	77.762.940-9	US$	29.5%	29.5%	2,845,854	2,835,412	10,442	61,137	14,690	49,686
Inca de Oro S.A.	73.063.022-5	US$	33.19%	33.19%	12,913	12,913	-	-	23	-
Kairos Mining S.A.	76.781.030-K	US$	40.00%	5.00%	55	-	-	-	-	-
Minera Purén SCM	76.028.880-2	US$	35.0%	35.0%	9,950	9,902	48	1	28	6
Planta Recuperadora de Metales SpA	76.255.054-7	US$	34.0%	34.0%	10,326	10,365	(39)	97	-	97
Sociedad Contractual Minera El Abra	96.701.340-4	US$	49.0%	49.0%	599,915	610,339	(10,198)	9,037	(5,298)	5,308
Sociedad GNL Mejillones S.A.	76.775.710-7	US$	37.0%	37.0%	-	84,409	5,109	3,609	2,634	1,663
TOTAL					**3,484,027**	**3,568,293**	**5,233**	**73,723**	**12,010**	**56,680**

a) Associates

Agua de la Falda S.A.

As of June 30, 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 June 30, 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.

The company business activities involve the extraction, production and selling copper cathodes.

Sociedad Contractual Minera Purén

As of June 30, 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.

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.

As of June 30, 2019, the balance of the item Non-current assets or disposal groups classified as held for sale, of the consolidated current asset, corresponds entirely to the 37% share of the capital held by the Corporation in the company GNL Mejillones S.A.

At the date of issuance of these financial statements, the Corporation is in the process of selling its stake in said company, a transaction that ended in August 2019. (See note 36).

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.

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 June 30, 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 June 30, 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 held by CK 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 17,157 Thousands (ThUS $ 20,095 in its equivalence to the exchange rate of the date of the transaction).

Anglo American Sur S.A.

As June 30, 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 acquires all the assets and liabilities of the Absorbed 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.

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 June 30, 2019, the control of the company lies in Honeywell Chile S.A. which owns 60% of the shares and 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 June 30, 2019 and December 31, 2018, and their profit (loss) for the six-month and three-month periods ended June 30, 2019 and 2018:

Assets and Liabilities	6/30/2019 ThUS$	12/31/2018 ThUS$
Current Assets	1,583,820	1,805,003
Non-current Assets	5,623,174	5,637,321
Current Liabilities	756,171	1,008,086
Non-current Liabilities	1,664,717	1,699,529

Net Income	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Revenue	1,485,556	1,605,473	739,340	892,645
Cost of sales	(1,464,893)	(1,349,058)	(596,368)	(696,842)
Profit for the period	20,663	256,415	142,972	195,803

Movements of Investment in Associates	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$
Opening balances	**3,568,293**	**3,665,601**
Contributions	240	-
Dividends	-	(123,900)
Result of the period	5,233	73,723
Reclassification assets as held for sale	(89,513)	-
Other comprehensive income	(226)	(540)
Other	-	(621)
Final balance	**3,484,027**	**3,614,263**

The following tables provide details of asset and liabilities of the principal associates as of June 30, 2019 and December 31, 2018, and their profit (loss) for the six-month and three-month periods ended June 30, 2019 and 2018.

Anglo American Sur S.A.

Assets and liabilities	6/30/2019 ThUS$	12/31/2018 ThUS$
Current Assets	991,056	1,164,724
Non-current Assets	4,059,221	4,104,271
Current Liabilities	598,372	890,874
Non-current Liabilities	1,241,701	1,226,503

See note 20. Letter b) participation non-controlling note

Net Income	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Revenue	1,208,438	1,232,726	589,277	731,369
Cost of sales	(1,149,852)	(1,004,076)	(527,533)	(551,194)
Profit for the period	58,586	228,650	61,744	180,175

Sociedad Contractual Minera El Abra

Assets and liabilities	6/30/2019 ThUS$	12/31/2018 ThUS$
Current Assets	526,870	576,167
Non-current Assets	1,054,213	1,013,165
Current Liabilities	83,540	73,458
Non-current Liabilities	273,227	270,283

Net Income	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Revenue	220,085	316,293	120,239	165,998
Cost of sales	(240,897)	(297,850)	(131,051)	(155,165)
Profit (loss) for the period	(20,812)	18,443	(10,812)	10,833

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 June 30, 2019 and December 31, 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 June 30, 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 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 June 30, 2019 and 2018, there are no indicators of impairment and reverse, therefore, there have been no adjustments recognized to the carrying amounts of the assets.

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 six-month periods ended June 30, 2019 was income of ThUS$17,283 (income of ThUS$67,462 for the periods ended June 30, 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$6,841 for the six-month periods ended June 30, 2019 (an expense of ThUS$6,315 for the six-month periods ended June 30, 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.

10. Intangible assets other than goodwill

As of June 30, 2019 and December 31, 2018, the intangible assets other than goodwill are described as follows:

a) This item is composed of the following:

Intangible assets composition	**6/30/2019** ThUS$	**12/31/2018** ThUS$
Intangible assets with finite useful lives, net	39,098	40,421
Intangible assets with indefinite useful lives	7,958	7,958
Total	**47,056**	**48,379**

b) Carrying amount and accumulated amortization:

	6/30/2019		
intangible assets	**Gross** ThUS$	**Accumulated Amortization** ThUS$	**Net** ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,958	-	7,958
Software	2,298	(1,415)	883
Other intangible assets	38,201	(14)	38,187
Total	**48,485**	**(1,429)**	**47,056**

	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	-	-	53	-	-	53
Amortization, intangible assets other than goodwill	-	-	(243)	-	(1,104)	(1,347)
Increases (decreases) in transfers and other changes, intangible assets other than goodwill						
Increases (decreases) in transfers and other changes, intangible assets other than goodwill	-	-	-	-	-	-
Increases (decreases) due to other changes, intangible assets other than goodwill	-		(379)	-	350	(29)
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	**-**	**-**	**(379)**	**-**	**350**	**(29)**
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	**-**	**-**	**(569)**	**-**	**(754)**	**(1,323)**
Intangible assets other than goodwill. Final Balance 6/30/2019	**28**	**7,958**	**883**	**-**	**38,187**	**47,056**

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**

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 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 June 30, 2019 and 2018, there are no fully amortized intangible assets that are still in use.

For the six-month periods ended June 30, 2019 and 2018, research and technological development and innovation expenditures recognized in assets were ThUS$808 and ThUS$380, respectively. On the other hand, research recognized in expense was ThUS$1,036 and ThUS$3,498 for the six -month ended June 30, 2019 and 2018 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	6/30/2019 ThUS$	12/31/2018 ThUS$
Current assets	519,708	621,753
Non Current Assets	3,601,432	3,605,801
Current Liabilities	280,246	305,030
Non Current Liabilities	1,101,673	1,122,471

Profit (loss)	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Ordinary Income	603,527	1,121,776	319,209	587,777
Ordinary Expenses	(613,452)	(1,098,287)	(310,299)	(561,426)
Profit (loss) of period	(9,925)	23,489	8,910	26,351

12. Other non-current non-financial assets

Other non-current non-financial assets as of June 30, 2019 and December 31, 2018, are as follows:

Other non-current non-financial assets	6/30/2019 ThUS$	12/31/2018 ThUS$
Advance payment (Law No.13196) (1)	3,518	4,433
Other	5,680	2,384
Total	**9,198**	**6,817**

(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:

	6/30/2019				
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	456	478,415	-	-	**478,871**
Trade and other current receivables	547,511	1,459,214	-	-	**2,006,725**
Non – current receivables	-	96,063	-	-	**96,063**
Current receivables from related parties	-	20,256	-	-	**20,256**
Non – current receivables from related parties	-	18,030	-	-	**18,030**
Other current financial assets	-	393,880	8,008	-	**401,888**
Other non - current financial assets	-	19,281	242	143,293	**162,816**
TOTAL	**547,967**	**2,485,139**	**8,250**	**143,293**	**3,184,649**

	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**

- **Fair value through profit or loss:** As of June 30, 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.

- **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 June 30, 2019 and December 31, 2018, there were no reclassifications between the different categories of financial instruments, under the accounting standards at the respective dates.

14. 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:

	6/30/2019					
	Current			Non-current		
Items	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$	Amortized Cost ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial institutions	859,479	-	859,479	2,072,426	-	2,072,426
Bonds issued	169,638	-	169,638	12,017,148	-	12,017,148
Financial Lease	138,601	-	138,601	347,437	-	347,437
Hedging derivatives	-	17,332	17,332	-	136,029	136,029
Other financial liabilities	451	-	451	61,365	-	61,365
Total	**1,168,169**	**17,332**	**1,185,501**	**14,498,376**	**136,029**	**14,634,405**

	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**

- **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 June 30, 2019, the outstanding balance of the credit agreements is ThUS$611,512.

- *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) 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 and February 26, 2019, principal was paid for an amount of ThUS$162,502, ThUS$228,674 and ThUS$270 respectively.

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 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 USD 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 USD 1,526,782 million.

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$15 million after taxes.

As of June 30, 2019 and December 31, 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.

As of June 30, 2019, the details of loans from financial institutions and bond obligations are as follows:

6/30/2019													
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	3.02%	3.19%	300,095	-
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	3/6/2020	Floating	US$	100,000,000	Maturity	Semi-annual	3.04%	3.04%	100,978	-
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	3/13/2020	Floating	US$	65,000,000	Maturity	Semi-annual	3.03%	3.03%	65,587	-
97.036.000-K	Chile	Bilateral Credit	Santander Chile	3/27/2020	Floating	US$	100,000,000	Maturity	Semi-annual	2.95%	2.95%	100,716	-
97.006.000-6.	Chile	Bilateral Credit	Banco Crédito e Inversiones	5/29/2020	Floating	US$	50,000,000	Maturity	Semi-annual	2.77%	2.77%	50,096	-
97.004.000-5	Chile	Bilateral Credit	Banco de Chile	5/29/2020	Floating	US$	120,000,000	Maturity	Semi-annual	3.03%	3.03%	120,092	-
97.023.000-9	Chile	Bilateral Credit	Banco Itaú	5/29/2020	Floating	US$	30,000,000	Maturity	Semi-annual	3.01%	3.01%	30,062	-
Foreign	USA	Bilateral Credit	MUFG Bank. Ltd	9/30/2021	Floating	US$	250,000,000	Maturity	Semi-annual	3.61%	3.71%	4,088	249,668
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2021	Floating	US$	300,000,000	Maturity	Semi-annual	3.23%	3.42%	1,562	299,121
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	4/13/2022	Floating	US$	300,000,000	Maturity	Quarterly	3.25%	3.46%	1,975	298,556
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2022	Floating	US$	300,000,000	Maturity	Quarterly	3.23%	3.34%	1,804	299,484
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	3.02%	3.22%	32,298	63,780
Foreign	USA	Bilateral Credit	Export Dev Canada	10/25/2028	Floating	US$	300,000,000	Maturity	Quarterly	3.80%	3.92%	2,087	298,344
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%	48,039	563,473
TOTAL												**859,479**	**2,072,426**

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%	3.94%	2,336	401,182
144-A REG.S	Luxembourg	11/4/2021	Fixed	US$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.04%	1,422	236,081
144-A REG.S	Luxembourg	7/17/2022	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.17%	7,020	520,727
144-A REG.S	Luxembourg	8/13/2023	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.50%	4.75%	5,956	355,254
144-A REG.S	Luxembourg	7/9/2024	Fixed	EUR	600,000,000	At Maturity	Annual	2.25%	2.48%	14,970	674,942
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	2,788	294,696
144-A REG.S	Luxembourg	9/16/2025	Fixed	US$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.75%	13,851	1,054,218
BCODE-C	Chile	8/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	3,553	430,258
144-A REG.S	Luxembourg	8/1/2027	Fixed	US$	1,500,000,000	At Maturity	Semi-annual	3.63%	4.20%	22,407	1,440,811
144-A REG.S	Luxembourg	9/21/2035	Fixed	US$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	7,753	491,961
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	5,682	496,486
144-A REG.S	Luxembourg	7/17/2042	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	14,449	733,236
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	10,658	933,411
144-A REG.S	Luxembourg	11/4/2044	Fixed	US$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	7,400	961,233
144-A REG.S	Luxembourg	8/1/2047	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	4.50%	4.73%	23,180	1,205,537
144 - REG.S	Luxembourg	5/18/2048	Fixed	US$	600,000,000	At Maturity	Semi-annual	4.85%	4.91%	3,400	594,442
144-A REG.S	Luxembourg	2/5/2049	Fixed	US$	1,300,000,000	At Maturity	Semi-annual	4.38%	4.91%	22,813	1,192,673
TOTAL										**169,638**	**12,017,148**

Nominal and effective interest rates presented above correspond to annual rates.

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	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	7/7/2022	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	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	7/9/2024	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	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
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.

The undiscounted amounts that the Corporation will have to disburse to settle the obligations with financial institutions, are as follows:

6/30/2019					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
Scotiabank Chile	US$	3.19%	3.02%	Semi-annual	-	304,610	304,610	-	-	-	-
Scotiabank Chile	US$	3.04%	3.04%	Semi-annual	1,551	101,534	103,085	-	-	-	-
Scotiabank Chile	US$	3.03%	3.03%	Semi-annual	994	65,994	66,988	-	-	-	-
Santander Chile	US$	2.95%	2.95%	Semi-annual	-	102,946	102,946	-	-	-	-
Banco Crédito e Inversiones	US$	2.77%	2.77%	Semi-annual	-	51,386	51,386	-	-	-	-
Banco de Chile	US$	3.03%	3.03%	Semi-annual	-	123,638	123,638	-	-	-	-
Banco Itaú	US$	3.01%	3.01%	Semi-annual	-	30,902	30,902	-	-	-	-
MUFG Bank Ltd.	US$	3.71%	3.61%	Semi-annual	4,540	4,615	9,155	268,259	-	-	268,259
Export Dev Canada	US$	3.42%	3.23%	Semi-annual	-	9,856	9,856	314,784	-	-	314,784
Scotiabank & Trust (Cayman) Ltd	US$	3.46%	3.25%	Quarterly	2,462	7,440	9,902	319,616	-	-	319,616
Export Dev Canada	US$	3.34%	3.23%	Quarterly	2,450	7,405	9,855	19,656	302,423	-	322,079
Japan Bank International Cooperation	US$	3.22%	3.02%	Semi-annual	-	34,712	34,712	66,454	-	-	66,454
Export Dev Canada	US$	3.92%	3.80%	Quarterly	2,878	8,697	11,575	23,088	23,119	349,085	395,292
BONO 144-A REG.S 2020	US$	3.94%	3.75%	Semi-annual	-	15,082	15,082	409,727	-	-	409,727
BONO 144-A REG.S 2021	US$	4.04%	3.88%	Semi-annual	-	9,182	9,182	250,733	-	-	250,733
BONO 144-A REG.S 2022	US$	3.17%	3.00%	Semi-annual	7,849	7,849	15,698	31,396	531,116	-	562,512
BONO 144-A REG.S 2023	US$	4.75%	4.50%	Semi-annual	8,067	8,067	16,134	32,270	382,756	-	415,026
BONO 144-A REG.S 2025	US$	4.75%	4.50%	Semi-annual	24,044	24,044	48,088	96,174	96,174	1,140,732	1,333,080
BONO 144-A REG.S 2027	US$	4.20%	3.63%	Semi-annual	27,188	27,188	54,376	108,750	108,750	1,690,313	1,907,813
BONO 144-A REG.S 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	823,438	935,938
BONO 144-A REG.S 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	884,375	1,007,375
BONO 144-A REG.S 2042	US$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,339,688	1,467,188
BONO 144-A REG.S 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	1,992,031	2,205,781
BONO 144-A REG.S 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	1,959,388	2,150,488
BONO 144-A REG.S 2047	US$	4.73%	4.50%	Semi-annual	28,125	28,125	56,250	112,500	112,500	2,571,875	2,796,875
BONO 144 - REG.S 2048	US$	4.91%	4.85%	Semi-annual	-	29,100	29,100	58,200	58,200	1,298,400	1,414,800
BONO 144-A REG.S 2049	US$	4.91%	4.38%	Semi-annual	28,438	28,438	56,876	113,750	113,750	2,721,875	2,949,375
Oriente Copper Netherlands B.V.	US$	5.42%	3.25%	Semi-annual	-	71,935	71,935	139,656	133,925	504,728	778,309
				Total ThUS$	**168,587**	**1,264,709**	**1,433,296**	**2,748,938**	**2,246,638**	**17,275,928**	**22,271,504**
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,176,000	8,280,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	124,228	124,228	248,457	496,913	496,913	10,621,142	11,614,969
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	17,797,142	19,894,969
				Subtotal ThUS$	**10,775**	**10,775**	**21,550**	**43,100**	**43,100**	**731,285**	**817,485**
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$	**15,348**	**-**	**15,348**	**30,696**	**30,696**	**697,476**	**758,867**
				Total ThUS$	**194,710**	**1,275,484**	**1,470,194**	**2,822,734**	**2,320,434**	**18,704,689**	**23,847,856**

Nominal and effective interest rates presented above correspond to annual rates.

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
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.

The present value of future lease payments for financial lease obligations are detailed in the following table:

Financial Leases	6/30/2019			12/31/2018		
	Gross ThUS$	Interest ThUS$	Present Value ThUS$	Gross ThUS$	Interest ThUS$	Present Value ThUS$
Less than 90 days	35,418	(3,133)	32,285	6,902	(1,735)	5,167
Between 90 days and 1 year	116,030	(9,714)	106,316	21,529	(5,186)	16,343
Between 1 and 2 years	117,276	(4,778)	112,498	23,385	(5,943)	17,442
Between 2 and 3 years	68,651	(4,940)	63,711	20,079	(4,807)	15,272
Between 3 and 4 years	45,757	(2,343)	43,414	13,628	(3,699)	9,929
Between 4 and 5 years	57,610	(1,692)	55,918	19,946	(2,812)	17,134
More than 5 years	73,974	(2,078)	71,896	35,126	(8,574)	26,552
Total	514,716	(28,678)	486,038	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 the six-month periods ended June 30, 2019 is presented in the following table:

Lease expense	**1/1/2019 6/30/2019**
	ThUS$
Short-term leases	55,562
Low value leases	36,865
Variable lease payments not included in the initial measurement or remeasurement of liabilities (excluding, where application, changes in indices or rates)	590,914
TOTAL	**683,341**

The operating lease payments recognized in the statement of comprehensive income for the six-month periods ended June 30, 2018 totaled ThUS$112,220.

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 six months ended June 30, 2019 and December 31, 2018:

					Changes that do not represent cash flow					
Liabilities forfinancing activities	**Initial Balance at 1/1/2019**	**Flows of cash**			**Financial Cost (1)**	**Exchange**	**Adjustment**	**Effective Interest accretion/amortiza**	**Other**	**Final Balance at 6/30/2019**
		From	**Used**	**Total**						
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans with financial institutions	2,511,949	465,000	(98,046)	366,954	53,002	-	-	-	-	2,931,905
Bond Obligations	12,745,736	1,300,000	(2,191,206)	(891,206)	305,847	19,608	-	6,801	-	12,186,786
Obligations for coverage	116,132	-	(13,156)	(13,156)	10,203	3,947	24,372	-	10,856	152,354
Paid Dividens	-	-	-	-	-	-	-	-	-	
Financial assets for hedge derivatives	(107,700)	-	10,839	10,839	-	(23,820)	(22,612)	-	-	(143,293)
Finance leases	107,839	-	(72,180)	(72,180)	17,950	7,288	-	-	425,141	486,038
Capital contribution	-	400,000	-	400,000	-	-	-	-	-	
Other	64,343	-	(56,321)	(56,321)	53,214	-	-	-	580	61,816
Total liabilities from financing activities	**15,438,299**	**2,165,000**	**(2,420,070)**	**(255,070)**	**440,216**	**7,023**	**1,760**	**6,801**	**436,577**	**15,675,606**

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)
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**	**15,438,299**

(1) The finance costs consider the capitalization of interest, which for the six-month ended June 30, 2019 and 2018, amounts to ThUS$182,643 and ThUS$143,014 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 with respect thereto.

Regarding financial liabilities, the following table shows a comparison as of June 30, 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 June 30, 2019	Accounting treatment for valuation	Carrying amount ThUS$	Fair value ThUS$
Financial liabilities:			
Bond Obligations	Amortized cost	12,186,786	13,528,613

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 June 30, 2019:

Financial instruments measured at fair value	6/30/2019			
	Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$	Total ThUS$
Financial Assets				
Provisional price sales contracts	-	547,511	-	547,511
Cross Currency Swap	-	143,293	-	143,293
Mutual fund units	456	-	-	456
Metal futures contracts	8,250	-	-	8,250
Financial Liabilities				
Metal futures contracts	323	684	-	1,007
Cross Currency Swap	-	152,354		152,354

There were no transfers between the different levels during the six-month periods ended June 30, 2019.

17. Trade and other payables

The detail of trade and other current payables as of June 30, 2019 and December 31, 2018, is as follows:

Items	Currents	
	6/30/2019 ThUS$	12/31/2018 ThUS$
Trade payables	1,240,319	1,317,623
Payables to employees	83,468	21,561
Withholdings	181,659	72,681
Withholding taxes	58,739	60,621
Other payables	74,471	74,098
Total	**1,638,656**	**1,546,584**

18. Other provisions

The detail of other current and non-current provisions as of June 30, 2019 and December 31, 2018, is as follows:

Other Provisions	Current		Non-current	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
	ThUS$	ThUS$	ThUS$	ThUS$
Sales-related provisions (1)	1,751	2,692	-	-
Operating (2)	223,813	233,277	-	-
Law No. 13196	549,295	93,309	-	-
Other provisions	64,753	51,771	21,492	20,153
Onerous Contract (3)	195	3,200	179	4,534
Decommissioning and restoration (4)	-	-	1,546,678	1,506,162
Legal proceedings	-	-	42,057	69,334
Total	**839,807**	**384,249**	**1,610,406**	**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 30 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.

Changes in Other provisions, were as follows:

Changes	1/1/2019 6/30/2019			
	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
Financial expenses	-	18,058	-	18,058
Payment of liabilities	(297)	-	(17,079)	(17,376)
Foreign currency translation	3,222	23,868	1,277	28,367
Provision increase	(4,355)	-	-	(4,355)
Other increases (decreases)	(1,586)	(1,410)	(11,475)	(14,471)
Closing Balance	**21,671**	**1,546,678**	**42,057**	**1,610,406**

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 six-month periods ended June 30, 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:

Assumptions	6/30/2019		12/31/2018	
	Retirement plan	Health plan	Retirement plan	Health plan
Annual Discount Rate	4.49%	4.93%	4.49%	4.93%
Voluntary Annual Turnover Rate for Retirement (Men)	4.00%	4.00%	4.00%	4.00%
Voluntary Annual Turnover Rate for Retirement (Women)	3.70%	3.70%	3.70%	3.70%
Salary Increase (real annual average)	4.03%	0.00%	4.03%	-
Future Rate of Long-Term Inflation	3.00%	3.00%	3.00%	3.00%
Inflation Health Care	0.00%	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	17.25	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 June 30, 2019 and December 31, 2018, is as follows:

Accrual for employee benefits	Current		Non-current	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
	ThUS$	ThUS$	ThUS$	ThUS$
Employees' collective bargaining agreements	105,742	204,040	-	-
Employee termination benefit	24,036	27,247	813,608	802,260
Bonus	30,093	60,616	-	-
Vacation	154,552	183,628	-	-
Medical care programs (1)	496	460	497,719	496,323
Retirement plans (2)	5,654	17,620	8,760	8,355
Other	9,609	16,423	9,007	8,582
Total	**330,182**	**510,034**	**1,329,094**	**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 post-employment benefit obligation, is as follows:

Movements	1/1/2019 6/30/2019		1/1/2018 12/31/2018	
	Retirement plan	Health plan	Retirement plan	Health plan
	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	**829,507**	**496,783**	**882,090**	**523,649**
Service cost	27,422	8,983	72,821	9,962
Financial cost	7,756	4,645	15,966	11,520
Paid contributions	(47,783)	(22,180)	(57,166)	(39,779)
Actuarial (gains)/losses	3,676	(149)	16,576	30,200
Transfer from other benefits	-	-	3,335	-
Subtotal	**820,578**	**488,082**	**933,622**	**535,552**
(Gains) Losses on foreign exchange rate	17,066	10,133	(104,115)	(38,769)
Final Total	**837,644**	**498,215**	**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 six-month periods ended June 30, 2019. Such was

charged to equity, which consists of an actuarial loss of ThUS$3,676, corresponding primarily to a change in financial assumptions.

For the obligation generated by health benefit plans, an actuarial gain of ThUS$149 has been determined, consisting of an adjustment for experience loss.

The balance of the defined benefit liability as of June 30, 2019, comprises a short term portion of ThUS$24,036 and ThUS$496 for the termination indemnities plan and the medical care plan, respectively. The expected amount of the defined benefit liability projected at June 30, 2020, consists of ThUS$889,448 for the termination indemnities plan and ThUS$485,022 for the medical care plan. The expected monthly average future disbursements related to defined benefit plans are of ThUS$2,003 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:

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	3.470%	3.970%	4.470%	0.75%	-0.67%
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%	16.67%	-11.19%
Financial effect on health inflation	4.550%	5.050%	5.550%	-5.03%	7.78%
Demographic effect, planned retirement age	58 / 57	60 / 59	62 / 61	5.04%	-2.88%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	11.39%	-6.20%

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 June 30, 2019 and December 31, 2018, the termination benefits current balance was ThUS$5,654 and ThUS$17,620, respectively, while the non-current balance was ThUS$8,760 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 June 30, 2019 and December 31, 2018.

d. Employee benefits expenses

The employee benefit expenses recognized for the six-month and three-month periods ended June 30, 2019 and 2018, are as follows:

Expense by Nature of Employee Benefits	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2018 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Benefits - Short term	792,648	869,827	397,315	429,348
Benefits - Post employment	8,983	2,077	7,855	372
Benefits - Termination	22,934	17,918	15,150	5,419
Benefits by years of service	27,422	32,399	17,767	17,636
Total	**851,987**	**922,221**	**438,087**	**452,775**

20. Equity

The Corporation's total equity as of June 30, 2019 is ThUS$11,564,914 (ThUS$11,343,869 as of December 31, 2018 and ThUS$11,911,482 as of June 30, 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.

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 June 30, 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**

As of June 30, 2018, the dividends paid amounted to ThUS$445,245, and provisioned dividends payable as follows:

	ThUS$
Dividends payable as of December 31, 2017	295,842
Advance dividends as of June 30, 2018	149,403
Total dividends paid as of June 30, 2018	**445,245**

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 an income of ThUS$1,507 and a loss of ThUS$3,207 for the six-month periods ended June 30, 2019 and 2018, respectively.

a) Other reserves

The detail of other reserves as of June 30, 2019 and December 31, 2018, is as follows:

Other Reserves	6/30/2019 ThUS$	12/31/2018 ThUS$
Reserve on exchange differences on translation	(6,986)	(6,863)
Reserve of cash flow hedges	25,471	47,792
Capitalization fund and reserves	4,962,393	4,962,393
Reserve of remeasurement of defined benefit plans	(275,776)	(274,480)
Other reserves	625,573	625,317
Total other reserves	**5,330,675**	**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)			
	6/30/2019	12/31/2018	6/30/2019	12/31/2018	1/1/2019 6/30/2019	1/1/2018 6/30/2018	4/1/2019 6/30/2019	4/1/2018 6/30/2018
	%	%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Inversiones Gacrux SpA	32.20%	32.20%	917,814	969,203	4,316	20,598	5,088	16,471
Others	-	-	1	1	23	9	31	1
Total			**917,815**	**969,204**	**4,339**	**20,607**	**5,119**	**16,472**

For the six-month periods ended June 30, 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:

Assets and liabilities	6/30/2018 ThUS$	12/31/2018 ThUS$
Current Assets	267,662	361,568
Non-current assets	2,850,814	2,839,764
Current liabilities	167,200	176,742
Non-current liabilities	573,969	593,078

Results	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Revenues	370,676	443,981	177,399	256,259
Expenses	(369,176)	(394,806)	(167,448)	(210,529)
Profit of the period	1,500	49,175	9,951	45,730

Cash flow	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$
Net cash flow from operating activities	83,776	47,264
Net cash flow using investing activities	(81,215)	-
Net cash flow using financing activities	(92,303)	(189,676)

21. Revenue

Revenues for the six-month and three-month periods ended June 30, 2019 and 2018, are as follows:

Item	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Revenue from sales of own copper	4,879,212	5,785,916	2,272,187	3,057,634
Revenue from sales of third-party copper	487,019	1,020,724	239,612	536,752
Revenue from sales of molybdenum	317,465	347,275	139,170	169,487
Revenue from sales of other products	229,677	264,108	114,654	136,055
Gain in futures market	3,376	8,441	988	6,683
Total	**5,916,749**	**7,426,464**	**2,766,611**	**3,906,611**

The Corporation's revenue is recognized at a point in time.

The breakdown of revenue is presented in explanatory note No.26 Operating Segments.

22. Expenses by nature

Expenses by nature for the six-month and three-month periods ended June 30, 2019 and 2018, are as follows:

Item	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Short-term benefits to employees	792,648	869,827	397,315	429,348
Depreciation	580,692	589,609	318,121	303,010
Amortization	425,028	453,818	223,680	221,715
Total	**1,798,368**	**1,913,254**	**939,116**	**954,073**

23. Impairment of Assets

As of June 30, 2019, there are no indications of impairment evaluation in the Corporation.

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.

As of June 30, 2019 and December 31, 2018 there are no signs of additional deterioration or reversals of impairment recognized in previous years.

24. Other income and expenses by function

Other income and expenses by function for the six-month and three-month periods ended June 30, 2019 and 2018, are as follows:

a) Other income by function

Item	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Penalties to suppliers	9,109	10,508	5,292	5,110
Delegated Administration	2,547	2,787	1,172	1,320
Miscellaneous sales (net)	26,031	15,042	13,233	9,863
Customer recovery	7,907	-	7,907	-
Other income (loss)	45,119	37,174	18,700	(8,470)
Total	**90,713**	**65,511**	**46,304**	**7,823**

b) Other expenses by function

Item	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Law No. 13196	(456,697)	(598,330)	(225,306)	(302,857)
Research expenses	(39,047)	(56,493)	(19,110)	(21,730)
Bonus for the end of collective bargaining	(110,776)	(67,941)	(74,566)	(34,131)
Expenses plan	(22,934)	(17,918)	(15,150)	(5,419)
Write-off of investment projects	(3,905)	(138,198)	(3,905)	(66,450)
Write-off of property, plant & equipment	(24,242)	(2,162)	(7,632)	(2,158)
Medical care plan	(8,983)	(2,077)	(7,855)	(372)
Write-off inventories	(758)	(785)	220	(341)
Allowance for doubtful accounts	(1,307)	-	-	-
Contingency expenses	(5,721)	(30,912)	(4,389)	(25,038)
Fixed indirect costs, low production level	(281,893)	(14,777)	(152,663)	(6,569)
Other	(29,159)	(34,816)	(14,107)	(23,631)
Total	**(985,326)**	**(964,409)**	**(524,367)**	**(488,696)**

25. Finance costs

The detail of finance costs for the six-month and three-month periods ended June 30, 2019 and 2018, is as follows:

Item	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Bond interest	(140,712)	(136,939)	(46,875)	(63,703)
Bank loan interest	(46,117)	(36,187)	(24,074)	(18,652)
Unwinding of discount on severance indemnity provision	(7,018)	(8,790)	(3,424)	(4,458)
Unwinding of discount on other non-current provisions	(22,459)	(23,267)	(11,195)	(11,678)
Other	(43,833)	(32,426)	(23,628)	(15,712)
Total	**(260,139)**	**(237,609)**	**(109,196)**	**(114,203)**

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.

The main items are asigned 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.

The following tables details the financial information organized by operating segments:

From 1/1/2019 6/30/2019											
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	1,554,026	768,603	97,730	465,832	1,200,709	30,460	306,914	454,936	4,879,210	2	4,879,212
Revenue from sales of third-party copper	615	-	-	-	-	11,595	-	-	12,210	474,809	487,019
Revenue from sales of molybdenum	154,837	1,602	8,920	45,244	101,242	-	-	-	311,845	5,620	317,465
Revenue from sales of other products	61,217	-	9,253	560	45,036	98,506	3,512	9,679	227,763	1,914	229,677
Revenue from futures market	1,880	1,954	237	(42)	(135)	(972)	396	58	3,376	-	3,376
Revenue between segments	671	-	124	1,243	1,330	51,423	-	-	54,791	(54,791)	-
Revenue	**1,773,246**	**772,159**	**116,264**	**512,837**	**1,348,182**	**191,012**	**310,822**	**464,673**	**5,489,195**	**427,554**	**5,916,749**
Cost of sales of own copper	(1,326,647)	(499,552)	(93,681)	(458,203)	(755,044)	(27,600)	(337,659)	(368,082)	(3,866,468)	1,165	(3,865,303)
Cost of sales of copper third-party copper	(635)	-	-	-	-	(12,447)	-	-	(13,082)	(468,677)	(481,759)
Cost of sales of molybdenum	(42,687)	(9,526)	(3,355)	(14,096)	(23,022)	-	-	-	(92,686)	(13,131)	(105,817)
Cost of sales of other products	(58,326)	-	(3,891)	(227)	(36,217)	(102,391)	(3,386)	(2,716)	(207,154)	(1,879)	(209,033)
Cost of sales between segments	(4,728)	(2,047)	(312)	(1,180)	5,182	(50,986)	(886)	166	(54,791)	54,791	-
Cost of sales	**(1,433,023)**	**(511,125)**	**(101,239)**	**(473,706)**	**(809,101)**	**(193,424)**	**(341,931)**	**(370,632)**	**(4,234,181)**	**(427,731)**	**(4,661,912)**
Gross profit (loss)	**340,223**	**261,034**	**15,025**	**39,131**	**539,081**	**(2,412)**	**(31,109)**	**94,041**	**1,255,014**	**(177)**	**1,254,837**
Other income, by function	7,316	3,265	8,222	15,443	7,770	111	675	2,213	45,015	45,698	90,713
Impairment loss determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	588	588
Distribution costs	(2,425)	(204)	(492)	13	(464)	(393)	(90)	(602)	(4,657)	(3,127)	(7,784)
Administrative expenses	(23,204)	(14,722)	(6,361)	(8,142)	(26,382)	(3,522)	(13,972)	(13,802)	(110,107)	(93,339)	(203,446)
Other expenses, by function	(359,977)	(8,716)	(57,547)	(6,192)	(31,542)	(1,666)	(9,743)	(14,117)	(489,500)	(39,129)	(528,629)
Law No. 13.196	(151,274)	(67,588)	(7,098)	(47,331)	(113,581)	(9,881)	(30,165)	(29,779)	(456,697)	-	(456,697)
Other gains (losses)	-	-	-	-	-	-	-	-	-	13,114	13,114
Finance income	(564)	(17)	15	62	605	120	14	(84)	151	17,517	17,668
Finance costs	(36,452)	(26,384)	(8,718)	(31,854)	(94,043)	(5,489)	(7,743)	(25,877)	(236,560)	(23,579)	(260,139)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	187	-	(372)	(577)	(156)	-	-	-	(918)	6,151	5,233
Exchange differences	(19,265)	(4,842)	(8,443)	(9,417)	(10,580)	(3,735)	(1,405)	(4,415)	(62,102)	1,920	(60,182)
Income (loss) before taxes	**(245,435)**	**141,826**	**(65,769)**	**(48,864)**	**270,708**	**(26,867)**	**(93,538)**	**7,578**	**(60,361)**	**(74,363)**	**(134,724)**
Income (loss) tax expenses	**162,428**	**(100,358)**	**44,440**	**31,052**	**(197,130)**	**18,001**	**64,884**	**(6,597)**	**16,718**	**17,772**	**34,490**
Income (loss)	**(83,007)**	**41,468**	**(21,329)**	**(17,812)**	**73,578**	**(8,866)**	**(28,654)**	**981**	**(43,643)**	**(56,591)**	**(100,234)**

From 1/1/2018 6/30/2018											
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	1,539,789	1,143,516	191,979	610,000	1,400,053	5,419	330,852	570,248	5,791,856	(5,940)	5,785,916
Revenue from sales of third-party copper	-	-	-	-	-	8,923	-	23,123	32,046	988,678	1,020,724
Revenue from sales of molybdenum	205,058	4,015	9,564	43,754	85,510	-	-	-	347,901	(626)	347,275
Revenue from sales of other products	76,941	-	21,599	2,060	41,851	92,964	-	28,505	263,920	188	264,108
Revenue from futures market	3,794	3,116	256	(84)	1,417	(523)	338	127	8,441	-	8,441
Revenue between segments	66,749	-	42,918	475	-	48,349	-	-	158,491	(158,491)	-
Revenue	**1,892,331**	**1,150,647**	**266,316**	**656,205**	**1,528,831**	**155,132**	**331,190**	**622,003**	**6,602,655**	**823,809**	**7,426,464**
Cost of sales of own copper	(1,451,420)	(699,765)	(182,816)	(466,765)	(786,601)	(2,309)	(264,890)	(399,322)	(4,253,888)	3,562	(4,250,326)
Cost of sales of copper third-party copper	-	-	-	-	-	(9,879)	-	(23,124)	(33,003)	(971,271)	(1,004,274)
Cost of sales of molybdenum	(40,153)	(4,496)	(5,110)	(12,261)	(27,477)	-	-	-	(89,497)	639	(88,858)
Cost of sales of other products	(72,652)	-	(13,156)	(246)	(34,693)	(106,424)	-	(6,391)	(233,562)	(254)	(233,816)
Cost of sales between segments	(100,136)	22,926	(44,367)	3,886	7,864	(55,342)	(531)	7,313	(158,387)	158,387	-
Cost of sales	**(1,664,361)**	**(681,335)**	**(245,449)**	**(475,386)**	**(840,907)**	**(173,954)**	**(265,421)**	**(421,524)**	**(4,768,337)**	**(808,937)**	**(5,577,274)**
Gross profit (loss)	**227,970**	**469,312**	**20,867**	**180,819**	**687,924**	**(18,822)**	**65,769**	**200,479**	**1,834,318**	**14,872**	**1,849,190**
Other income, by function	7,415	921	6,464	6,486	8,529	1,281	2,375	538	34,009	31,502	65,511
Impairment loss determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	1,315	1,315
Distribution costs	(1,395)	(176)	(643)	(668)	(591)	(199)	(18)	(1,097)	(4,787)	(4,959)	(9,746)
Administrative expenses	(33,927)	(14,505)	(9,420)	(10,539)	(34,794)	(4,259)	(11,883)	(14,499)	(133,826)	(98,519)	(232,345)
Other expenses, by function	(11,825)	(24,965)	(24,524)	(65,056)	(32,438)	(3,566)	(5,199)	(15,327)	(182,900)	(183,179)	(366,079)
Law No. 13.196	(173,516)	(113,656)	(17,130)	(67,935)	(134,130)	(7,050)	(33,509)	(51,404)	(598,330)	-	(598,330)
Other gains (losses)	-	-	-	-	-	-	-	-	-	8,248	8,248
Finance income	259	161	(8)	15	1,373	33	9	50	1,892	22,817	24,709
Finance costs	(35,552)	(23,046)	(6,344)	(30,117)	(77,850)	(4,354)	(9,154)	(23,198)	(209,615)	(27,994)	(237,609)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	132	-	95	(421)	1,101	-	-	-	907	72,816	73,723
Exchange differences	34,327	5,873	6,753	14,576	26,883	5,760	3,983	5,173	103,328	(7,683)	95,645
Income (loss) before taxes	**13,888**	**299,919**	**(23,890)**	**27,160**	**446,007**	**(31,176)**	**12,373**	**100,715**	**844,996**	**(170,764)**	**674,232**
Income (loss) tax expenses	**(10,678)**	**(196,994)**	**14,969**	**(18,012)**	**(290,704)**	**19,408**	**(7,510)**	**(67,211)**	**(556,732)**	**126,414**	**(430,318)**
Income (loss)	**3,210**	**102,925**	**(8,921)**	**9,148**	**155,303**	**(11,768)**	**4,863**	**33,504**	**288,264**	**(44,350)**	**243,914**

The assets and liabilities related to each operating segment, including the Corporation's head office as of June 30, 2019 and December 31, 2018, are detailed in the following tables:

6/30/2019										
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	1,102,529	649,087	306,607	272,264	744,890	85,642	260,415	295,074	1,397,763	5,114,271
Non-current assets	8,604,757	2,075,022	869,873	4,650,455	6,918,151	212,259	1,173,776	3,240,380	5,051,574	32,796,247
Current liabilities	762,300	200,306	130,512	208,834	386,750	71,985	118,871	133,037	2,229,446	4,242,041
Non-current liabilities	900,618	221,325	210,273	487,375	988,494	97,950	143,321	95,089	18,959,118	22,103,563

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 are the following:

Revenue per geographical areas	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Total revenue from domestic customers	757,593	586,794	352,154	304,226
Total revenue from foreign customers	5,159,156	6,839,670	2,414,457	3,602,385
Total	**5,916,749**	**7,426,464**	**2,766,611**	**3,906,611**

Revenue per geographical areas	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
China	904,337	2,151,133	402,375	1,109,616
Rest of Asia	848,681	1,043,363	406,983	486,619
Europe	1,965,756	705,033	979,085	(179,569)
America	1,783,314	1,982,488	959,296	985,284
Other	414,661	1,544,447	18,872	1,504,661
Total	**5,916,749**	**7,426,464**	**2,766,611**	**3,906,611**

During the periods January - June 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.

27. Foreign exchange differences

The detail of foreign exchange differences for the six-month and three-month periods ended June 30, 2019 and 2018, is as follows:

Gain (loss) from foreign exchange differences recognized in income	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$	4/1/2019 6/30/2019 ThUS$	4/1/2018 6/30/2018 ThUS$
Gain from foreign exchange differences	35,389	187,242	8,468	158,869
Loss from foreign exchange differences	(95,571)	(91,597)	(14,687)	(31,415)
Total exchange difference, net	**(60,182)**	**95,645**	**(6,219)**	**127,454**

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	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$
VAT Refund	817,091	747,385
Other	170,430	111,554
Total	**987,521**	**858,939**

Other payments from operating activities	1/1/2019 6/30/2019 ThUS$	1/1/2018 6/30/2018 ThUS$
Finance hedge and sales	(5,238)	8,078
VAT and other similar taxes paid	(635,622)	(709,804)
Total	**(640,860)**	**(701,726)**

During the six-month periods ended June 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 from (used in) activities of financing. During the period January - June 2018, no capital contributions were received.

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 June 30, 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$39 million in net income, respectively. This result is obtained by identifying the main items (including assets and financial liabilities) denominated in foreign currencies in order to measure the impact on profit or loss that a variation of +/- 10 Chilean pesos would have in terms of US$, with respect to the closing exchange rate at the end of the reporting period.

  As of June 30, 2019 there are not time deposits denominated in Chilean pesos (ThUS$270,021 as of December 31, 2018).

- 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 June 30, 2019, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US$10 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 June 30, 2019 correspond to amounts of ThUS$12,798,298 and ThUS$2,320,393, 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 six-month periods ended June 30, 2019, if the future price of copper fluctuates by + / - 5% (with the other variables constant), the result would vary + / - US$173 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect as of June 30, 2019 (MTMF 605). 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 June 30, 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$2,061 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 6/30/2019	Less than one year ThUS$	Between one and five years ThUS$	More than five years ThUS$
Loans from financial institutions	859,479	1,210,609	861,817
Bonds	169,638	1,513,244	10,503,904
Finance leases	138,601	275,541	71,896
Derivatives	17,332	-	136,029
Other financial liabilities	451	61,365	-
Total	**1,185,501**	**3,060,759**	**11,573,646**

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 June 30, 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 June 30, 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 six-month periods ended June 30, 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.

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, whose positive fair value, net of taxes, amounts to ThUS$22,937.

The following table summarizes the detail of the financial hedges contracted by the Corporation:

June 30, 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 (USA)	Swap	4/1/2025	US$	283,491	208,519	101,422	358,435	(257,013)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US$	341,064	409,650	(67,890)	396,481	(464,371)
Bond EUR Mat. 2024	Deustche Bank (England)	Swap	7/9/2024	US$	341,064	409,680	(67,455)	396,481	(463,936)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US$	410,856	406,212	41,871	497,944	(456,073)
Total					**1,376,475**	**1,434,061**	**7,948**	**1,649,341**	**(1,641,393)**

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 June 30, 2019, 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:

June 30, 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 derivates	ThUS$	44,290	7,109	51,399	120,939	114,892	1,512,833	1,748,664

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 June 30, 2019, these operations generated a gain of ThUS$4,081.

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 June 30, 2019, the Corporation performed derivative market transactions of copper that represent 392,275 metric tons of fine copper. These hedging operations are performed as part of the Corporation's commercial policy.

The current contracts as of June 30, 2019, present a positive fair value of ThUS$7,247 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 periods ended June 30, 2019 resulted in a net positive effect on net income of ThUS$5,054, which is comprised of the amounts received for sales contracts for ThUS$4,349 and the amounts paid for purchases contracts for ThUS$705.

b.2. Commercial Transactions of Current Gold and Silver Contracts

As of June 30, 2019, the Corporation maintains derivative contracts for the sale of gold for ThOZT 954.

The contracts outstanding as of June 30, 2019 show a negative fair value of ThUS$4. 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 August 2019.

The operations completed between January 1 and June 30, 2019, generated a negative effect on results of ThUS$973, corresponding to values per physical sales contracts for a negative amount of ThUS$973.

b.3. Cash flow hedging operations backed by future production

The Corporation does not possess cash flow hedges backed by future production as of June 30, 2019.

The following tables set forth the maturities of metal hedging activities, as referred to in point b above:

June 30, 2019	Maturity date						
ThUS$	2019	2020	2021	2022	2023	Upcoming	Total
Flex Com Cobre (Asset)	5,474	2,648	-	-	-	-	8,122
Flex Com Cobre (Liability)	(383)	(40)	(452)	-	-	-	(875)
Flex Com Gold/Silver	(4)	-	-	-	-	-	(4)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	5,087	2,608	(452)	-	-	-	7,243

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

June 30, 2019	Maturity date						
All figures in thousands of metric tons ounces	2019	2020	2021	2022	2023	Upcoming	Total
Copper Futures [MT]	196.53	174.05	21.70	-	-	-	392.28
Gold/Silver Futures [ThOZ]	954.00	-	-	-	-	-	954.00
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]	-	-	-	-	-	-	-

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.

- 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$268 million corresponding to 366 cases. According to the estimate made by the legal advisors of the Corporation, 282 cases, which represent 77.05% of the universe, have associated probable loss results amounting to ThUS$42,057. There are also 64 cases, representing 17.49% for an amount of ThUS$205,935, 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 June 30, 2019 and December 31, 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.

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 June 30, 2019, the Corporation has agreed guarantees for an annual amount of U.F. 28,061,769 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	Issuance rate %	ThUS$
Banco Estado	Radomiro Tomic	2,691,723	UF	11-30-2018	11-11-2019	0.08	110,591
Banco Estado	Ministro Hales	911,821	UF	11-29-2018	11-14-2019	0.08	37,463
Banco De Chile	Ministro Hales	541,257	UF	12-6-2018	11-14-2019	0.10	22,238
Banco De Chile	Chuquicamata	2,300,000	UF	12-5-2018	11-27-2019	0.10	94,497
Banco Bci	Chuquicamata	4,600,000	UF	11-30-2018	11-27-2019	0.15	188,994
Banco Itau	Chuquicamata	915,319	UF	12-27-2018	11-27-2019	0.16	37,606
Banco De Chile	El Teniente	2,632,299	UF	12-5-2018	12-2-2019	0.10	108,150
Banco Santander	El Teniente	5,000,000	UF	12-20-2018	12-2-2019	0.15	205,428
Banco Estado	Gabriela Mistral	1,513,907	UF	11-29-2018	12-15-2019	0.08	62,200
Banco Itau	Salvador	2,700,000	UF	8-8-2018	2-18-2020	0.10	110,931
Banco Santander	Salvador	611,647	UF	2-6-2019	2-18-2020	0.15	25,130
Banco Estado	Andina	3,310,724	UF	10-29-2018	5-3-2020	0.07	136,023
Banco De Chile	Ventanas	333,069	UF	12-13-2018	9-19-2019	0.07	13,684
Total		**28,061,766**					**1,152,935**

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.

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:

Direct Guarantees provided to Financial Institutions					
Creditor of the Guarantee	Type of Guarantee	6/30/2019			12/31/2018
		Currency	Maturity	ThUS$	ThUS$
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
Ministry of national goods	Project of exploitation	CLP	8/28/2019	8	-
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	3/1/2020	1,554	-
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	6/30/2020	3	-
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	7/15/2020	254	-
Minestry of Public Works	Building project	UF	12/31/2019	24,297	-
Minestry of Public Works	Building project	UF	10/1/2019	559	566
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	-
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	USD	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	5/12/2019	-	39,150
Sernageomin	Environmental	UF	5/12/2019	-	38,215
Sernageomin	Environmental	UF	5/25/2019	-	192,789
Sernageomin	Environmental	UF	5/25/2019	-	103,290
Sernageomin	Environmental	UF	5/25/2019	-	96,395
Sernageomin	Environmental	UF	6/1/2019	-	110,322
Sernageomin	Environmental	UF	6/1/2019	-	273,875
Sernageomin	Environmental	UF	6/13/2019	-	73,210
Sernageomin	Environmental	UF	6/13/2019	-	11,980
Sernageomin	Environmental	UF	9/19/2019	13,684	-
Sernageomin	Environmental	UF	11/11/2019	110,591	-
Sernageomin	Environmental	UF	11/14/2019	37,463	-
Sernageomin	Environmental	UF	11/14/2019	22,238	-
Sernageomin	Environmental	UF	11/27/2019	94,497	-
Sernageomin	Environmental	UF	11/27/2019	188,994	-
Sernageomin	Environmental	UF	11/27/2019	37,606	-
Sernageomin	Environmental	UF	12/2/2019	108,150	-
Sernageomin	Environmental	UF	12/2/2019	205,428	-
Sernageomin	Environmental	UF	12/15/2019	62,200	-
Sernageomin	Environmental	UF	2/18/2020	110,931	-
Sernageomin	Environmental	UF	2/18/2020	25,130	-
Sernageomin	Environmental	UF	5/3/2020	136,023	
Total				**2,057,619**	**1,972,879**

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	6/30/2019 ThUS$	12/31/2018 ThUS$
Andina	520	3,891
Chuquicamata	1,184	2,445
Casa Matriz	871,244	803,719
Salvador	622	1,311
El Teniente	2,952	4,137
Ventanas	87	105
Total	**876,609**	**815,608**

33. Balances in foreign currency

a) Assets by Type of Currency

Category	6/30/2019 ThUS$	12/31/2018 ThUS$
Liquid assets	**880,759**	**1,460,534**
US Dollars	783,745	1,383,897
Euros	50,012	25,482
Other currencies	4,249	4,547
Non-indexed Ch$	42,651	46,129
U.F.	102	479
Cash and cash equivalents	**478,871**	**1,229,125**
US Dollars	381,904	1,152,715
Euros	50,012	25,482
Other currencies	4,249	4,547
Non-indexed Ch$	42,604	46,109
U.F.	102	272
Other current financial assets	**401,888**	**231,409**
US Dollars	401,841	231,182
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	47	20
U.F.	-	207
Short and long term receivables	**2,141,074**	**2,409,835**
US Dollars	1,447,491	1,789,757
Euros	115,374	62,857
Other currencies	347	320
Non-indexed Ch$	557,938	482,180
U.F.	19,924	74,721
Trade and other receivables	**2,006,725**	**2,212,209**
US Dollars	1,409,028	1,676,862
Euros	115,374	62,580
Other currencies	347	320
Non-indexed Ch$	463,091	398,966
U.F.	18,885	73,481

Category	6/30/2019 ThUS$	12/31/2018 ThUS$
Rights account receivables, non-current	**96,063**	**84,731**
US Dollars	177	-
Euros	-	277
Other currencies	-	-
Non-indexed Ch$	94,847	83,214
U.F.	1,039	1,240
Due from related companies, current	**20,256**	**92,365**
US Dollars	20,256	92,365
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Due from related companies, non-current	**18,030**	**20,530**
US Dollars	18,030	20,530
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Rest of assets	**34,888,685**	**33,220,436**
US Dollars	34,151,407	32,171,442
Euros	194	705
Other currencies	746	279
Non-indexed Ch$	41,991	377,119
U.F.	694,347	670,891
Total assets	**37,910,518**	**37,090,805**
US Dollars	36,382,643	35,345,096
Euros	165,580	89,044
Other currencies	5,342	5,146
Non-indexed Ch$	642,580	905,428
U.F.	714,373	746,091

b) Liability by type of currency:

Current liability by currency	6/30/2019		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	**3,451,114**	**790,927**	**3,049,854**	**489,558**
US Dollars	2,412,826	652,323	1,824,181	452,648
Euros	93,568	-	107,341	408
Other currencies	9,376	123	9,826	-
Non-indexed Ch$	915,975	124,586	1,088,536	31,419
U.F.	19,369	13,895	19,970	5,083
Other current financial liabilities	**417,863**	**767,638**	**412,451**	**459,826**
US Dollars	393,531	652,272	396,148	452,635
Euros	14,970	-	7,404	408
Other currencies	-	123	34	-
Non-indexed Ch$	951	101,348	879	1,700
U.F.	8,411	13,895	7,986	5,083
Bank loans	**273,173**	**586,306**	**5,739**	**399,132**
US Dollars	273,173	586,306	5,683	398,724
Euros	-	-	-	408
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	-	56	-
Obligations	**138,740**	**30,898**	**401,174**	**34,255**
US Dollars	117,429	30,898	387,578	34,255
Euros	14,970	-	7,404	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	6,341	-	6,192	-
Finance lease	**5,499**	**133,102**	**5,167**	**16,343**
US Dollars	2,887	17,736	2,887	9,560
Euros	-	-	-	-
Other currencies	-	123	-	-
Non-indexed Ch$	542	101,348	542	1,700
U.F.	2,070	13,895	1,738	5,083
Others	**451**	**17,332**	**371**	**10,096**
US Dollars	42	17,332	-	10,096
Euros	-	-	-	-
Other currencies	-	-	34	-
Non-indexed Ch$	409	-	337	-
U.F.	-	-	-	-
Other current liabilities	**3,033,251**	**23,289**	**2,637,403**	**29,732**
US Dollars	2,019,295	51	1,428,033	13
Euros	78,598	-	99,937	-
Other currencies	9,376	-	9,792	-
Non-indexed Ch$	915,024	23,238	1,087,657	29,719
U.F.	10,958	-	11,984	-

Non-current liability by currency	6/30/2019				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	6,794,757	1,412,807	4,685,624	9,210,375	6,804,312	2,260,258	5,142,419	8,000,535
US Dollars	6,208,671	1,270,176	3,644,182	8,134,467	6,396,888	2,114,245	4,160,204	6,918,087
Euros	-	-	(6,502)	-	14	-	(7,832)	-
Other currencies	808	-	-	-	1	-	-	-
Non-indexed Ch$	536,207	138,010	302,368	499,063	390,088	141,392	277,356	505,603
U.F.	49,071	4,621	745,576	576,845	17,321	4,621	712,691	576,845
Other non-current financial liabilities	1,785,961	1,274,797	4,401,195	7,172,452	1,710,559	2,118,866	4,847,087	5,997,998
US Dollars	1,632,286	1,270,176	3,626,105	7,172,452	1,702,164	2,114,245	4,142,228	5,997,998
Euros	-	-	(6,502)	-	-	-	(7,832)	-
Other currencies	807	-	-	-	-	-	-	-
Non-indexed Ch$	113,096	-	36,016	-	219	-	-	-
U.F.	39,772	4,621	745,576	-	8,176	4,621	712,691	-
Bank loans	911,125	299,484	298,344	563,473	548,454	677,507	298,250	582,867
US Dollars	911,125	299,484	298,344	563,473	548,454	677,507	298,250	582,867
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	-	-	-	-	-	-
Obligations	637,263	875,981	3,894,925	6,608,979	1,065,419	1,414,296	4,415,461	5,415,131
US Dollars	637,263	875,981	2,495,029	6,608,979	1,065,419	1,414,296	3,034,864	5,415,131
Euros	-	-	674,942	-	-	-	678,446	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	724,954	-	-	-	702,151	-
Finance Lease	176,209	99,332	71,896	-	32,714	27,063	26,552	-
US Dollars	22,537	94,711	15,258	-	24,322	22,442	16,012	-
Euros	-	-	-	-	-	-	-	-
Other currencies	807	-	-	-	-	-	-	-
Non-indexed Ch$	113,093	-	36,016	-	216	-	-	-
U.F.	39,772	4,621	20,622	-	8,176	4,621	10,540	-
Others	61,364	-	136,030	-	63,972	-	106,824	-
US Dollars	61,361	-	817,474	-	63,969	-	793,102	-
Euros	-	-	(681,444)	-	-	-	(686,278)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	3	-	-	-	3	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other liabilities non-current	5,008,796	138,010	284,429	2,037,923	5,093,753	141,392	295,332	2,002,537
US Dollars	4,576,385	-	18,077	962,015	4,694,724	-	17,976	920,089
Euros	-	-	-	-	14	-	-	-
Other currencies	1	-	-	-	1	-	-	-
Non-indexed Ch$	423,111	138,010	266,352	499,063	389,869	141,392	277,356	505,603
U.F.	9,299	-	-	576,845	9,145	-	-	576,845

34. Sanctions

As of June 30, 2019 and December 31, 2018, 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 June 30, 2019, 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 six-month periods ended June 30, 2019 and 2018, respectively, and the projected future expenses are stated below.

Entity	Proyect name	Disbursements 6/30/2019				6/30/2018	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	40,261	Asset	P, P & E	39,396	91,026	2020
Codelco Chile	Emergency restoration system dust control crushing plant 2/3	Finished	-	Asset	P, P & E	6,114	-	-
Codelco Chile	Replacement of circulation pot 1A and 2A	In Progress	4,395	Asset	P, P & E	221	11,322	2019
Codelco Chile	Construction installation surplus management	In Progress	561	Asset	P, P & E	116	-	-
Codelco Chile	Replacement of water treatment plant	In Progress	2,200	Asset	P, P & E	3,294	-	-
Codelco Chile	Replacement gas management system	In Progress	1,050	Asset	P, P & E	3,294	9,390	2019
Codelco Chile	Acid plant tranformation 3-4 DC/DA	In Progress	62,676	Asset	P, P & E	34,672	136,187	2019
Codelco Chile	Enablement refining gas treatment system	In Progress	12,073	Asset	P, P & E	737	35,049	2019
Codelco Chile	Dryer replacement n ° 5 fuco	In Progress	12,644	Asset	P, P & E	1,961	23,613	2019
Codelco Chile	Management feeding and transport powders	In Progress	-	Asset	P, P & E	257	-	-
Codelco Chile	Construction Relle Res Dom-Asim Montec	In Progress	60	Asset	P, P & E	123	11,721	2019
Codelco Chile	Construction IX stage Talambre tranque	In Progress	3,607	Asset	P, P & E	485	7,652	2019
Codelco Chile	Construction 8 Seg Montecristo	In Progress	1,147	Asset	P, P & E	34	15,513	2019
Codelco Chile	Acid plants	In Progress	7,605	Expenditure	Adm. Expense	8,272	-	2019
Codelco Chile	Solid waste	In Progress	549	Expenditure	Adm. Expense	678	1,819	2019
Codelco Chile	Tailings	In Progress	4,951	Expenditure	Adm. Expense	9,681	-	2019
Codelco Chile	Water treatment plant	In Progress	4,508	Expenditure	Adm. Expense	5,996	-	2019
Codelco Chile	Environmental monitoring	In Progress	327	Expenditure	Adm. Expense	1,106	4,254	2019
	Total Chuquicamata		**158,614**			**116,437**	**347,546**	
	Salvador							
Codelco Chile	Improved integration of the gas process	In Progress	44,588	Asset	P, P & E	16,581	55,964	2019
Codelco Chile	Concentrator filter plant construction	In Progress	-	Asset	P, P & E	51	-	-
Codelco Chile	Water capture improvement	In Progress	-	Asset	P, P & E	147	-	-
Codelco Chile	Tailings	In Progress	2,374	Expenditure	Adm. Expense	897	670	2019
Codelco Chile	Acid plants	In Progress	32,297	Expenditure	Adm. Expense	14,693	4,942	2019
Codelco Chile	Solid waste	In Progress	1,102	Expenditure	Adm. Expense	517	134	2019
Codelco Chile	Water treatment plant	In Progress	940	Expenditure	Adm. Expense	319	233	2019
Codelco Chile	Overhaul thickeners tailings sal-proy	In Progress	1,489	Asset	P, P & E	201	16,399	2019
Codelco Chile	Dangerous substances warehouse	In Progress	301	Asset	P, P & E	-	8,996	2019
Codelco Chile	Bell replacement	In Progress	9,352	Asset	P, P & E	-	15,203	2019
Codelco Chile	Ditch hazardous waste	In Progress	231	Asset	P, P & E	-	634	2019
Codelco Chile	DRPA Emergency	In Progress	2,379	Asset	P, P & E	-	11,644	2019
	Total Salvador		**95,052**			**33,406**	**114,820**	
	Andina							
Codelco Chile	Drain water treatment	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Water Normative Phase 2	In Progress	-	Asset	P, P & E	421	-	-
Codelco Chile	Construction site emergency plan	In Progress	1,520	Asset	P, P & E	2,952	3,049	2019
Codelco Chile	Construction site emergency plan	Finished	-	Asset	P, P & E	1,026	-	-
Codelco Chile	Improved water internal tip E2	In Progress	256	Asset	P, P & E	112	-	-
Codelco Chile	Construction early alert plan	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Implementation in RCA compliance wells (Hydraulic Barrier)	In Progress	-	Asset	P, P & E	322	-	-
Codelco Chile	Catchment water drainage hill black	In Progress	127	Asset	P, P & E	958	543	2019
Codelco Chile	Construction canal outline DL east	In Progress	3,263	Asset	P, P & E	1,305	18,713	2020
Codelco Chile	Standard fuel supply system	In Progress	-	Asset	P, P & E	65	-	-
Codelco Chile	Construction site emergency plan	In Progress	2,425	Asset	P, P & E	144	4,526	2019
Codelco Chile	Oo Sbr Level 640 Msnm Tranq	In Progress	-	Asset	P, P & E	9,469	-	-
Codelco Chile	Expansion dam	In Progress	21,753	Asset	P, P & E	-	95,257	2020
Codelco Chile	Construction Structure and instruments	In Progress	45	Asset	P, P & E	-	3,186	2020
Codelco Chile	Water injection system	In Progress	33	Asset	P, P & E	-	3,381	2020
Codelco Chile	construction of pits containment of spills	In Progress	94	Asset	P, P & E	-	866	2020
Codelco Chile	Valve and works rating	In Progress	47	Asset	P, P & E	-	3,089	2020
Codelco Chile	Solid waste	In Progress	1,286	Expenditure	Adm. Expense	1,409	410	2019
Codelco Chile	Water treatment plant	In Progress	331	Expenditure	Adm. Expense	1,930	834	2019
Codelco Chile	Trailing	In Progress	15,257	Expenditure	Adm. Expense	33,377	14,740	2019
Codelco Chile	Acid drainage	In Progress	11,334	Expenditure	Adm. Expense	15,288	5,260	2019
Codelco Chile	Environmental monitoring	In Progress	37	Expenditure	Adm. Expense	260	110	2019
Codelco Chile	Sustainability and external matters management	In Progress	500	Expenditure	Adm. Expense	1,477	471	2019
	Total Andina		**58,308**			**70,515**	**154,434**	
Subtotal			**311,973**			**220,358**	**616,800**	

Entity	Proyect name		Disbursements 6/30/2019			6/30/2018	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	11,183	Asset	P, P & E	3,585	269,459	2022
Codelco Chile	Construction of 6th phase of Carén	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Construction of slag treatment plant	In Progress	46,839	Asset	P, P & E	10,859	61,386	2019
Codelco Chile	Construction of slag treatment plant	In Progress	-	Asset	P, P & E	5,615	-	-
Codelco Chile	Smelting emissions network	In Progress	19,775	Asset	P, P & E	8,534	8,222	2019
Codelco Chile	Smoke capacity reduction	In Progress	-	Asset	P, P & E	2,070	24,555	2019
Codelco Chile	Smoke capacity reduction	In Progress	3,332	Asset	P, P & E	1,706	3,530	2019
Codelco Chile	Construction of slag treatment plant	In Progress	149	Asset	P, P & E	837	2,074	2019
Codelco Chile	Acid plants	In Progress	19,261	Expenditure	Adm. Expense	32,909	6,917	2019
Codelco Chile	Solid waste	In Progress	309	Expenditure	Adm. Expense	2,552	700	2019
Codelco Chile	Water treatment plant	In Progress	3,787	Expenditure	Adm. Expense	8,726	3,995	2019
Codelco Chile	Tailings	In Progress	18,806	Expenditure	Adm. Expense	34,325	13,658	2019
	Total El Teniente		**123,441**			**111,718**	**394,497**	
	Gabriela Mistral							
Codelco Chile	Installation of the rubble dump folder phase VI	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Installation of the rubble dump folder phase VII	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Replacement three tracked tractors	In Progress	187	Asset	P, P & E	187	5,566	-
Codelco Chile	Environmental monitoring	In Progress	9	Expenditure	Adm. Expense	25	8	2019
Codelco Chile	Solid waste	In Progress	2,740	Expenditure	Adm. Expense	954	297	2019
Codelco Chile	Environmental consultancy	In Progress	2,120	Expenditure	Adm. Expense	55	-	2019
Codelco Chile	Water treatment plant	In Progress	119	Expenditure	Adm. Expense	-	17	2019
Codelco Chile	Garbage dump extension	In Progress	10,051	Asset	P, P & E	-	30,501	2020
Codelco Chile	Improved dust collection system	In Progress	418	Asset	P, P & E	-	-	2020
	Total Gabriela Mistral		**15,644**			**1,221**	**36,389**	
	Ventanas							
Codelco Chile	Construction new warehouse of concentrate	In Progress	-	Asset	P, P & E	688	-	-
Codelco Chile	Acid plants	In Progress	10,555	Expenditure	Adm. Expense	14,082	3,205	2019
Codelco Chile	Solid waste	In Progress	412	Expenditure	Adm. Expense	1,103	462	2019
Codelco Chile	Environmental monitoring	In Progress	481	Expenditure	Adm. Expense	772	137	2019
Codelco Chile	Water treatment plant	In Progress	2,521	Expenditure	Adm. Expense	2,618	909	2019
Codelco Chile	Distribution system replacement	In Progress	67	Asset	P, P & E	-	784	2019
	Total Ventanas		**14,036**			**19,263**	**5,497**	
	Radomiro Tomic							
Codelco Chile	Solid waste	In Progress	258	Expenditure	Adm. Expense	529	202	2019
Codelco Chile	Environmental monitoring	In Progress	246	Expenditure	Adm. Expense	378	189	2019
Codelco Chile	Water treatment plant	In Progress	350	Expenditure	Adm. Expense	453	139	2019
	Total Radomiro Tomic		**854**			**1,360**	**530**	
	Ministro Hales							
Codelco Chile	Solid waste	In Progress	1,466	Expenditure	Adm. Expense	2,186	720	2019
Codelco Chile	Environmental monitoring	In Progress	374	Expenditure	Adm. Expense	433	83	2019
Codelco Chile	Water treatment plant	In Progress	182	Expenditure	Adm. Expense	666	214	2019
Codelco Chile	Pit drainage wells mine	In Progress	70	Asset	P, P & E	-	6,654	2019
Codelco Chile	Implementation monitoring acuifero pit	In Progress	88	Asset	P, P & E	-	3,500	2019
	Total Ministro Hales		**2,180**			**3,285**	**11,171**	
	Ecometales Limited							
Codelco Chile	Smelting powders leaching plant	In Progress	366	Expenditure	Adm. Expense	288	451	2019
Codelco Chile	Smelting powders leaching plant	In Progress	4	Expenditure	Adm. Expense	4	7	2019
	Total Ecometales Limited		**370**			**292**	**458**	
Subtotal			**156,525**			**137,139**	**448,541**	
Total			**468,498**			**357,497**	**1,065,341**	

36. Subsequent events

- On July 12, 2019, it was reported as essential fact that the Board of Directors of Codelco has nominated Mr. Octavio Araneda Osés, as Executive President of the Corporation, who will assume his position from September 1, 2019, replacing Mr. Nelson Pizarro Contador, who has submitted his voluntary resignation to the company, which will be effective as of that same date.

- On July 26, 2019, it was reported as an essential fact that the following main executives were appointed, as of September 1, 2019:
  1- Appoint Mr. Mauricio Barraza Gallardo as vice president of operations south center.
  2- Appoint Mr. Nicolás Rivera Rodriguez, as general manager Chuquicamata Division.
  3- Appoint Mr. Andrés Music Garrido as general manager of El Teniente Division.

- On August 6, 2019, it was reported as an essential fact that on the same day, the sale of Codelco's participation in the GNL Mejillones S.A. company was completed. (37%) to LNG Ameris IPM SpA, for an amount of US$193.48 million. This sale process is achieved after an international search process for buyers of said corporate participation, which had a broad participation by different companies and investment funds and was developed within the framework of the optimization process of the Corporation's assets. , in order to strengthen its financial position against the project portfolio, focusing on its main activity, copper mining.

  It is noted that, given that Codelco has secured the supply of energy in its northern divisions, the aforementioned had been categorized by the Corporation as an expendable asset.

- In addition to the essential fact sent by the Corporation on August 6, 2019 related to the sale of our stake in GNL Mejillones SA, for an amount of US$193.5 million, it is reported that the accounting profit before taxes reached approximately US$104 million, and the result after taxes at approximately US$ 36 million. 100% of the value of the transaction was received in cash on August 6, 2019.

- On August 8, 2019, it was reported as an essential fact that Codelco made two placements for a total equivalent to US$180 million, at 10 and 20 year terms, respectively in the international financial capital market.

  In turn, complementing these operations, Codelco signed a bilateral credit agreement with Export Develoment Canada for a total amount of US$300 million over a 10-year term.
  In this way, and through these three financing operations, Codelco efficiently assures the resources to invest in its structural projects, the first of which Chuquicamata Underground began its commissioning at the end of last April.

- On August 19, 2019, details of the placement of bonds abroad made on August 8, 2019, as established in the Circular No. 1,072, regarding the financing operation.

- On August 29, 2019, it was communicated as an essential fact,that it has proceeded to designate, as of September 1, 2019, Mr. Rodrigo Barrera Páez as General Manager of the Minister Hales Division.

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 July 1, 2019 and the date of issuance of these interim unaudited consolidated financial statements up to the August 29, 2019.

Nelson Pizarro Contador
Chief Executive Officer

Alejandro Rivera Stambuk
Chief Financial Officer

Javier Tapia Avila
Accounting and Finance Control Manager
Accounting Director

Cristóbal Parrao Cartagena
Accounting Director (I)

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)

TABLE OF CONTENTS
CONSOLIDATED FINANCIAL STATEMENTS
(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION 5
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION 6
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) 7
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) 8
CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD 9
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY 10
I. GENERAL INFORMATION 11
1. Corporate Information 11
2. Basis of Presentation of the Consolidated Financial Statements 12
II. SIGNIFICANT ACCOUNTING POLICIES 14
1. Significant Judgments and Key Estimates 14
2. Significant accounting policies 18
3. New standards and interpretations adopted by the Corporation 36
4. New accounting pronouncements 39
III. EXPLANATORY NOTES 42
1. Cash and cash equivalents 42
2. Trade and other receivables 42
3. Balance and transactions with related parties 44
4. Inventories 50
5. Income taxes and deferred taxes 51
6. Current and non-current tax assets and liabilities 53
7. Non-current assets or groups of assets for disposition classified as held for sale 54
8. Property, Plant and Equipment 54
9. Investments accounted for using the equity method 58
10. Intangible assets other than goodwill 65
11. Subsidiaries 67
12. Other non-current non-financial assets 68
13. Current and non-current financial assets 68
14. Interest-bearing borrowings 69
15. Fair Value of financial assets and liabilities 78
16. Fair value hierarchy 78
17. Trade and other payables 79
18. Other provisions 79
19. Employee benefits 80
20. Equity 84
21. Revenue 87
22. Expenses by nature 88
23. Impairment of Assets 88
24. Other income and expenses by function 89
25. Finance costs 90
26. Operating segments 90
27. Foreign exchange differences 97
28. Statement of cash flows 98
29. Financial risk management, objectives and policies 98
30. Derivatives contracts 102
31. Contingencies and restrictions 105

32. Guarantees 111
33. Balances in foreign currency 113
34. Sanctions 116
35. Environmental Expenditures 116
36. Subsequent events 120

Deloitte
Auditores y Consultores Limitada
Rosario Norte 407
Rut: 80.276.200-3
Las Condes, Santiago
Chile
Fono: (56) 227 297 000
Fax: (56) 223 749 177
deloittechile@deloitte.com
www.deloitte.cl

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.

Deloitte® se refiere a Deloitte Touche Tohmatsu Limited una compañía privada limitada por garantía, de Reino Unido, y a su red de firmas miembro, cada una de las cuales es una entidad legal separada e independiente. Por favor, vea en www.deloitte.com/cl/acercade la descripción detallada de la estructura legal de Deloitte Touche Tohmatsu Limited y sus firmas miembro.

Deloitte Touche Tohmatsu Limited es una compañía privada limitada por garantía constituida en Inglaterra & Gales bajo el número 07271800, y su domicilio registrado: Hill House, 1 Little New Street, London, EC4A 3TR, Reino Unido.

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.

March 28, 2019
Santiago, Chile

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.

The companies included in the consolidation are as follows:

Taxpayer ID Number	Company	Country	Currency	12/31/2018			12/31/2017
				% 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	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".

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.

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.

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.

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.

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.

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.

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:

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2018 12/31/2018	1/1/2017 12/31/2017
					Amount ThUS$	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:

Name	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2018 12/31/2018	1/1/2017 12/31/2017
					Amount ThUS$	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.

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 ThUS$	12/31/2017 ThUS$	12/31/2018 ThUS$	12/31/2017 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**

Accounts payable to related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12/31/2018 ThUS$	12/31/2017 ThUS$	12/31/2018 ThUS$	12/31/2017 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 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	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

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.

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**

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% ThUS$	**40,0%** ThUS$	**5%** ThUS$	**25,0%** ThUS$	**40,0%** ThUS$	**5%** ThUS$	**Total** 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% ThUS$	**40,0%** ThUS$	**5%** ThUS$	**25,0%** ThUS$	**40,0%** ThUS$	**5%** ThUS$	**Total** 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.

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.

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**

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**

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**

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.

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 ThUS$	12/31/2017 ThUS$	1/1/2018 12/31/2018 ThUS$	1/1/2017 12/31/2017 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

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**

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.

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**

	12/31/2017		
Item	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;

(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

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 ThUS$	Amortized Cost ThUS$	Derivatives for hedging		Total financial assets ThUS$
			Hedging derivatives ThUS$	Cross currency swap 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 ThUS$	Amortized Cost ThUS$	Derivatives for hedging		Total financial assets ThUS$
			Hedging derivatives ThUS$	Cross currency swap 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.

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.

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.

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.

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.

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.

The present value of future lease payments for financial lease obligations are detailed in the following table:

Financial Leases	12/31/2018			12/31/2017		
	Gross ThUS$	Interest ThUS$	Present Value ThUS$	Gross ThUS$	Interest ThUS$	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:

					Changes that do not represent cash flow					
Liabilities forfinancing activities	**Initial Balance at 1/1/2018**	**Flows of cash**			**Financial Cost (1)**	**Exchange Difference**	**Fair Value Adjustment**	**Effective Interest accretion/amortization not cah flow related**	**Other**	**Final Balance at 12/31/2018**
	ThUS$	**From** ThUS$	**Used** ThUS$	**Total** 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**

					Changes that do not represent cash flow					
Liabilities forfinancing activities	**Initial Balance at 1/1/2017**	**Flows of cash**			**Financial Cost (1)**	**Exchange Difference**	**Fair Value Adjustment**	**Effective Interest accretion/amortization not cah flow**	**Other**	**Final Balance at 12/31/2017**
	ThUS$	**From** ThUS$	**Used** ThUS$	**Total** 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**

(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.

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.

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.

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 ThUS$	12/31/2017 ThUS$	12/31/2018 ThUS$	12/31/2017 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.

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:

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.

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.

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:

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.

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.

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)**

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.

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**

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**

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**

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)**

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 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.

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)**

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.

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.

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:

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:

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

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

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	-

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.

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**	

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.

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

THE ISSUER

Corporación Nacional del Cobre de Chile
Huérfanos 1270
Santiago
Republic of Chile

TRUSTEE

The Bank of New York Mellon
240 Greenwich Street, Floor 7 East
New York, New York 10286
United States

ANEXO 3

SUBSCRIPTION AGREEMENT

Execution Version

U.S.$200,000,000

CORPORACIÓN NACIONAL DEL COBRE DE CHILE

Regulation S Note Program

SUBSCRIPTION AGREEMENT

July 15, 2019

Daiwa Capital Markets America Inc.
Financial Square, 32 Old Slip
New York, NY 10005
(the "Dealer Manager")

Ladies and Gentlemen:

Corporación Nacional del Cobre de Chile, a state-owned enterprise organized under the laws of Chile (the "Issuer"), hereby confirms its agreement with the Dealer Manager with respect to the establishment of a program (the "Program") for the issuance and sale from time to time by the Issuer of up to an aggregate principal amount at any one time outstanding of U.S.$200,000,000 (or the equivalent in foreign currencies) of one or more series of its senior unsecured notes (the "Notes"). The Notes will be issued pursuant to the Indenture, dated as of February 5, 2019 (the "Base Indenture"), among the Issuer, 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 "Paying Agent"), as amended or supplemented from time to time, among the Issuer, Trustee and Paying Agent and the other paying agents and transfer agents named therein (such amendments or supplements, together with the Base Indenture, the "Indenture").

The Notes will be sold to the Dealer Manager in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act of 1933, as amended (the "Securities Act").

The Issuer has prepared a base prospectus dated July 15, 2019 (as amended or supplemented from time to time, the "Base Prospectus") in accordance with applicable laws and regulations, setting forth information concerning the Issuer and the Notes. The Issuer hereby confirms that it has authorized the use of the Base Prospectus and the General Disclosure Package (as defined below) in connection with the offering and resale of the Notes by the Dealer Manager in the manner contemplated by this Agreement.

The Notes will have the maturities, interest rates, redemption provisions, if any, and other terms set forth in the Base Prospectus as it may be amended or supplemented from time to time. The Notes will be issued, and the terms and conditions thereof established, from time to time by the Issuer in accordance with the Indenture.

With respect to each issue of Notes, "Applicable Time" means such time on the date of the applicable Final Terms (as defined below) as is specified therein as the Execution Time, and "General Disclosure Package" means the Base Prospectus as amended or supplemented at the Applicable Time, taken together with the final pricing information relating to such issuance of Notes substantially in the form of Annex A attached hereto (the "Final Terms").

The Issuer hereby confirms its agreement with the Dealer Manager concerning the purchase and resale of the Notes, as follows:

1. Purchase and Resale of the Notes.

(a) With respect to each issue of Notes, the Dealer Manager agrees with the Issuer to purchase the Notes at the aggregate purchase price (the "Purchase Price") and on the terms set forth in the Final Terms.

(b) The Issuer understands that the Dealer Manager intends to offer the Notes pursuant to Regulation S under the Securities Act ("Regulation S"), as soon after the parties hereto have executed and delivered this Agreement as in the judgment of the Dealer Manager is advisable and initially on the terms set forth in the General Disclosure Package. The Dealer Manager represents and warrants to, and agrees with, the Issuer that:

(i) it is a qualified institutional buyer within the meaning of Rule 144A (a "QIB") and an accredited investor within the meaning of Rule 501(a) of Regulation D under the Securities Act ("Regulation D");

(ii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Notes by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act; and

(iii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Notes as part of their initial offering outside of the U.S. except in accordance with the selling restrictions set forth in Annex B hereto.

(c) The Dealer Manager acknowledges and agrees that the Issuer and, for purposes of the opinion to be delivered to the Trustee pursuant to the Indenture, counsel to the Issuer may rely upon the accuracy of the representations and warranties of the Dealer Manager, and compliance by the Dealer Manager with its representations and agreements contained in this Section 1 and Section 5 hereof, and the Dealer Manager hereby consents to such reliance.

(d) The Issuer acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Agreement is an arm's-length commercial transaction between the Issuer, on the one hand, and the Dealer Manager, on the other hand, (ii) in connection with the offering contemplated hereby and the process leading to such transaction, the Dealer Manager is, and has been, acting solely as a principal and is not the agent or fiduciary of the Issuer directly or indirectly, (iii) the Dealer Manager has not and will not assume an advisory or fiduciary

responsibility in favor of the Issuer with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Dealer Manager has advised or is currently advising the Issuer on other matters) and the Dealer Manager has no similar obligation to the Issuer with respect to the offering of the Notes contemplated hereby except the obligations expressly set forth in this Agreement, (iv) the Dealer Manager and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer and (v) the Dealer Manager has not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby, and the Issuer has consulted its own legal, accounting, regulatory and tax advisors to the extent the Issuer deemed appropriate.

2. Payment and Delivery.

(a) Payment for and delivery of the each issue of Notes will be made at the time and date as the Dealer Manager and the Issuer agree to in writing. With respect to each issue of Notes, the time and date of such payment and delivery is referred to herein as the "Closing Date." Delivery of the Notes shall be made through the facilities of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream") and any other relevant clearing system unless the Dealer Manager shall otherwise instruct.

(b) The Notes to be purchased by the Dealer Manager hereunder will be represented by one or more definitive global Notes in book-entry form (each, a "Global Note") which will be registered in the name of a nominee for a common depositary ("Common Depositary") on behalf of Clearstream and Euroclear for credit on the applicable Closing Date to the accounts of the Dealer Manager at Euroclear and Clearstream. The Issuer will cause the certificates representing the Notes to be made available to the Dealer Manager for review at least 24 hours prior to the applicable Closing Date. The Issuer will deliver or cause the delivery of the Global Note relating to each issuance of Notes, duly executed by the Issuer and authenticated by the Trustee in accordance with the Indenture to the Common Depositary. Against such delivery, the Dealer Manager shall pay or cause to be paid to the Issuer the Purchase Price, with any transfer taxes payable in connection with the initial sale of the Notes duly paid by the Issuer.

3. Representations, Warranties and Agreements of the Issuer.

The Issuer represents, warrants and agrees with the Dealer Manager that:

(a) Base Prospectus and General Disclosure Package. (i) The Base Prospectus and any amendments or supplements thereto, as of their respective dates, did not and will not; and (ii) with respect to each issue of Notes, the General Disclosure Package and any amendments or supplements thereto, at the Applicable Time, will not, in each case contain any untrue statement of a material fact or omit 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; provided, however, that the Issuer does not make any representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information furnished to the Issuer in writing by the Dealer Manager expressly for use in the Base Prospectus or the General Disclosure Package (it being understood and agreed that the only such information is that described in Section 7(g) hereof).

(b) Additional Written Communications. The Issuer (including its agents and representatives, other than the Dealer Manager in its capacity as such) has not prepared, made, used, authorized, approved or referred to nor will prepare, make, use, authorize, approve or refer to any Written Communication that constitutes an offer to sell or solicitation of an offer to buy the Notes (each such communication by the Issuer or its agents and representatives (other than a communication referred to in clauses (i) and (ii) below), an "Issuer Written Communication") other than (i) the Base Prospectus, (ii) the General Disclosure Package and (iii) any electronic road show or other Written Communications, in each case used in accordance with Section 4(c) hereof. Each Issuer Written Communication, when taken together with the General Disclosure Package, as of the Applicable Time and at the applicable Closing Date, will not contain any untrue statement of a material fact or omit 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; provided, however, that the Issuer does not make any representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information furnished to the Issuer in writing by the Dealer Manager expressly for use in an Issuer Written Communication (it being understood and agreed that the only such information is that described in Section 7(g) hereof).

(c) Financial Statements. The financial statements and the related notes thereto included in the General Disclosure Package presents fairly the financial position of the Issuer and its Consolidated Subsidiaries as of the dates shown and their results of operations and statements of changes in cash flow and equity for the periods shown, and except as otherwise disclosed in the General Disclosure Package, such financial statements have been prepared in conformity with International Financial Reporting Standards as adopted by the International Accounting Standards Board applied on a consistent basis.

(d) No Material Adverse Change. Since the dates as of which information is given in the General Disclosure Package, nothing has occurred giving rise to a current or prospective material adverse change in the condition (financial or otherwise), business or properties of the Issuer and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except (i) as set forth in or contemplated in the General Disclosure Package (exclusive of any amendment or supplement thereto) and (ii) where any such loss or interference would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), business or properties of the Issuer and its Subsidiaries, taken as a whole, the Indenture, the Notes or this Agreement (a "Material Adverse Effect").

(e) Organization. The Issuer has been duly created and is validly existing as a state-owned enterprise under the laws of Chile with corporate power and authority to enter into the Indenture, the Notes and this Agreement and to own its properties and conduct its business as described in the General Disclosure Package and is duly qualified to do business in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified or have power or authority would not, individually or in the aggregate, have a Material Adverse Effect.

(f) Capitalization. The Issuer is wholly owned by the Republic of Chile. There are no outstanding subscriptions, rights, warrants, calls, commitments of sale or options to acquire, or instruments convertible into or exchangeable for, any equity or other ownership interest of the Issuer.

(g) Base Indenture; Supplemental Indentures. (i) The Base Indenture has been duly authorized, executed and delivered by the Issuer, and constitutes a legal, valid and binding instrument enforceable against the Issuer in accordance with its terms, subject to fraudulent transfer, reorganization, moratorium and other similar laws of general applicability relating to or affecting creditors' rights generally and to general equity principles (collectively, the "Enforceability Exceptions"); and (ii) with respect to each issue of Notes, any supplements or amendments related to the Base Indenture, as of the applicable Closing Date, will be duly authorized, executed and delivered by the Issuer, and will constitute a legal, valid and binding instrument enforceable against the Issuer in accordance with its terms, subject to the Enforceability Exceptions.

(h) Notes. The issuance of the Notes has been duly authorized by the Issuer (including, without limitation, by approval of its board of directors) and, when executed by the Issuer, authenticated by the Trustee in accordance with the provisions of the Indenture and delivered and paid for by the Dealer Manager in accordance with the terms of this Agreement and the Indenture, will constitute valid and binding obligations of the Issuer, entitled to the benefits provided by the Indenture, and enforceable against the Issuer in accordance with their terms, subject to the Enforceability Exceptions.

(i) Subscription Agreement. This Agreement has been duly authorized, executed and delivered by the Issuer.

(j) No Conflicts. The execution, delivery and performance of the Indenture, the Notes and this Agreement, and the issuance and sale of the Notes and compliance with the terms and provisions hereof and thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the creation of any claim, lien or encumbrance on any property of the Issuer or any Subsidiary of the Issuer under (i) any provision of applicable Chilean law; (ii) the Decree Law No. 1,350 of 1976, as amended from time to time, and the Issuer'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 Issuer; (iii) any statute, rule, regulation or order of any governmental agency or body or any court (Chilean or foreign) having jurisdiction over the Issuer or any of its Subsidiaries or any of their properties; or (iv) any agreement or instrument to which the Issuer is a party or by which the Issuer is bound or to which any of the properties of the Issuer or any of its Subsidiaries is subject; and the Issuer has full power and authority to authorize, issue and sell the Notes as contemplated by this Agreement.

(k) No Consents. No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by the Indenture, the Notes or this Agreement or in connection with the issuance and sale of the Notes by the Issuer or the transactions contemplated hereby and thereby, except for (i) 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. 1,656 dated December 5, 2018 and published in the Official Gazette on January 15, 2019; (B) authorization granted by the Minister of Finance to the Issuer to enter into negotiations relating to the issue of the Notes, pursuant to Decree Law No. 1,350 of 1976, as amended and pursuant to Ordinary Resolution No. 1070 issued by the Ministry of Finance on June 3, 2019; and (C) 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; (ii) in relation to each issue of Notes, authorization granted by the Minister of Finance to the Issuer to issue the Notes, each of which will be obtained in due course; and (iii) such as may be required under the blue sky or securities laws of any jurisdiction in connection with the purchase and distribution of the Notes by the Dealer Manager in the manner contemplated herein and in the General Disclosure Package. 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 Issuer is exempt from the Central Bank of Chile's regulations in connection with the issuance, placement and payments upon the Notes. The Issuer is entitled to make payments under the Notes with its own available foreign currency obtained from its export operations and deposited with the Central Bank of Chile.

(l) Properties. The Issuer and each of its Subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them; and the Issuer and each of its Subsidiaries hold any leased real or personal property under valid and enforceable leases with such exceptions as are not material to the Issuer and its Subsidiaries taken as a whole, and that would not materially interfere with the use made or to be made thereof by them, except where the failure to have such good and marketable title or valid and enforceable lease would not, individually in the aggregate, have a Material Adverse Effect.

(m) Concessions and Licenses. The Issuer and each of its Subsidiaries possess all concessions, licenses, certificates, authorizations, orders or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation, *rescate* or modification of any such license, certificate, authorization, order or permit, that, if determined adversely to the Issuer or any of its Subsidiaries, would, individually or in the aggregate, have a Material Adverse Effect.

(n) Labor Disputes. No labor dispute with the employees of the Issuer or any of its Subsidiaries exists or, to the knowledge of the Issuer, is imminent that would, individually or in the aggregate, have a Material Adverse Effect.

(o) Intellectual Property. The Issuer and each of its Subsidiaries owns, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "intellectual property rights") necessary to conduct the business now

operated by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights that, if determined adversely to the Issuer or any of its Subsidiaries, would, individually or in the aggregate, have a Material Adverse Effect.

(p) Environmental Laws. The Issuer and its Subsidiaries (i) are not in violation of any statute, rule, regulation, decision or order of any governmental agency or body or any court (Chilean or foreign) relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "Environmental Laws"), (ii) do not own or operate any real property contaminated with any substance that is subject to any Environmental Laws, (iii) are not liable for any off-site disposal or contamination pursuant to any Environmental Laws, or (iv) are not subject to any claim relating to any Environmental Laws, which violation, contamination, liability or claim would, individually or in the aggregate, have a Material Adverse Effect; and the Issuer is not aware of any pending investigation that would, individually or in the aggregate, have a Material Adverse Effect.

(q) Legal Proceedings. There are no pending investigations, actions, suits or proceedings against or affecting the Issuer or any of its Subsidiaries or any of their respective properties that, if determined adversely to the Issuer or any Subsidiary, would, individually or in the aggregate, have a Material Adverse Effect, or would materially and adversely affect the ability of the Issuer to perform its obligations under the Indenture, the Notes or this Agreement, or which are otherwise material in the context of the issuance and sale of the Notes; and no such investigations, actions, suits or proceedings are threatened or, to the Issuer's best knowledge, contemplated.

(r) Unlawful Payments. Neither the Issuer nor any of its Subsidiaries nor, to the best knowledge of the Issuer, any current director, officer or employee of, or any person acting on behalf of, the Issuer or any of its Subsidiaries, has violated or is in violation of, with respect to the Issuer or any of its Subsidiaries, any provision of any Chilean law concerning bribery or public corruption, the U.S. Foreign Corrupt Practices Act of 1977 or the UK Bribery Act 2010, each as may be amended, or has made a material violation of any other similar law of any other relevant jurisdiction, or the rules or regulations thereunder. The Issuer has instituted and maintains and will continue to maintain policies and procedures designed to promote and ensure, and which are reasonably expected to continue to ensure, continued compliance with all applicable anti-bribery and anti-corruption laws.

(s) Money Laundering Laws. The operations of the Issuer and its Subsidiaries are and have been conducted at all times in material compliance with applicable money laundering statutes, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental or regulatory authorities in Chile or, to the extent, if any, applicable, the financial recordkeeping and reporting requirements of the U.S. Currency and Foreign Transactions Reporting Act of 1970, as amended (collectively, the "Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental or regulatory authorities or any arbitrator involving the Issuer or any of its Subsidiaries with respect to Money Laundering Laws is pending or, to the knowledge of the

Issuer, threatened. The Issuer has instituted and maintains policies and procedures reasonably designed to promote and achieve compliance with all applicable Money Laundering Laws.

(t) Compliance with Sanctions. Neither the Issuer nor any of its Subsidiaries nor, to the best of the Issuer's knowledge, any of its or their directors, officers, agents, employees or affiliates, is an individual or entity that is, or is owned or controlled by a person that is, (i) currently the subject or target of any sanctions administered or enforced by the U.S. Government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or the Bureau of Industry and Security of the U.S. Department of Commerce), the European Union, Her Majesty's Treasury of the United Kingdom or the United Nations Security Council (collectively, "Sanctions" and each such person, a "Sanctioned Person") or (ii) is located or resident in a country or territory that is, or whose government is, the subject of Sanctions (currently, the Crimea Region, Venezuela, Cuba, Iran, Libya, North Korea and Syria) (each, a "Sanctioned Country"). The Issuer will not, directly or indirectly, use the proceeds of the offering of the Notes hereunder, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity to fund or finance any activities or business of or with any Sanctioned Person or in any Sanctioned Country in a manner that would result in a violation by any person (including any person participating in the transaction, whether as underwriter, manager, initial purchaser, advisor, investor or otherwise) of Sanctions.

(u) Taxes. The Issuer and its Subsidiaries have filed all tax and other similar returns required to be filed through the date hereof and have paid all taxes required to be paid by them and all other assessments, fines or penalties levied against them to the extent that any of the foregoing have become due, except (i) for any such tax, assessment, fine or penalty that is being contested in good faith and as to which appropriate reserves have been established or (ii) where the failure to file such returns or pay such taxes, assessments, fines or penalties would not, individually or in the aggregate, have a Material Adverse Effect; and the Issuer has no knowledge of any tax deficiency that has been, or could reasonably be expected to be, asserted against the Issuer, any of its Subsidiaries or any of their respective properties or assets, except (i) for taxes that are being contested in good faith and as to which appropriate reserves have been established or (ii) for a deficiency that would not, individually or in the aggregate, have a Material Adverse Effect.

(v) Accounting Controls. The Issuer and its Consolidated Subsidiaries maintain systems of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted financial reporting standards and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(w) Integration. Neither the Issuer nor any of its affiliates (as defined in Rule 501(b) of Regulation D) has directly, or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) that is

or will be integrated with the sale of the Notes, in a manner that would require the registration of the Notes under the Securities Act.

(x) General Solicitation and Directed Selling Efforts. None of the Issuer, any affiliate of the Issuer or any person acting on its or their behalf (other than the Dealer Manager, or any affiliate of the Dealer Manager, as to which no representation is made) has offered or sold the Notes by means of any general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act, or by means of any directed selling efforts within the meaning of Rule 902 under the Securities Act, and the Issuer, any affiliate of the Issuer and any person acting on its or their behalf (other than the Dealer Manager, or any affiliate of the Dealer Manager, as to which no representation is made) have complied with and will implement the offering restrictions requirements of Regulation S.

(y) Securities Law Exemptions. Assuming the accuracy of the representations and warranties of the Dealer Manager contained in Section 1 hereof and Section 5 hereof and compliance by the Dealer Manager with its agreements set forth therein, it is not necessary in connection with the offer, sale and delivery of the Notes by the Issuer to the Dealer Manager and by the Dealer Manager to subsequent purchasers thereof in the manner contemplated by this Agreement and the General Disclosure Package to register the Notes under the Securities Act or to qualify the Indenture under the U.S. Trust Indenture Act of 1939, as amended.

(z) Investment Company Act. The Issuer is not and, after giving effect to the offering and sale of the Notes and the application of the proceeds thereof as described in the General Disclosure Package, will not be an "investment company" as defined in the U.S. Investment Company Act of 1940, as amended.

(aa) Stamp, Transfer and Withholding Taxes. Except as disclosed in the General Disclosure Package, 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 Issuer of the Notes or the enforcement of the Notes, other than (i) a 0.8% stamp tax on the incurrence of the indebtedness evidenced by the Notes, which will be paid by the Issuer upon the issuance of the Notes, (ii) a 4% withholding tax on interest payments, and all other payments deemed to be interest payments, with respect to the Notes to the extent paid to a person domiciled or residing outside of Chile (if thin capitalization rules apply, as described in the General Disclosure Package, such interest payments would be subject to a 35% penalty tax that would be payable by the Issuer; the withholding tax applicable to the interest payments made by the Issuer can be credited against such 35% penalty tax) and (iii) an up to 35% withholding tax on all other payments of fees, compensation or reimbursement of costs to be made by the Issuer.

(bb) Absence of Immunity. The Issuer has validly and irrevocably waived, pursuant to Section 12 hereof, and will have validly and irrevocably waived pursuant to the Indenture and the Notes, 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 Notes 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 Issuer 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 Issuer upon its creation in 1976 cannot be subject to attachment nor to any act of disposition by the Issuer. Each such waiver is binding under Chilean law and remains in full force and effect.

(cc) Stabilization. The Issuer has not taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Notes.

(dd) Forward-Looking Statements. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) included in the General Disclosure Package has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ee) Independent Accountants. Deloitte Auditores y Consultores Ltda., who have audited the full-year 2017 financial statements of the Issuer included in the General Disclosure Package and conducted a limited review of the interim unaudited financial statements of the Issuer as of September 30, 2018 and for the nine-month periods ended September 30, 2017 and 2018 included in the General Disclosure Package, are an independent audit firm with respect to the Issuer.

4. Further Agreements of the Issuer.

The Issuer covenants and agrees with the Dealer Manager that:

(a) Delivery of Copies. The Issuer will deliver to the Dealer Manager electronic copies of the Base Prospectus, the General Disclosure Package and any Issuer Written Communication (including all amendments and supplements thereto) as the Dealer Manager may reasonably request.

(b) Base Prospectus, Amendments or Supplements. Before finalizing the Base Prospectus and making or distributing any amendment or supplement to the General Disclosure Package, the Issuer will promptly inform and furnish to the Dealer Manager an electronic copy of the proposed Base Prospectus or such amendment or supplement for review, and will not distribute any such proposed Base Prospectus, amendment or supplement to which the Dealer Manager reasonably objects.

(c) Additional Written Communications. Before making, preparing, using, authorizing, approving, distributing or referring to any Issuer Written Communication, the Issuer will furnish to the Dealer Manager a copy of such Written Communication for review and will not make, prepare, use, authorize, approve or refer to any such written communication to which the Dealer Manager reasonably objects.

(d) Notice to the Dealer Manager. The Issuer will advise the Dealer Manager promptly, and confirm such advice in writing, (i) of the issuance by any governmental or regulatory authority of any law, regulation, order or notice preventing or suspending the use of the General Disclosure Package or any Issuer Written Communication or the initiation or threatening of any proceeding for that purpose; (ii) of the occurrence of any event at any time prior to the completion of each offering of the Notes as a result of which the General Disclosure Package or any Issuer Written Communication as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when such General Disclosure Package or any Issuer Written Communication is delivered to a purchaser, not misleading; and (iii) of the receipt by the Issuer of any notice with respect to any suspension of the qualification of the Notes for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Issuer will use its reasonable efforts to prevent the issuance of any such order preventing or suspending the use of the General Disclosure Package or any Issuer Written Communication or suspending any such qualification of the Notes and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

(e) General Disclosure Package. If at any time prior to the applicable Closing Date, (i) any event shall occur or condition shall exist as a result of which the General Disclosure Package as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (ii) it is necessary to amend or supplement any General Disclosure Package to comply with applicable law, the Issuer will immediately notify the Dealer Manager and forthwith prepare and, subject to Section 4(b) hereof, furnish to the Dealer Manager such amendments or supplements to any General Disclosure Package as may be necessary so that the statements in the General Disclosure Package as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading or so that any General Disclosure Package will comply with applicable law.

(f) Use of Proceeds. The Issuer will apply the net proceeds from the sale of the Notes as described under the caption "Use of Proceeds" in the General Disclosure Package.

(g) Information Updates. For a period of one year following the Closing Date, the Issuer will furnish to the Dealer Manager copies of such publicly available financial or other information in respect of the Issuer as may reasonably be requested by the Dealer Manager from time to time.

(h) Euroclear and Clearstream. The Issuer will assist the Dealer Manager in arranging for the Notes to be eligible for clearance and settlement through Euroclear and Clearstream.

(i) No Resales by the Issuer. The Issuer will not, and will use its best efforts to cause its affiliates (as defined in Rule 144 under the Securities Act) not to, resell any of the Notes that have been acquired by any of them, except for Notes purchased by the Issuer or any of its affiliates and resold in a transaction registered under the Securities Act.

(j) No Integration. Neither the Issuer nor its affiliates will, directly or through any agent, sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of, any security (as defined in the Securities Act) that is or will be integrated with the sale of the Notes in a manner that would require registration of the Notes under the Securities Act.

(k) No General Solicitation or Directed Selling Efforts. Neither the Issuer nor its affiliates nor any other person acting on its or their behalf (other than the Dealer Manager, as to which no covenant or agreement is made) will (i) solicit offers for, or offer or sell, the Notes by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act or (ii) engage in any directed selling efforts within the meaning of Regulation S, and all such persons will comply with the offering restrictions requirements of Regulation S.

(l) No Stabilization. The Issuer will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Notes.

(m) Process Agent. For so long as the Notes remain outstanding, the Issuer will maintain an authorized agent upon whom process may be served in any legal suit, action or proceeding based on or arising under this Agreement, and promptly communicate in writing to the Dealer Manager of any change of such authorized agent.

(n) Offer and Sale of Notes. The Issuer will arrange, if necessary, for the qualification of the Notes for offering and sale under the securities laws of such jurisdictions as the Dealer Manager may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Notes; provided that in connection therewith the Issuer shall not be required to qualify to do business in any jurisdiction where it is not now so qualified or to file a general consent to service of process in any jurisdiction where it is not now so subject.

(o) Stamp Tax. The Issuer will indemnify and hold harmless the Dealer Manager against any documentary, stamp or similar issue tax, including any interest and penalties, on the creation, issue and sale of the Notes and on the execution and delivery of this Agreement.

5. Certain Representations, Agreements and Acknowledgements of the Dealer Manager.

(a) The Dealer Manager hereby represents and agrees that it has not and will not use, authorize the use of, refer to, or participate in the planning for use of, any Written Communication that constitutes an offer to sell or the solicitation of an offer to buy the Notes other than (i) the Base Prospectus, (ii) the General Disclosure Package or any Written Communication prepared pursuant to Section 4(c) hereof (including any electronic road show), (iii) any Written Communication prepared by the Dealer Manager and approved by the Issuer in advance in writing, (iv) any Bloomberg or other electronic communications providing certain ratings or proposed terms of the Notes or relating to marketing, administrative or procedural

matters in connection with the offering of the Notes or (v) any Written Communication relating to or that contains the terms of the Notes and/or other information that was included in the Base Prospectus.

(b) The Dealer Manager hereby represents and warrants to and agrees with the Issuer that:

(i) Neither it, nor any of its affiliates nor any person acting on its or their behalf has offered or sold, or will offer or sell, any of the Notes within the United States or to, or for the account or benefit of, a U.S. person;

(ii) 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 (within the meaning of Regulation S) with respect to the Notes;

(iii) It, its affiliates and any persons acting on its or their behalf has complied and will comply with (x) the offering restrictions requirement of Regulation S, and (y) all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, the General Disclosure Package or any such other Written Communication, in all cases at its own expense;

(iv) All licenses, consents, approvals, authorizations, orders and clearances of all regulatory authorities required by the Dealer Manager for or in connection with the underwriting, subscription and/or distribution of the Notes and the compliance by the Dealer Manager with the terms of any of the foregoing have been obtained and are in full force and effect;

(v) The commission payable to the Dealer Manager in relation to each issue of Notes may not be repaid or refunded by it by any means or in any form to the Issuer or its related parties or its designated persons;

(vi) It has been and will be solely responsible for assessing the identity and qualifications of the prospective investors in the Notes that purchase Notes from it and ensuring that the Base Prospectus is delivered to such investors, in each case prior to the Applicable Time; and

(vii) It shall deliver the General Disclosure Package to the prospective investors in the Notes on or before the applicable Closing Date.

(c) The Dealer Manager acknowledges that the Notes have not been registered in Chile with the *Registro de Valores* (National Securities Registry) maintained by the *Comisión para el Mercado Financiero* (Financial Markets Commission) and that no action has been or will be taken by the Issuer that would permit a public offering of the Notes in Chile, and that, accordingly, the Notes may not be publicly offered or sold in Chile.

(d) With respect to each issue of Notes, the Dealer Manager agrees that it shall subscribe the Notes in the amounts set forth in the Final Terms on the applicable Closing Date, all on the terms set forth herein.

6. Conditions of the Dealer Manager's Obligations.

The obligation of the Dealer Manager to purchase Notes on the applicable Closing Date as provided herein is subject to the performance by the Issuer of its covenants and other obligations hereunder and to the following additional conditions:

(a) Representations and Warranties. The representations and warranties of the Issuer contained herein will be true and correct at the Applicable Time and on and as of the applicable Closing Date; and the statements of the Issuer and its officers made in any certificates delivered pursuant to this Agreement will be true and correct on and as of the applicable Closing Date.

(b) No Downgrade. Subsequent to the earlier of (A) the Applicable Time and (B) the execution and delivery of this Agreement, (i) none of Standard & Poor's Rating Services ("S&P") or Moody's Investors Service, Inc. ("Moody's") will have downgraded any debt securities issued by the Issuer and (ii) none of S&P or Moody's will have announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of any debt securities issued by the Issuer (other than an announcement with positive implications of a possible upgrading).

(c) Officer's Certificate. The Dealer Manager shall have received on and as of the applicable Closing Date a certificate of a senior officer of the Issuer who has specific knowledge of the Issuer's financial matters and is satisfactory to the Manager (i) confirming that such officer has carefully reviewed the General Disclosure Package and, to the knowledge of such officer, the representations set forth in Section 3(a) hereof are true and correct, (ii) confirming that the other representations and warranties of the Issuer in this Agreement are true and correct and that the Issuer has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the applicable Closing Date and (iii) to the effect set forth in Sections 3(j) and 6(b) hereof.

(d) Euroclear and Clearstream. The Notes will be eligible for clearance and settlement through Euroclear and Clearstream.

(e) Corporate Proceedings. All corporate proceedings and other legal matters incident to the authorization, form and validity of each of the Indenture, the Notes and this Agreement and all other legal matters relating to this Agreement and the transactions contemplated hereby and thereby will be reasonably satisfactory in all respects to the Dealer Manager, and the Issuer will have furnished to the Dealer Manager all documents and information that it may reasonably request to enable it to pass upon such matters, including but not limited to (i) adoption of resolutions by the *Directorio* (the Board of Directors) of the Issuer authorizing the Issuer to incur the indebtedness represented by the Notes; (ii) the authorization granted by the Minister of Finance for the Issuer to enter into negotiations relating to the issue of

the Notes; and (iii) the authorization granted by the Minister of Finance to the Issuer to issue the Notes.

7. Indemnification and Contribution.

(a) Indemnification of the Dealer Manager. The Issuer agrees to indemnify and hold harmless the Dealer Manager, its affiliates, directors, officers, employees, agents and each person, if any, who controls such Dealer Manager within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonable and documented legal fees and other expenses incurred by any such entity or person in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Base Prospectus, the General Disclosure Package or any Issuer Written Communication (or any amendment or supplement thereto) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information furnished to the Issuer in writing by the Dealer Manager expressly for use therein (it being understood and agreed that the only such information is that described in Section 7(g) hereof).

(b) Indemnification of the Issuer. The Dealer Manager agrees to indemnify and hold harmless the Issuer, its directors, officers, employees and each person, if any, who controls the Issuer within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in Section 7(a) hereof, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Dealer Manager furnished to the Issuer in writing by the Dealer Manager expressly for use in the General Disclosure Package or any Issuer Written Communication (or any amendment or supplement thereto) (it being understood and agreed that the only such information is that described in Section 7(g) hereof), and will reimburse any reasonable and documented legal fees and other expenses incurred by the Issuer in connection with defending any such loss, claim, damage, liability or action, as such fees and expenses are incurred.

(c) Notice and Procedures. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either Section 7(a) or Section 7(b) hereof, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Person") in writing; provided that the failure to notify the Indemnifying Person will not relieve it from any liability that it may have under this Section 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person will not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 7. If any such proceeding shall

be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 7 that the Indemnifying Person may designate in such proceeding and shall pay the reasonable and documented fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel will be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person will not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses will be reimbursed as they are incurred. Any such separate firm for the Dealer Manager, its affiliates, directors and officers and any control persons of such Dealer Manager will be designated in writing by the Dealer Manager, and any such separate firm for the Issuer and any control persons of the Issuer will be designated in writing by the Issuer. The Indemnifying Person will not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this Section 7(c), the Indemnifying Person will be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) Contribution. If the indemnification provided for in Section 7(a) and Section 7(b) hereof is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such Sections, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims,

damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Dealer Manager on the other from the offering of the Notes or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Issuer on the one hand and the Dealer Manager on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Dealer Manager on the other will be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Issuer from the sale of the Notes and the total discounts and commissions received by the Dealer Manager in connection therewith, as provided in this Agreement, bear to the aggregate offering price of the Notes. The relative fault of the Issuer on the one hand and the Dealer Manager on the other will be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or by the Dealer Manager and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Limitation on Liability. The Issuer and the Dealer Manager agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 7(d) hereof. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in Section 7(d) hereof will be deemed to include, subject to the limitations set forth above, any reasonable and documented legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 7, in no event will the Dealer Manager be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Dealer Manager with respect to the offering of the Notes exceeds the amount of any damages that such Dealer Manager has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Dealer Manager's obligations to contribute pursuant to this Section 7 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) Non-Exclusive Remedies. The remedies provided for in this Section 7 are not exclusive and will not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

(g) Dealer Manager Information. For purposes of this Section 7 and this Agreement generally, it shall be understood and agreed that the only information furnished to the Issuer in writing by the Dealer Manager expressly for use therein consists of the statements concerning the Dealer Manager in (i) the single sentence following the second full paragraph regarding the purchase price, (ii) the second sentence of the sixth paragraph regarding market making activities, (iii) the seventh paragraph related to stabilization and syndicate covering

transactions and (iv) the third sentence of the ninth paragraph regarding hedging activity under the heading "Plan of Distribution" in the Base Prospectus.

8. Termination.

This Agreement may be terminated in the absolute discretion of the Dealer Manager, by notice to the Issuer, if after the execution and delivery of this Agreement and on or prior to the applicable Closing Date (i) trading generally shall have been suspended or materially limited on the New York Stock Exchange, the NASDAQ Stock Exchange, *Bolsa de Comercio de Santiago* (Santiago Stock Exchange) or minimum prices shall have been established on any such exchange by such exchange or by any regulatory body having jurisdiction over such exchange; (ii) trading of any securities issued by any of the Issuer shall have been suspended on any exchange in Santiago; (iii) a material disruption in securities settlement, payment or clearance services in the United States, the European Union or Chile shall have occurred; (iv) a banking moratorium shall have been declared in New York either by federal or New York state authorities, in Chile by the Chilean Central Bank or other competent government regulator or other competent government regulator; (v) there shall have occurred any outbreak or escalation of hostilities involving the United States or Chile or any Chilean, U.S. or international calamity or crisis that in the judgment of the Dealer Manager is so material and adverse as to make it impracticable or inadvisable to proceed with the offering, sale or delivery of the Notes on the terms and in the manner contemplated by this Agreement and the General Disclosure Package; or (vi) there shall have been such a material adverse change in U.S., Chilean, European Union or international monetary, general economic, political or financial conditions (including, without limitation, with respect to currency exchange rates and exchange controls) as to make it, in the judgment of the Dealer Manager, inadvisable to proceed with the payment for and delivery of the Notes.

9. Defaulting Dealer Manager. Nothing contained herein will relieve a defaulting Dealer Manager of any liability it may have to the Issuer for damages caused by its default hereunder.

10. Payment of Expenses.

(a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Issuer will, subject to Section 10(b) hereof, pay or cause to be paid all fees, expenses and costs incident to the performance of its obligations hereunder, including, without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Notes and any stamp, transfer or similar taxes payable in connection therewith; (ii) the costs incident to the preparation and/or printing of the Base Prospectus, the General Disclosure Package and any Issuer Written Communication (including any amendment or supplement thereto) and the distribution thereof; (iii) the reasonable and documented fees and expenses of U.S. counsel to the Issuer; (iv) the fees and expenses of the Trustee and any paying agent, registrar or transfer agent for the Notes (including the reasonable and documented fees and expenses of any counsel thereto); (v) all expenses and application fees incurred in connection with the approval of the Notes for clearance and settlement through Euroclear and Clearstream; and (vi) the reasonable and documented out-of-pocket expenses of the Dealer Manager incurred in connection with the offering of the Notes.

(b) If (i) the Issuer for any reason fails to tender the Notes for delivery to the Dealer Manager or (ii) the Dealer Manager declines to purchase the Notes for any reason permitted under this Agreement (other than under Section 8(i), (iii), (iv), (v) or (vi) hereof or Section 9 hereof), the Issuer's and the Dealer Manager's respective obligations under Section 10(a) hereof shall continue to apply. If this Agreement is terminated pursuant to Section 9 hereof, the Issuer shall not be obligated to reimburse the Dealer Manager any travel expenses incurred by the Dealer Manager's representatives in connection with any road show presentation referred to in Section 10(a)(vi) or the expenses referred to in Section 10(a)(vii).

11. Persons Entitled to Benefit of Agreement. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and any controlling persons referred to herein, and the respective affiliates, officers and directors of the Dealer Manager referred to in Section 7 hereof. Nothing in this Agreement is intended or will be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Notes from the Dealer Manager will be deemed to be a successor merely by reason of such purchase.

12. Submission to Jurisdiction. Each of the parties hereto irrevocably agrees that any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in any U.S. federal or New York state court located in The Borough of Manhattan, The City of New York and any competent court located in the domicile of the Issuer or the Dealer Manager, with respect to actions brought against the Issuer or the Dealer Manager as defendant, and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such proceeding, waives any right to any other jurisdiction to which it may be entitled on account of place of residence, domicile or any other reason and irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

The Issuer acknowledges and accepts that the Indenture, the Notes and this Agreement are private and commercial rather than public or governmental acts. To the extent that the Issuer 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 Issuer such an immunity (whether or not claimed), the Issuer 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 Issuer 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 Issuer upon its creation in 1976 cannot be subject to attachment nor to any act of disposition by the Issuer. 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 Dealer Manager in any competent court in Chile.

13. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Issuer, on the one hand, and the Dealer Manager, on the other hand, contained in this Agreement or made by or on behalf of the Issuer or the Dealer Manager pursuant to this Agreement or any certificate delivered pursuant hereto will survive the delivery of and payment for the Notes and will remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Issuer or the Dealer Manager.

14. Additional Amounts. If the compensation (including a Dealer Manager's commission) or any other amounts to be received by the Dealer Manager under this Agreement (including, without limitation, indemnification and contribution payments), as a result of entering into, or the performance of its obligations under, this Agreement, are subject to any present or future taxes, assessments, deductions, withholdings or charges of any nature imposed or levied by or on behalf of Chile or any political subdivision thereof or taxing authority therein ("Chilean Taxes"), then the Issuer will pay to such Dealer Manager an additional amount so that the net amount such Dealer Manager receives, after such withholding or deduction of such Chilean Taxes, shall equal the amounts that would have been received if no such withholding or deduction had been made; provided, however, that no such additional amounts shall be paid by the Issuer on account of any tax imposed on such Dealer Manager by reason of any connection between such Dealer Manager and Chile or any political subdivision thereof or therein other than entering into this Agreement and receiving payments hereunder, or enforcement of rights under this Agreement. If any Chilean Taxes are collected by deduction or withholding, the Issuer will upon request provide to the Dealer Manager copies of documentation evidencing the transmittal to the proper authorities of the amount of Chilean Taxes deducted or withheld.

15. Judgment Currency. To the fullest extent permitted under applicable law, the Issuer will indemnify the Dealer Manager against any loss incurred by it as a result of any judgment or order against the Issuer, being given or made and expressed and paid in a currency ("Judgment Currency") other than U.S. dollars and as a result of any variation as between (i) the rate of exchange at which the U.S. dollar amount is converted into the Judgment Currency for the purpose of such judgment or order and (ii) the spot rate of exchange in New York, New York at which such Manager on the date of payment of such judgment or order is able to purchase U.S. dollars with the amount of the Judgment Currency actually received by such Manager. The foregoing indemnity will constitute a separate and independent obligation of the Issuer and will continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "spot rate of exchange" will include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, U.S. dollars.

16. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions in The City of New York, New York, United States, Santiago, Chile or London, United Kingdom, are authorized or required by law, regulation or executive order to close; (c) the term "Consolidated Subsidiary" means, at any date, any Subsidiary or other entity the accounts of which would be consolidated with those of the Issuer in accordance with IFRS in its consolidated financial statements if such statements were prepared as of such date; (d) the term "Subsidiary" has the meaning set forth in Rule 405 under

the Securities Act; and (e) the term "Written Communication" has the meaning set forth in Rule 405 under the Securities Act.

17. Waiver of Jury Trial. Each of the parties hereto irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

18. Miscellaneous.

(a) Notices. All notices and other communications hereunder will be in writing and will be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Dealer Managers will be given to it c/o Daiwa Capital Markets America Inc., Financial Square, 32 Old Slip, New York, NY 10005, Facsimile: 212-612-8305, Attention: Shun Nakamura, Head of Investment Banking. Notices to the Issuer will be given to it at Corporación Nacional del Cobre de Chile, c/o Nicolai Bakovic Hudig, General Counsel, Huérfanos 1270, Santiago, Chile, Facsimile: +562-2690-3021, Attention: Legal Department.

(b) Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York.

(c) Counterparts. This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which will be an original and all of which together will constitute one and the same instrument.

(d) Amendments or Waivers. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, will in any event be effective unless the same shall be in writing and signed by the parties hereto.

(e) Headings. The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

(f) USA Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Dealer Manager may be required to obtain, verify and record information that identifies its clients, including the Issuer, which information may include the name and address of their respective clients, as well as other information that will allow the Dealer Manager to properly identify its clients.

[*Signature pages follow*]

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

CORPORACIÓN NACIONAL DEL COBRE DE CHILE

By_____
Name: Alejandro Sanhueza Diaz
Title: Head of Finance

CONFIRMED AND ACCEPTED,
as of the date first above written:

DAIWA CAPITAL MARKETS AMERICA INC.

By
Name: SHUN NAKAMURA
Title: HEAD OF INV. BANKING

ANNEX A

FINAL TERMS

Corporación Nacional del Cobre de Chile
[•]% due [•]
Final Terms

Title:	[●]
Issuer:	Corporación Nacional del Cobre de Chile ("Codelco")
Issuer Rating:	[●]
Issue Rating:	[●]
Currency:	[●]
Format:	[●]
Principal Amount:	[●]
Status:	[●]
Type of Issue	[●]
Trade Date:	[●]
Applicable Time:	[●]
Settlement Date:	[●]
Maturity Date:	[●]
Coupon Rate:	[●]
Coupon Payment Dates:	[●]
Benchmark:	[●]
[Make-Whole Call:]	[●]
Tax Redemption:	[●]
Price for the Dealer Manager:	[●]
Price to the Public (Issue Price):	[●]
Re-Offer Yield:	[●]
Re-Offer Spread:	[●]
Day Count:	[●]
Business Days:	[●]
Business Day Convention:	[●]
Denominations:	**[●]**
Settlement:	[●]
Form of Notes:	[●]
ISIN:	[●]
Common Code:	[●]
Listing:	[●]

Paying Agent:	[●]
Documentation:	[●]
Governing Law	[●]
Dealer Manager:	[●]

Daiwa Disclamer

This term sheet (the "Final Terms") is provided for informational purposes only to the recipient for its private use and may not be copied, reproduced or otherwise distributed by any recipient, whether in whole or in part, without the prior written consent of Daiwa Capital Markets America Inc. ("DCMA"). The Final Terms is not intended nor should it be construed as a recommendation or an offer to buy or sell or a solicitation of an offer to buy or sell any security or financial instrument (the "Securities") or to otherwise participate in any particular trading strategy in any jurisdiction. The Securities and investment strategies, if any, discussed in the Final Terms may not be suitable for all investors and investors must make their own independent investment decisions using their own financial advisors, as they believe necessary, based on their specific financial situations and investment objectives. The reader should not construe any of the material contained herein as legal, regulatory, tax or accounting advice and the user should not act on any information in this document without consulting its advisers in these areas concerning any contemplated transactions.

Although the Final Terms, any opinions or strategies suggested are based upon information that DCMA considers reliable and endeavors to keep current, DCMA has not verified this information and does not represent that any of the underlying information on which this document was based is accurate, current or complete, and this document should not be relied upon as such. Any opinions, strategies, beliefs and other statements expressed herein that are not historical facts are derived from information available to DCMA at the time the Final Terms was prepared and are subject to a number of assumptions, risks and uncertainties. DCMA has no obligation to update, modify or amend the Final Terms, the information, any strategies or opinions contained herein, or otherwise notify the recipient if any of the above assumptions, risks, uncertainties, opinions, strategies or beliefs change, subsequently become inaccurate or are withdrawn. Decisions based on or made as a result of the Final Terms are the responsibility of the recipient itself. Past performance is not intended to be indicative of future results.
DCMA is registered as a broker-dealer under the U.S. Securities Exchange Act of 1934, as amended. DCMA is not a Registered Investment Adviser under the Investment Advisers Act of 1940, as amended, and should not be deemed to be providing investment advice. DCMA, its affiliates and their respective officers, directors and employees, including those involved the preparation of the Final Terms, may, from time to time, own or hold positions in the investments discussed herein, or act as advisers or brokers in respect of such information.

The Securities will be offered to non-U.S. persons in offshore transactions outside the United States in accordance with Regulation S of the Securities Act. The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state in the United States, and may not be offered or sold in the United States absent a registration or an applicable exemption from the registration requirements under the Securities Act. The Final Terms is not a prospectus or a registration statement.

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

RESTRICTIONS ON OFFERS AND SALES OUTSIDE THE UNITED STATES

In connection with offers and sales of Notes outside the United States:

(a) The Dealer Manager acknowledges that the Notes have not been registered under the Securities 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 transactions not subject to, the registration requirements of the Securities Act.

(b) The Dealer Manager represents, warrants and agrees that:

(i) Such Dealer Manager has offered and sold the Notes, and will offer and sell the Notes, (A) as part of their distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date, only in accordance with Regulation S under the Securities Act ("Regulation S") or any other available exemption from registration under the Securities Act.

(ii) None of such Dealer Manager or any of its affiliates or any other person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and all such persons have complied and will comply with the offering restrictions requirements of Regulation S.

(iii) Such Dealer Manager has not and will not enter into any contractual arrangement with any distributor with respect to the distribution of the Notes, except with its affiliates or with the prior written consent of the Issuer.

Terms used in paragraph (a) and this paragraph (b) and not otherwise defined in this Agreement have the meanings given to them by Regulation S.

ANEXO 4

FINAL TERM SHEET

MTNs & Structured Notes

Codelco HKD 15-year Fixed Rate Notes due November 2034

Terms of the Notes

Issuer	Corporación Nacional del Cobre de Chile
Lead Manager	HSBC Securities (USA) Inc.
Settlement Agent	HSBC Bank plc
Status	Senior, unsecured
Issuer Ratings	Long-term senior unsecured debt ratings of A3 (Moody's) / A+ (S&P)
Bond Rating	Not applicable
Product Type	HKD-denominated Fixed Rate Notes
Offering Documentation	Standalone Reg S-Only Documentation
Security Identifiers	ISIN [XS2078248015]
Principal Amount	HKD 500,000,000
Minimum Denomination	HKD 1,000,000 and integral multiples of HKD 1,000,000 in excess thereof
Trade Date	04 November 2019
Issue Date	07 November 2019
Maturity Date	07 November 2034
Interest Commencement Date	Issue Date
Settlement Currency	HKD
Coupon	**2.840% p.a.**
Issue Price	100.00%
Underwriting Fees	0.12%
Day Count	Act/365(F), Adjusted
Business Day Convention	Modified Following
Business Days	Hong Kong, London, New York, Santiago
Issuer Call Option	Not applicable (except for Tax Redemption)
Holder Put Option	Not applicable
Accrual Period	Each period beginning on the first day (included) of the interest period to the last day (excluded) of the interest period.
Interest Payment Dates	Annually, subject to adjustment in accordance with Modified Following Business Day Convention, on each 07 November, commencing 07 November 2020 and ending on the Maturity Date.
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."
Early Redemption	Other than as provided under "Tax Redemption", the Notes cannot be redeemed at any time at the Issuer's discretion
Redemption at Maturity	Cash, at 100% of the Denomination (Par)
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."
Listing	Not applicable
Clearing System	Euroclear/Clearstream
Form of the Notes	Regulation S global note in registered form
Delivery	Delivery against payment
Fiscal Agent and Paying Agent	The Bank of New York Mellon, London Branch
Governing Law	New York law
Public offer / public offer period	Not applicable
Tax Treatment / Redemption	Refer to the Offering Documentation for guidance on tax treatment of the Notes
Risk Factors	Refer to the Offering Documentation for Risk Factors
Selling Restrictions	Refer to the Offering Documentation for detailed Selling Restrictions

IMPORTANT NOTICE

The notes will be offered to non-U.S. persons in offshore transactions outside the United States in accordance with Regulation S of the Securities Act. The notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state in the United States, and may not be offered or sold in the United States absent a registration or an applicable exemption from the registration requirements under the Securities Act. This document is not a prospectus or a registration statement.

These confidential materials have been provided solely to you by HSBC Securities (USA) Inc. ("HSBC") in connection with an actual or potential mandate or engagement and may not be used or relied upon by any other person or for any purpose other than as specifically contemplated by a written agreement with HSBC. Except as provided below, these materials may not be disclosed, in whole or in part, summarized, referred to or otherwise distributed to any person except as agreed in writing by HSBC.

The information used in preparing these materials was obtained from or through you or your representatives or from public sources. HSBC assumes no responsibility for independent verification of such information and has relied on such information being complete and accurate. To the extent such information includes estimates and forecasts of future financial performance (including estimates of potential cost savings and synergies) prepared by or reviewed or discussed with the managements of your company and/or other potential transaction participants or obtained from public sources, we have assumed that such estimates and forecasts have been reasonably prepared on bases reflecting the best currently available estimates and judgments of such managements (or, with respect to estimates and forecasts obtained from public sources, represent reasonable estimates). HSBC expressly disclaims any and all liability that may be based on any information contained herein, errors therein or omissions therefrom. The information, analysis and opinions contained herein constitute our present judgment which is subject to change at any time without notice, and HSBC assumes no obligation to update, correct or otherwise revise these materials.

These materials have been prepared for informational purposes to assist you in making your own evaluation of a potential transaction and with the express understanding that they will be used for only such purpose. Nothing on these materials is intended by HSBC to be construed as legal, accounting or tax advice. These materials are not intended to be used and cannot be used to avoid tax penalties under the U.S. Internal Revenue Code. For all purposes you should obtain your own independent advice regarding the legal, accounting and tax effects of the proposals outlined in these materials based on your particular circumstances. HSBC does not warrant or guarantee the legal, accounting or tax results of these proposals.

You (and each of your employees, representatives, or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and the U.S. tax structure of any structure described herein and all materials of any kind (including opinions or other U.S. tax analyses) that are provided to you relating to such U.S. tax treatment and U.S. tax structure.

The provision of this document shall not be regarded as creating any form of adviser/client relationship, and HSBC may only be regarded by you as acting on your behalf as financial adviser or otherwise following the execution of an engagement letter on mutually satisfactory terms. This is not a recommendation, offer or solicitation to purchase or sell any security, commodity, currency or other instrument. These materials are not an agreement by HSBC to underwrite, place or purchase any securities of any entity or to provide any financing to any entity.

HSBC is a member of the HSBC Group of entities. Any member of the HSBC Group may from time to time underwrite, make a market or otherwise buy or sell as principal securities or other instruments mentioned herein or, together with their directors, officers and employees, may have either a long or short position in the securities, commodities, currencies or other instruments mentioned in these materials or futures or options contracts convertible into securities or other instruments mentioned in these materials. One or more directors, officers and/or employees of any member of the HSBC Group may be a director of any of the entities mentioned in this document. Any member of the HSBC Group may have acted as agent or arranger with respect to the loans of any of the entities mentioned herein, and may have managed or co-managed a public offering of securities or acted as initial purchaser or placement agent for a private placement of securities of any entity mentioned herein or may, from time to time, perform or seek to perform investment banking, lending or other services or business for any of the entities mentioned herein.