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

PE-068/2020
Santiago, 08 mayo 2020

Señor
Joaquín Cortéz Huerta
Presidente
Comisión para el Mercado Financiero
Santiago

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

De nuestra consideración:

De conformidad a lo establecido en la Ley N°18.045 y en la Norma de Carácter General N°30 y Circular N° 1072 de esa Comisión, adjunto acompaño "Formulario Hecho Esencial. Colocación de Bonos en el Extranjero", el cual complementa nuestras notas PE-061/2020 y PE-065/2020, enviadas con fecha 4 y 5 de mayo de 2020, respectivamente.

Saluda atentamente a Ud.,

Octavio Araneda Osés
Presidente Ejecutivo

C.c: Bolsas
Banco de Chile
Comisión Clasificadora de Riesgo

FORMULARIO HECHO ESENCIAL

COLOCACIÓN DE BONOS EN EL EXTRANJERO

1.0 IDENTIFICACIÓN DEL EMISOR

1.1	Razón Social	Corporación Nacional del Cobre de Chile
1.2	Nombre fantasía	CODELCO-CHILE
1.3	R.U.T.	61.704.000-K
1.4	Nº Inscripción Reg. Valores	785
1.5	Dirección	Huérfanos 1270, Comuna de Santiago, Santiago
1.6	Teléfono	22 690 3000
1.7	Actividades y negocios	Ver **Anexo 1**.

2.0 ESTA COMUNICACIÓN SE HACE EN VIRTUD DE LO ESTABLECIDO EN EL ARTÍCULO 9° E INCISO SEGUNDO DEL ARTICULO 10° DE LA LEY Nº 18.045, Y SE TRATA DE UN HECHO ESENCIAL RESPECTO DE LA SOCIEDAD, SUS NEGOCIOS, SUS VALORES DE OFERTA PÚBLICA Y/O DE LA OFERTA DE ELLOS, SEGÚN CORRESPONDA.

3.0 CARACTERÍSTICAS EMISIÓN

3.1	Moneda de denominación	Dólares de los Estados Unidos de América (US$).
3.2	Moneda total emisión	US$ 131.000.000
3.3	Portador / a la orden	Bonos registrados a nombre de los tenedores en los libros de DTC
3.4	Series	Bonos 2023
3.4.1	Monto de la serie	US$ 131.000.000
3.4.2	Nº de bonos	Ver 3.4.3
3.4.3	Valor nominal bono	US$200.000 mínimo. En caso de sumas superiores, serán por múltiplos de US$1,000.
3.4.4	Tipo reajuste	N/A
3.4.5	Tasa de interés	4,500%
3.4.6	Fecha de emisión	08/05/2020

3.4.7 Para cada serie llenar la siguiente tabla de desarrollo:

Bonos 2023:

El capital de los bonos será pagadero en su integridad a su vencimiento, el día 13 de agosto de 2023.

Los bonos devengarán un interés de 4,500% anual, base de un año de 360 días, el cual será pagadero en 7 cuotas los días 13 de febrero y 13 de agosto de cada año, a partir del 13 de agosto de 2020.

Nº Cuota Interés	Nº Cuota Amortiz.	Fecha	Intereses	Amortización	Total Cuota	Saldo Capital
1	-	13-ago-2020	2.947.500	-	2.947.500	131.000.000
2	-	13-feb-2021	2.947.500	-	2.947.500	131.000.000
3	-	13-ago-2021	2.947.500	-	2.947.500	131.000.000
4	-	13-feb-2022	2.947.500	-	2.947.500	131.000.000
5	-	13-ago-2022	2.947.500	-	2.947.500	131.000.000
6	-	13-feb-2023	2.947.500	-	2.947.500	131.000.000
7	-	13-ago-2023	2.947.500	131.000.000	133.947.500	0

3.5	Garantías	-----	No	X

3.5.1 Tipo y montos de las garantías

No aplica.

3.6	Amortización Extraordinaria:	-----	No	X

3.6.1 Procedimientos y fechas:

No aplica.

4.0	**OFERTA:**	Pública	Privada X	X

5.0 PAÍS DE COLOCACIÓN

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

5.2 Normas para obtfebr 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 ("*Offering Memorandum*") de fecha de 06 de agosto de 2013. 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 30 de abril de 2020 entre (A) Corporación Nacional del Cobre de Chile, como emisor de los bonos, y (B) Banco Santander S.A. Ver **Anexo 3.**

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

7.2 Derechos y obligaciones de los tenedores de bonos

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

8.0 OTROS ANTECEDENTES IMPORTANTES

Los bonos no han sido registrados en los Estados Unidos de América bajo la *U.S. Securities Act* de 1933 y, por lo tanto, solamente podrán ser vendidos fuera de los Estados Unidos de América, de acuerdo con lo señalado en la *Regulation S* de la misma norma.

9.0 DECLARACION DE RESPONSABILIDAD

El suscrito, en su calidad de Presidente Ejecutivo de la Corporación Nacional del Cobre de Chile (la "**Sociedad**"), ambos domiciliados en calle Huérfanos 1270, Santiago, a fin de dar debido cumplimiento a lo dispuesto en la Circular N°1072 de la Superintendencia de Valores y Seguros (hoy CMF), declara y da fe, bajo juramento, en este acto y bajo su correspondiente responsabilidad legal, respecto de la plena y absoluta veracidad y autenticidad de toda la información presentada y adjuntada por la Sociedad a la CMF en el presente "Formulario de Hecho Esencial Colocación de Bonos en el Extranjero", con fecha 29 de abril de 2020.

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

ANEXO 1

MEMORIA ANUAL

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

ANEXO 2

OFFERING MEMORANDUM

ANEXO 3

SUBSCRIPTION AGREEMENT

Execution Version

CORPORACIÓN NACIONAL DEL COBRE DE CHILE

4.500% Notes due 2023

SUBSCRIPTION AGREEMENT

April 30, 2020

Banco Santander, S.A.
Ciudad Grupo Santander
Avda. Cantabria s/n
28660 Boadilla del Monte
Madrid, Spain
(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 by the Issuer of U.S.$131,000,000 principal amount of its 4.500% Notes due 2023, representing an additional issuance of the Issuer's outstanding 4.500% Notes due 2023, which will be treated as a single class with the U.S.$750,000,000 4.500% Notes due 2023 issued on August 13, 2013 (the "Notes"). The Notes will be issued pursuant to the Fiscal and Agency Agreement, dated as of August 13, 2013 (the "Base Fiscal and Agency Agreement"), among the Issuer, The Bank of New York Mellon, as fiscal agent (the "Fiscal Agent"), and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg listing agent, paying agent and transfer agent (the "Paying Agent"), as amended or supplemented from time to time, among the Issuer, Fiscal Agent and Paying Agent and the other paying agents and transfer agents named therein (such amendments or supplements, together with the Base Fiscal and Agency Agreement, the "Fiscal and Agency Agreement").

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 offering memorandum dated August 6, 2013 (as amended or supplemented from time to time, the "Offering Memorandum") 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 Offering Memorandum 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 Offering Memorandum 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 Fiscal and Agency Agreement.

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 Offering Memorandum as amended or supplemented by the documents listed on Annex A hereto, taken together with the final pricing information relating to such issuance of Notes substantially in the form of Annex B 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 a purchase price of 103.692% of the principal amount of the Notes, plus accrued interest from February 13, 2020 to the Closing Date (as defined below) (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 C hereto.

(c) The Dealer Manager acknowledges and agrees that the Issuer and, for purposes of the opinion to be delivered to the Fiscal Agent pursuant to the Fiscal and Agency Agreement, 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 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 the 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 The Depository Trust Company ("DTC") 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 of DTC for credit on the Closing Date to the accounts of the Dealer Manager at DTC. 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 Closing Date.

(c) On the 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 Fiscal Agent in accordance with the Fiscal and Agency Agreement to the Dealer Manager. 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) Offering Memorandum and General Disclosure Package. (i) The Offering Memorandum 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 Offering Memorandum 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 Offering Memorandum, (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 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 Fiscal and Agency Agreement, 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 Fiscal and Agency Agreement, 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 Fiscal and Agency Agreement; Supplemental Agreements. (i) The Base Fiscal and Agency Agreement 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 Fiscal and Agency Agreement, as of the 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 Fiscal Agent in accordance with the provisions of the Fiscal and Agency Agreement and delivered and paid for by the Dealer Manager in accordance with the terms of this Agreement and the Fiscal and Agency Agreement, will constitute valid and binding obligations of the Issuer, entitled to the benefits provided by the Fiscal and Agency Agreement, 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 Fiscal and Agency Agreement, 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 Fiscal and Agency Agreement, 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. 1,554 dated October 28, 2019 and published in the Official Gazette on December 18, 2019; (B) authorization granted by the Minister of Finance to the 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. 734 issued by the Ministry of Finance on April 7, 2020; 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) authorization granted by the Minister of Finance to the Issuer to issue the Notes, pursuant to Decree Law No. 1,350 of 1976, as amended and pursuant to Ordinary Resolution No. 830 issued by the Ministry of Finance on April 24, 2020; 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 Fiscal and Agency Agreement, 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 Fiscal and Agency Agreement 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 Fiscal and Agency Agreement, 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 Fiscal and Agency Agreement 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 Fiscal and Agency Agreement 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 consolidated financial statements of the Issuer as of and for the years ended December 31, 2019, 2018 and 2017 included in the General Disclosure Package 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 Offering Memorandum, the General Disclosure Package and any Issuer Written Communication (including all amendments and supplements thereto) as the Dealer Manager may reasonably request.

(b) General Disclosure Package, Amendments or Supplements. Before 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 any such amendment or supplement for review, and will not distribute any such proposed 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 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 for general corporate purposes.

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

(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 Offering Memorandum, (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 Offering Memorandum.

(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 Offering Memorandum, 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 Offering Memorandum 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 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 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 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 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 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 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 Closing Date and (iii) to the effect set forth in Sections 3(j) and 6(b) hereof.

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

(e) Corporate Proceedings. All corporate proceedings and other legal matters incident to the authorization, form and validity of each of the Fiscal and Agency Agreement, 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 Offering Memorandum, 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 Offering Memorandum.

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 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 Offering Memorandum, 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 Fiscal Agent and any paying agent, registrar or transfer agent for the Notes (including the reasonable and documented fees and expenses of any counsel thereto); and (v) all expenses and application fees incurred in connection with the approval of the Notes for clearance and settlement through DTC.

(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 Fiscal and Agency Agreement, 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) Recognition of the U.S. Special Resolution Regimes. In the event that the Dealer Manager that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Dealer Manager of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States. In the event that the Dealer Manager that is a Covered Entity or a BHC Act Affiliate of such Dealer Manager becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Dealer Manager are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. For purposes of this Section 18(a):

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

"Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

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

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

(b) 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 Banco Santander, S.A. (fax no.: +34 91 759 48 36), Ciudad Grupo Santander Avda. Cantabria s/n, 28660 Boadilla del Monte, Madrid, Spain. Notices to the Issuer will be given to it at Corporación Nacional del Cobre de Chile, c/o Lorena Ferreiro Vidal, General Counsel, Huérfanos 1270, Santiago, Chile, Facsimile: +562-2690-3021, Attention: Legal Department.

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

(d) 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.

(e) 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.

(f) 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.

(g) 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,

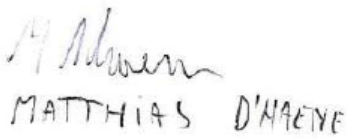
CORPORACIÓN NACIONAL DEL COBRE DE CHILE

By_____

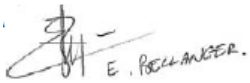
Name: Alejandro Sanhueza Diaz
Title: Head of Finance

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

Banco Santander, S.A.



By_____
Name: Matthias Willem Francoise Gera Dhaene
Title: Executive Director



By_____
Name: Eric Bellanger
Title: Executive Director

ANNEX A

ADDITIONAL GENERAL DISCLOSURE PACKAGE ITEMS

1. CODELCO Audited Consolidated Financial Statements for the period ending and as of December 31, 2019
2. CODELCO Audited Consolidated Financial Statements for the period ending and as of December 31, 2018 and 2017
3. CODELCO Management's Discussion and Analysis of Financial Condition and Results of Operation and Business description relating to the period ending September 30, 2019

ANNEX B

FINAL TERMS

[*Attached*]

Corporación Nacional del Cobre de Chile

U.S.$131,000,000 4.500% Notes due 2023

Pricing Term Sheet

Issuer:	Corporación Nacional del Cobre de Chile
Security Description:	4.500% Notes due 2023 (the "Notes")
Type of Offering:	Regulation S
Reopening Principal Amount:	U.S.$131,000,000
Reopening:	The Notes will constitute a further issuance of and will form a single series with the Issuer's 4.500% Notes due 2023 that were issued on August 13, 2013 in the aggregate principal amount of U.S.$750,000,000 (the "Original Notes") (for a total aggregate principal amount of U.S.$881,000,000). The Notes will have substantially identical terms as the Original Notes and will become fully fungible with the Original Notes following the termination of certain U.S. selling restrictions. During the periods subject to certain U.S. selling restrictions, the Notes offered pursuant to Regulation S will have temporary CUSIPs and ISINs.
Maturity Date:	August 13, 2023
Coupon:	4.500%
Reoffer Price to Public:	103.812% of principal amount, plus accrued interest in the amount of U.S.$10.625 per U.S.$1,000 principal amount of Notes for the period from and including February 13, 2019 up to but excluding May 8, 2020.
Yield to Maturity:	3.258%
Spread to Benchmark Treasury:	+302.3 bps
Benchmark Treasury:	0.25% due April 15, 2023

Gross Proceeds to Issuer (excluding accrued interest):	U.S.$135,993,720
Interest Payment Dates:	February 13 and August 13 of each year, commencing August 13, 2020.
Trade Date:	April 30, 2020
Settlement Date:	May 8, 2020 (T+5)
Tax Redemption:	In the event of certain changes in the withholding tax treatment relating to payments on the Notes, redeemable in whole but not in part, at 100% of their principal amount, plus accrued and unpaid interest to the date of redemption, and any additional amounts due thereon.
Additional Amounts:	In the event of withholding on account of certain taxes imposed by Chile, Issuer will pay additional amounts.
Day Count Convention:	30 / 360
Minimum Denominations:	U.S.$200,000 / U.S.$1,000
Issuer Ratings*:	A3, stable / A, negative (Moody's / S&P)
Dealer Manager:	Banco Santander, S.A.
Regulation S CUSIP / ISIN:	P3143NAR5 / USP3143NAR54
Temporary Regulation S CUSIP / ISIN for the 40-day distribution period:	P3143NBL7 / USP3143NBL75

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

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

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 Banco Santander, S.A. ("Santander") 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 Santander. 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 Santander.

The information used in preparing these materials was obtained from or through you or your representatives or from public sources. Santander 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). Santander 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 Santander 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 Santander 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. Santander 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 Santander 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 Santander to underwrite, place or purchase any securities of any entity or to provide any financing to any entity.

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

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.

IMPORTANT NOTICE

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

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS. THE OFFERING MEMORANDUM AND THE OFFER OF THE NOTES ARE ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC) AND RELATED IMPLEMENTATION MEASURES IN MEMBER STATES ("QUALIFIED INVESTORS"). IN ADDITION, IN THE UNITED KINGDOM THE OFFERING MEMORANDUM IS ONLY BEING DISTRIBUTED TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AND OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO (I) IN THE UNITED KINGDOM, RELEVANT PERSONS, AND (II) IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OTHER THAN THE UNITED KINGDOM, QUALIFIED INVESTORS, AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. IN ADDITION, NO PERSON MAY COMMUNICATE OR CAUSE TO BE COMMUNICATED ANY INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY, WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA"), RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE NOTES OTHER THAN IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO US.

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

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

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

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

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

OFFERING MEMORANDUM **Strictly confidential**

U.S.$ 750,000,000

Corporación Nacional del Cobre de Chile

4.500% Notes due 2023

The notes will bear interest at the rate of 4.500% per year and will mature on August 13, 2023. The interest on the notes will be payable semi-annually in arrears on February 13 and August 13 of each year, beginning on February 13, 2014. The notes will not be redeemable prior to maturity except in the event of certain developments affecting taxation. See "Description of Notes—Tax Redemption."

The notes will be direct, unsecured and unsubordinated obligations of Corporación Nacional del Cobre de Chile ("CODELCO" or the "Company") and will rank *pari passu* with all other unsecured and unsubordinated obligations of CODELCO. See "Description of Notes—General."

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

See "Risk Factors" beginning on page 13 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 ("SEC") nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this offering memorandum. Any representation to the contrary is a criminal offense.

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

The notes will be delivered in book-entry form only through the facilities of The Depository Trust Company ("DTC") and its direct and indirect participants, including Euroclear Bank S.A./N.V. ("Euroclear"), as operator of the Euroclear system, and Clearstream Banking, *société anonyme*, Luxembourg ("Clearstream") against payment on or about August 13, 2013.

Issue price: 99.864% plus accrued interest, if any, from August 13, 2013.

Joint Book-Running Managers

HSBC **BofA Merrill Lynch** **Mitsubishi UFJ Securities**

The date of this offering memorandum is August 6, 2013.

(Illustrative map of continental Chile)

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

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

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

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

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

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

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future. CODELCO has furnished the information contained in this offering memorandum. The initial purchasers have not independently verified any of the information contained herein (financial, legal or otherwise) and assume no responsibility for the accuracy or completeness of any such information.

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

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

IN CONNECTION WITH THIS OFFERING, HSBC SECURITIES (USA) INC., MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED OR MITSUBISHI UFJ SECURITIES (USA), INC., OR ANY PERSON ACTING FOR ANY OF THEM, MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION FOR HSBC SECURITIES (USA) INC., MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED OR MITSUBISHI UFJ SECURITIES (USA), INC., OR ANY PERSON ACTING FOR ANY OF THEM, TO DO THIS. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD.

You must (1) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the notes and (2) obtain any consent, approval or permission required to be obtained by you for the purchase, offer or sale by you of the notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales; neither we nor the initial purchasers shall have any responsibility therefor. See "Transfer Restrictions" for information concerning some of the transfer restrictions applicable to the notes.

You acknowledge that:

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

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

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

This offering memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (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 offering memorandum or any of its contents.

To the extent that the offer of the notes is made in any European Economic Area ("EEA") Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "Prospectus Directive") before the date of publication of a prospectus in relation to the notes which has been approved by the competent authority in that Member State in accordance with the Prospectus Directive (or, where appropriate, published in accordance with the Prospectus Directive and notified to the competent authority in that Member State in accordance with the Prospectus Directive), the offer (including any offer pursuant to this document) is only addressed to qualified investors in that Member State within the meaning of the Prospectus Directive or has been or will be made otherwise in circumstances that do not require the Company to publish a prospectus pursuant to the Prospectus Directive.

See "Risk Factors" beginning on page 13 for a description of certain risks you should consider before investing in the notes.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, OR THE RSA, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PRUCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements. We may from time to time make forward-looking statements in our annual report, in prospectuses, press releases and other written materials and in 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, net income (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," "predict," "forecast," "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 offering memorandum.

ENFORCEABILITY OF CIVIL LIABILITIES

CODELCO is a state-owned enterprise organized under the laws of Chile. All of its directors and executive officers and certain experts named in this offering memorandum reside outside the United States (principally in Chile) and all or a substantial portion of the assets of CODELCO and of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States on, or bring actions or enforce foreign judgments against, CODELCO or such persons in U.S. courts. In addition, CODELCO has been advised by its Chilean counsel, Carey y Cía. Ltda., that no treaty exists between the United States and Chile for the reciprocal enforcement of foreign judgments. There is also doubt as to the enforceability in Chilean courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of the 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 Fiscal and Paying Agency Agreement and the Purchase Agreement will provide that CODELCO will appoint the Chilean consul in New York City as its agent upon whom process may be served in any action arising out of or based upon, respectively, the notes, the Fiscal and Paying Agency Agreement, the Purchase Agreement or the transactions contemplated thereby, which may be instituted in any federal or state court having "subject matter" jurisdiction. See "Description of Notes."

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

PRESENTATION OF FINANCIAL AND STATISTICAL INFORMATION

In this offering memorandum, references to "U.S.$," "$," "U.S. dollars" and "dollars" are to United States dollars, 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*." The UF is an inflation-indexed Chilean monetary unit which is linked to, and which is adjusted daily to reflect changes in, the Chilean consumer price index during the preceding 30 days.

Pursuant to *Oficio Circular* 368 of October 2006, as amended, of the *Superintendencia de Valores y Seguros* ("SVS"), or the Chilean Superintendency of Securities and Insurance, beginning in 2010, all companies with publicly traded securities in Chile are required to prepare and report consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board (IASB). As of January 1, 2010, CODELCO no longer prepares financial statements in accordance with generally accepted accounting principles in Chile ("Chilean GAAP"). CODELCO's first results reported under IFRS were the unaudited interim financial statements as of and for the three-month period ended March 31, 2010. Financial results for the fiscal year ended December 31, 2009 have been reconstructed according to IFRS in order to make them comparable to our 2010, 2011 and 2012 financial statements.

The audited consolidated statements of financial position as of December 31, 2009, 2010, 2011 and 2012, the opening consolidated statement of financial position as of January 1, 2010 and the consolidated statements of comprehensive income for the years ended December 31, 2009, 2010, 2011 and 2012 included herein (the "Year-end Consolidated Financial Statements"), are presented in accordance with IFRS as issued by the IASB. The consolidated financial statements for the years ended December 31, 2011 and 2012 are referred to as the "2011-2012 Year-end Consolidated Financial Statements."

The unaudited interim consolidated statements of financial position as of March 31, 2013 and the unaudited consolidated statements of comprehensive income, changes in equity and cash flows for the three month periods ended March 31, 2012 and 2013 (the "Unaudited Interim Consolidated Financial Statements") included in this offering memorandum are presented in accordance with IFRS. The Unaudited Interim Consolidated Financial Statements and the Year-end 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 Year-end Consolidated Financial Statements for the year ended December 31, 2012, except for the adoption of certain new standards and interpretations effective from January 1, 2013, which required retroactive restatement of certain figures for the three months ended March 31, 2012. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—New Accounting Standards" for the details of the restatement and Section II.3 to the Unaudited Interim Consolidated Financial Statements. Therefore, the amounts reported at and for the three months ended March 31, 2013 are presented based on the new accounting standards and are not fully comparable to amounts presented in our Year-end Consolidated Financial Statements.

Unless otherwise indicated, the Consolidated Financial Statements and other financial information concerning CODELCO included herein are presented in U.S. dollars in conformity with Decree Law 1.350 of 1976, as amended by Law 20.392 published in the 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, the Consolidated Financial Statements do not and are 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, a portion of CODELCO's business is transacted in Chilean pesos and other non-dollar currencies.

Adjusted EBITDA data is included in this offering memorandum because such data is used by certain investors to measure a company's ability to service debt and fund capital expenditures, and it is included herein for convenience only. Adjusted EBITDA is calculated by adding finance income (expense), net, income tax expense, depreciation and amortization plus export taxes to net income, in each case determined in accordance with IFRS as issued by the IASB. 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. The Company believes that Adjusted EBITDA, while providing useful information, should not be considered in isolation or as a substitute for net income 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.

Under IFRS, gross profit is calculated before provision for the 10% special export tax payable by CODELCO under Law 13.196, as well as a mining tax at progressive rates of between 5% and 14% that became effective in January 2006 pursuant to a modification of Chilean Income Tax Law 824 (*Decreto Ley* 824). See also "Risk Factors—Risks Relating to CODELCO's Relationship with the Chilean Government—CODELCO is subject to special taxes and distributions" for information related to the mining tax rate effective in 2012.

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

The Observed Exchange Rate (as defined herein under "Exchange Rates") reported by the Central Bank of Chile as of December 28, 2012 was Ch$478.60 = U.S.$1.00, as of March 28, 2013 was Ch$472.54 = U.S.$1.00 and as of August 5, 2013 was Ch$513.63= U.S.$1.00. The Federal Reserve Bank of New York does not report a noon buying rate for Chilean pesos. See "Exchange Rates."

All tonnage information in this offering memorandum is expressed in metric tons and all references to ounces are to troy ounces, in each case, unless otherwise specified. Tonnage information in this offering memorandum does not include CODELCO's share of the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra, owned 49% by CODELCO and 51% by Cyprus El Abra Corporation (a subsidiary of Freeport McMoRan Copper & Gold, Inc. ("Freeport McMoRan")) or CODELCO's indirect 20% share of Anglo American Sur S.A. ("Anglo American Sur"), unless otherwise specified. See "Business and Properties—Associations, Joint Ventures and Partnerships—SCM El Abra" and "Business and Properties—Associations, Joint Ventures and Partnerships—Anglo American Sur" for a description of these joint ventures. 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 of 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 offering memorandum, "cash cost" is calculated in accordance with the methodology specified by Brook Hunt & Associates for 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, transportation and physical plant costs associated with those processes, net of income from sales of by-products. Cash cost figures are given as nominal dollar amounts, usually expressed as cents per pound, and exclude provisions, amortization, depreciation and central office costs. Cash cost is presented because it is a widely used measure of costs, although it is not an IFRS or U.S. GAAP-based measure of cost. The Company believes that cash cost, while providing useful information, should not be considered in isolation or as a substitute for costs of sales, costs of selling and administrative expenses, or as an indicator of costs.

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

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

SUMMARY

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

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

CODELCO is the world's largest copper producer and the largest company in Chile in terms of revenues (U.S.$15.86 billion in 2012). As of December 31, 2012, CODELCO's total assets and equity amounted to U.S.$31.64 billion and U.S.$12.18 billion, respectively, without including the value of CODELCO's mining concessions and ore deposits (as of March 31, 2013, such amounts were U.S.$31.00 billion and U.S.$12.40 billion, respectively).

CODELCO engages primarily in the exploration, development and extraction of ores bearing copper and by-products, the processing of ore into refined copper and the international sale of refined copper and by-products. CODELCO is 100% owned by Chile and controls approximately 9% of the world's proved and probable copper reserves, as such terms are defined by the U.S. Geological Survey.

In 2012, CODELCO had an estimated 10% share of total world copper production, with production of approximately 1.76 million metric tons including CODELCO's share of the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra (owned 49% by CODELCO and 51% by Cyprus El Abra Corporation, a subsidiary of Freeport McMoRan) and CODELCO's share of Anglo American Sur (of which CODELCO owns a 20% indirect share), and an estimated 8% share of the world's molybdenum production, with production of approximately 19,676 metric tons.

CODELCO's main commercial product is Grade A cathode copper. In 2012, CODELCO derived 91% of its total sales from copper and 9% of its total sales from by-products of its copper production. For the three-month period ended March 31, 2013, CODELCO derived 93% of its total sales from copper and 7% of its total sales from by-products of its copper production.

CODELCO's sales of copper in 2012 were geographically diversified, with approximately 60% of sales made to Asia, including 41% to China, 17% to Europe, 21% to North and South America, and the remainder to Oceania and Africa. CODELCO's top ten customers purchased approximately 32% of its total copper sales volume in 2012.

CODELCO's copper operations are divided into eight divisions. In September 2010, CODELCO created the Mina Ministro Hales Division, which operates the Mina Ministro Hales ore body. In December 2010, CODELCO divided the former CODELCO Norte Division into the Chuquicamata and Radomiro Tomic Divisions. CODELCO's divisions consist of the following:

- 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 2012, this division produced 355,901 metric tons of copper cathodes, or 20.3% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 193.4 cents per pound, compared to 110.9 cents per pound in 2011, and a total cash cost of U.S.$1,503 million, compared to U.S.$1,078 million in 2011. For the first three months of 2013, this division had a cash cost of 193.4 cents per pound and a total cash cost of U.S.$311 million.

- The Radomiro Tomic Division operates the Radomiro Tomic mine, which began its first full year of production in 1998 and is the world's largest producer of copper using the SX-EW technology. In 2012, this division produced 427,791 metric tons of copper cathodes, or 24.3% of CODELCO's total

copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 130.9 cents per pound, compared to 100.3 cents per pound in 2011, and a total cash cost of U.S.$1,223 million, compared to U.S.$1,028 million in 2011. For the first three months of 2013, this division had a cash cost of 121.7 cents per pound and a total cash cost of U.S.$292 million.

- On January 1, 2013, CODELCO created the Gabriela Mistral Division. The Gabriela Mistral Division 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 with total construction costs of U.S.$1.03 billion. In 2012, this division produced 133,000 metric tons of copper, or 7.6% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 199.6 cents per pound, compared to 165.8 cents per pound in 2011, and a total cash cost of U.S.$585 million, compared to U.S.$432 million in 2011. For the first three months of 2013, this division had a cash cost of 221.5 cents per pound and a total cash cost of U.S.$158 million.

- The El Teniente Division is the operator of 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 2012, this division produced 417,244 metric tons of copper, or 23.7% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 128.8 cents per pound, compared to 92.4 cents per pound in 2011, and a total cash cost of U.S.$1,175 million, compared to U.S.$810 million in 2011. For the first three months of 2013, this division had a cash cost of 162.6 cents per pound and a total cash cost of U.S.$347 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 2012, this division produced 249,861 metric tons of copper, or 14.2% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 136.3 cents per pound, compared to 128.0 cents per pound in 2011, and a total cash cost of U.S.$725 million, compared to U.S.$639 million in 2011. For the first three months of 2013, this division had a cash cost of 131.0 cents per pound and a total cash cost of U.S.$162 million.

- The Salvador Division includes the Salvador mine and concentrator and the smelter/refinery complex at Potrerillos, which has a capacity to treat 671,000 metric tons of concentrate. In 2012, this division produced 62,728 metric tons of copper cathodes, or 3.6% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 268.9 cents per pound, compared to 175.3 cents per pound in 2011, and a total cash cost of U.S.$372 million, compared to U.S.$267 million in 2011. For the first three months of 2013, this division had a cash cost of 245.7 cents per pound and a total cash cost of U.S.$68 million. CODELCO's Board of Directors has decided to phase out mining operations at the Salvador mine by 2016, or by 2021 if warranted by market and operational conditions. The Potrerillos smelter and refinery will 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. The Ventanas smelter has a capacity to treat 400,000 metric tons of concentrate. In 2012, this division refined 398,116 metric tons of copper. Pursuant to the terms of the acquisition, CODELCO is required to provide on market terms the necessary smelting and refining capacity for the treatment of copper concentrate delivered by the small- and medium-sized mining industry that ENAMI serves.

- The Mina Ministro Hales Division was created in September 2010 for the operation of the Mina Ministro Hales ore body, which is expected to begin operations at the end of 2013 and expected to produce an average of 183,000 tons of copper per year and 300 tons of silver per year.

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 it has certain distinguishing competitive strengths:

- *Copper Reserves*. CODELCO controls approximately 9% of the world's proved and probable copper reserves. In 2012, CODELCO's proved and probable reserves represented at least 35 years of future production at current levels. According to the U.S. Geological Survey, CODELCO's proved and probable reserves increased from 60.5 million tons in 2011 to 63.6 million tons in 2012.

- *Market Presence*. CODELCO is the largest copper producer in the world, with an estimated 10% share of the total world copper production, with 1.76 million metric tons (including CODELCO's share of the El Abra deposit and Anglo American Sur) of production in 2012. CODELCO is also one of the largest producers of molybdenum in the world, with an estimated 8% share of total world molybdenum production, producing 19,676 metric tons in 2012. CODELCO believes its significant market presence gives the Company certain advantages in the marketing of its products.

- *Low Cost Producer*. For many years, CODELCO has been one of the world's lowest cost producers of copper, and has been within the first and second quartile in industry costs. This position is principally 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 return to the first quartile of the industry's cost curve in the long term. In 2012, CODELCO's total costs and expenses were 264.5 cents per pound, compared to 205.6 cents per pound, in 2011 and 197.6 cents per pound in 2010. For the first three months of 2013, CODELCO's total costs and expenses were 245.0 cents per pound compared to 219.2 cents per pound for the same period in 2012. In 2012, CODELCO's total costs and expenses were U.S.$9,601 million. For the first three months of 2013, CODELCO's total costs and expenses were U.S.$2,077 million compared to U.S.$1,800 million for the same period in 2012. In 2012, CODELCO's cash cost of production was 163.5 cents per pound, compared to 116.4 cents per pound in 2011 and 104.4 cents per pound in 2010. For the first three months of 2013, CODELCO's cash cost of production was 170.0 cents per pound, compared to 130.2 cents per pound for the first three months of 2012. In 2012, CODELCO'S total cash cost was U.S.$5,864 million. For the first three months of 2013, CODELCO's total cash cost was U.S.$1,424 million, as compared to U.S.$1,058 million for the first three months of 2012. 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 Client Base.* CODELCO has developed long-term relationships with the majority of its clients, including some of the leading manufacturers in the world.

- *Financial Strength.* In 2012, CODELCO's earnings before interest expense, taxes (including income and export taxes), depreciation and amortization (Adjusted EBITDA) amounted to U.S.$9.5 billion; total debt to capitalization as of December 31, 2012 was 44.8% and the ratio of total debt to Adjusted EBITDA was 1.04. As of March 31, 2013, Adjusted EBITDA amounted to U.S.$1.4 billion; total debt to capitalization as of March 31, 2013 was 44.5%.

- *Management Efficiency and Flexibility*. CODELCO's copper reserves are concentrated in Chile and can therefore be managed efficiently. 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.

- *A Leading Company in Chile.* CODELCO is the largest company in Chile in terms of sales as of December 31, 2012, and is a key contributor to the Chilean government budget. In 2012, CODELCO contributed U.S.$3.18 billion to the Chilean Treasury and accounted for approximately 18% of Chile's total exports. For the first three months of 2013, CODELCO contributed U.S.$409 million 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."

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.* The Company seeks to maintain and improve its competitive position in the industry through its capital expenditure program. Following the completion of a number of significant projects in recent years, such as 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 El Teniente mine, CODELCO intends to continue its development program. Accordingly, the Company intends to make capital expenditures of approximately U.S.$26.5 billion over the next five years on major projects, transforming its main mining operations with a view towards the long-term development of its resources. The Company's expansion and development projects for the next five years include:

    - the development of the Mina Ministro Hales ore body, which is expected to begin operations at the end of 2013 (U.S.$1.2 billion investment over the next five years to produce an expected total average of 183,000 tons of copper per year and 300 tons of silver per year);

    - the expansion of the existing sulfide operation in the Radomiro Tomic mine (U.S.$4.6 billion investment over the next five years to enable the Radomiro Tomic mine to produce an expected average of 343,000 tons of copper per year starting in 2017);

    - the development of a new production level in the existing El Teniente underground mine (U.S.$2.9 billion investment over the next five years to maintain El Teniente's current annual copper production of approximately 434,000 tons of copper per year starting in 2017; environmental approvals were obtained in March 2011);

    - the gradual transfer of the Chuquicamata mine from an open pit mine to an underground operation (U.S.$2.7 billion investment over the next five years to enable Chuquicamata to produce an expected total average of 366,000 tons of copper and 18,000 tons molybdenum per year starting in 2018; environmental approvals were obtained in September 2010); and

    - the expansion of the existing Andina mine (U.S.$1.0 billion investment over the next five years to enable Andina to produce an expected average of an additional 350,000 tons of copper per year for a total expected average of approximately 600,000 tons of copper per year starting in 2021).

For a complete list of planned capital expenditures, see "Business and Properties—Copper Production—Operations."

- *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 on providing increased flexibility to its operations.

- *Exploration Effort.* 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 continuing to attract and retain a world-class management team and professionals of the highest caliber. Against the background of increased competition for talent in the mining industry, the Company will continue to improve 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 in situations where these associations will add value to CODELCO's business. An example of the Company's willingness and ability to do so is the association with Freeport McMoRan in the El Abra copper mine (CODELCO owns 49%) and 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 Directors

On September 25, 2012, the President of Chile selected and appointed Augusto González Aguirre to fill a vacant position on our Board of Directors left since May 2012, after Ignacio Torres Cabello voluntarily resigned. On May 24, 2013, the President of Chile renewed the mandate of Gerardo Jofré Miranda and reappointed him as Chairman of the Board of Directors. The President of Chile also selected and appointed Blas Tomic Errázuriz in May 2013, replacing Jorge Bande Bruck. See "Management."

Corporate Information

CODELCO's principal executive offices are located at Huérfanos 1270, Santiago, Chile, and its telephone number is (56) 2 2 690-3000. CODELCO was established by Decree Law 1.350, published in the Official Gazette of February 28, 1976, as amended by Decree Law 20.392, published in the Official Gazette on November 14, 2009.

The Offering

Issuer	Corporación Nacional del Cobre de Chile.
Securities Offered	U.S.$750,000,000 aggregate principal amount of 4.500% notes due 2023.
Issue Price	The issue price of the notes is 99.864%, plus accrued interest, if any, from August 13, 2013.
Interest	4.500% per year. The interest on the notes will be payable semi-annually in arrears on February 13 and August 13 of each year, beginning on February 13, 2014. See "Description of Notes."
Maturity	August 13, 2023.
Withholding Tax	Interest will be paid after withholding for or on account of certain taxes imposed by Chile. Under current Chilean law and regulations, payments of interest to holders of the notes that are not residents of Chile for purposes of Chilean taxation will generally be subject to Chilean withholding tax at a rate of 4%. Subject to specified exceptions and limitations, CODELCO will pay Additional Amounts (as defined in "Description of Notes—Payment of Additional Amounts") in respect of such withholding tax on interest payments. See "Description of Notes—Payment of Additional Amounts" and "Taxation—Chilean Taxation."
Tax Redemption	The notes are redeemable at the option of CODELCO in whole (but not in part), at any time at the principal amount thereof plus accrued and unpaid interest and any Additional Amounts due thereon if, as a result of changes in the laws or regulations affecting Chilean taxation, CODELCO becomes obligated to pay Additional Amounts on interest payments on the notes in respect of withholding or deduction of Chilean tax at a rate in excess of 4%. See "Description of Notes—Tax Redemption," "Taxation—Chilean Taxation" and "Risk Factors—Risks Relating to the Offering."

Form and Denomination	The notes will be issued in book-entry form only in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. The notes will be represented by one or more Global Notes registered in the name of a nominee of The Depository Trust Company ("DTC"), as depositary, for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V. ("Euroclear"), as operator of the Euroclear system, and Clearstream Banking, *société anonyme*, Luxembourg ("Clearstream"). See "Description of Notes."
Payments; Transfers	Payment of interest and principal with respect to interests in Global Notes will be credited by DTC, Euroclear or Clearstream, as the case may be, to the account of the holders of such interests with DTC, Euroclear or Clearstream, as the case may be. Transfers of interests in notes held through DTC, Euroclear or Clearstream will be conducted in accordance with the rules and operating procedures of the relevant system. There will be a Luxembourg paying agent.
Ranking	The notes will be the direct, unsecured and unsubordinated obligations of CODELCO ranking *pari passu* with all other unsecured and unsubordinated obligations of CODELCO, other than certain obligations granted preferential treatment pursuant to Chilean law. The notes will contain no restrictions on the amount of additional indebtedness which may be incurred by CODELCO or its subsidiaries; however, as set forth under "Description of Notes—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 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—Limitation on Liens," "—Limitation on Sale and Lease-Back Transactions" and "—Consolidation, Merger, Conveyance, Sale or Lease."
Transfer Restrictions	The notes have not been and will not be registered under the Securities Act and are subject to restrictions on resales. See "Transfer Restrictions."

Further Issues	In accordance with the terms of the Fiscal and Paying Agency Agreement, 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	Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market in accordance with its rules and regulations. The notes are not yet listed. If any European or national legislation is adopted and is implemented or takes effect in Luxembourg in a manner that would impose requirements on us that we, in our discretion, determine are impracticable or unduly burdensome, we may de-list the notes. In these circumstances, there can be no assurance that we would obtain an alternative admission to listing, trading and/or quotation for the notes by another listing authority, exchange and/or system within or outside the European Union. For information regarding the notice requirements associated with any delisting decision, see "Description of Notes—Notices."
Governing Law; Submission to Jurisdiction	The notes 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. See "Description of Notes—Governing Law; Submission to Jurisdiction; Sovereign Immunity."
Expected Ratings	The notes offered hereby will be assigned a rating by Moody's Investors Service, Inc. ("Moody's") and by Standard & Poor's rating group ("S&P"). CODELCO currently has a Foreign Currency Long Term Debt rating by Moody's of A1 (negative) and a Long Term Foreign Issuer Credit rating by S&P of AA- (stable). 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	The net proceeds from the offering of the notes will be used to finance partially capital expenditures, cancel short-term indebtedness and for general corporate purposes.
Fiscal and Paying Agent	The Bank of New York Mellon.
Luxembourg Listing Agent, Paying Agent and Transfer Agent	The Bank of New York Mellon (Luxembourg) S.A.

Risk Factors

Before investing, you should carefully consider the risks set forth under “Risk Factors” beginning on page 13.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables present CODELCO's summary consolidated financial data and other data as of and for the periods indicated. This data is qualified in its entirety by reference to, and should be read together with, CODELCO's Consolidated Financial Statements and notes thereto, included elsewhere in this offering memorandum, from which all such data (other than the average London Metal Exchange ("LME") copper prices) has been derived. The data should also be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Year-end Consolidated Financial Statements for 2009, 2010, 2011 and 2012, and the Unaudited Interim Consolidated Financial Information for the three month periods ended March 31, 2012 and 2013, and other financial information included in this offering memorandum are presented in accordance with IFRS. The unaudited interim information for the three-month periods ended March 31, 2012 and 2013 includes all adjustments, consisting of only normal recurring adjustments, that in the opinion of management are necessary for the fair presentation of such information. The unaudited results of operations for the three months ended March 31, 2013 are not necessarily indicative of the results to be expected for the year ending December 31, 2013 or any other period.

	For the year ended December 31,				For the three months ended March 31,	
	2009	2010	2011	2012	2012*	2013*
			(in thousands of U.S.$)		(unaudited)	
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME						
Revenues	$12,379,137	$16,065,946	$17,515,296	$15,860,432	$ 3,963,855	$ 3,277,676
Cost of sales[1]	(7,666,010)	(9,088,740)	(10,283,026)	(10,851,680)	(2,307,848)	(2,250,103)
Gross profit	4,713,127	6,977,206	7,232,270	5,008,752	1,656,007	1,027,573
Other income	308,363	141,473	726,185	4,092,339	25,568	31,975
Distribution cost	(19,157)	(14,994)	(11,114)	(12,654)	(3,533)	3,373
Administrative expenses	(323,836)	(390,234)	(452,217)	(543,531)	(112,103)	(127,283)
Other expenses[2]	(1,458,441)	(2,058,867)	(2,307,326)	(2,275,945)	(352,329)	(301,424)
Other gains	14,749	28,040	38,709	35,400	8,504	10,759
Finance income	27,666	35,559	44,701	59,023	10,129	11,757
Finance cost	(318,757)	(331,132)	(294,496)	(406,278)	(69,594)	(89,245)
Share of profit of associates and joint ventures accounted for using the equity method	310,651	303,395	353,440	457,230	116,129	99,223
Exchange differences	(266,531)	(202,524)	216,998	(165,801)	(72,971)	(60,158)
Profit for the period before tax	2,987,834	4,487,922	5,547,150	6,248,526	1,205,807	599,804
Income tax expense[3]	(1,813,643)	(2,611,601)	(3,491,798)	(2,373,206)	(723,485)	(342,314)
Profit for the period	1,174,191	1,876,321	2,055,352	3,875,320	482,322	257,490
Profit attributable to owners of parent	1,176,226	1,877,659	2,056,414	3,867,960	482,521	246,594
Profit (loss), attributable to non-controlling interests	(2,035)	(1,338)	(1,062)	7,360	(199)	10,896
Profit for the period	$ 1,174,191	$ 1,876,321	$ 2,055,352	$ 3,875,320	$ 482,322	$ 257,490

STATEMENTS OF FINANCIAL POSITION INFORMATION	As of January 1, 2009	As of December 31, 2009	As of December 31, 2010	As of December 31, 2011	As of December 31, 2012	As of March 31, 2013*
						(unaudited)
Total current assets	$ 3,729,946	$ 4,995,564	$ 6,623,885	$ 5,906,920	$ 6,534,627	$ 5,680,779
Total property, plant and equipment	10,507,650	11,210,433	12,351,430	13,437,764	17,044,931	17,463,983
Investments accounted for using the equity method[4]	1,084,470	1,100,156	588,365	945,055	7,644,612	7,452,599
Non-current receivables	149,234	198,102	198,785	132,721	171,699	169,856
All other assets	263,493	749,625	516,576	412,484	249,164	237,568
Total assets	$ 15,734,793	$ 18,253,880	$ 20,279,041	$ 20,834,944	$ 31,645,033	$ 31,004,785
Total current liabilities	3,022,841	4,096,615	5,243,827	4,416,082	4,138,972	3,318,778
Total non-current liabilities	8,147,686	9,714,038	10,504,002	10,353,832	15,328,281	15,281,830
Total liabilities	$ 11,170,527	$ 13,810,653	$ 15,747,829	$ 14,769,914	$ 19,467,253	$ 18,600,608
Non-controlling interests	2,951	2,007	1,994	2,020	2,099,406	2,109,799
Equity attributable to owners of parent	4,561,315	4,441,220	4,529,218	6,063,010	10,078,374	10,294,378
Total equity	$ 4,564,266	$ 4,443,227	$ 4,531,212	$ 6,065,030	$ 12,177,780	$ 12,404,177
Total liabilities and equity	$ 15,734,793	$ 18,253,880	$ 20,279,041	$ 20,834,944	$ 31,645,033	$ 31,004,785

OTHER ITEMS	For the year ended December 31,				For the three months ended March 31,	
	2009	2010	2011	2012	2012*	2013*
	(in thousands of U.S.$, except ratios and copper prices)				(unaudited)	
Depreciation and amortization of assets	$ 1,082,086	$ 1,304,600	$ 1,485,357	$ 1,606,165	$ 392,802	$ 397,036
Interest income (expense), net	$ (291,091)	$ (295,573)	$ (249,795)	$ (347,255)	$ (59,465)	$ (77,488)
Ratio of earnings to fixed charges[5]	10.4	14.6	19.8	16.4	18.3	7.7
Average LME copper price (U.S. ¢ per pound)[6]	234.22	341.98	399.66	360.59	376.94	359.77
Adjusted EBITDA[7]	$ 5,368,583	$ 7,434,387	$ 8,812,554	$ 9,530,877	$ 1,973,262	$ 1,354,091
Ratio of debt to Adjusted EBITDA	0.9	0.9	0.8	1.0	—	—
Adjusted EBITDA coverage ratio[8]	18.4	25.2	35.3	27.4	33.2	17.5

* The accounting policies adopted in the preparation of the Unaudited Interim Consolidated Financial Statements are consistent with those applied in the preparation of the Year-end Consolidated Financial Statements for the year ended December 31, 2012, except for the adoption of new standards and interpretations effective from January 1, 2013, which required retroactive restatement of certain figures as of March 31, 2012. The amounts reported at and for the three months ended March 31, 2013 are not fully comparable to amounts presented in the Year-end Consolidated Financial Statements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—New Accounting Standards" for the details of the restatement and Section II.3 to the Unaudited Interim Consolidated Financial Statements.

(1) Cost of sales for any period includes direct and indirect costs, depreciation and amortization associated with the production of copper and by-products, 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 Law 13.196. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(3) CODELCO was subject to a 5% mining tax calculated on its operating income for the fiscal years 2010 and 2011. Effective for its 2012 fiscal year, 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 effective rate of the mining tax was 5.7% for CODELCO in 2011 and 5.0% in 2012. 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." See also "Risk Factors—Risks Relating to CODELCO's Relationship with the Chilean Government—CODELCO is subject to special taxes and distributions" for information related to the mining tax rate effective in 2012. In addition, CODELCO is subject to the corporate income tax rate of 20% (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 by Decree Law 2.398, Art. 2. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Distributions to the Chilean Treasury."

(4) See Note 8 to the Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(5) For the purpose of calculating CODELCO's ratio of earnings to fixed charges, (i) earnings consist of profit (loss) and finance cost and (ii) fixed charges consist of finance cost.

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

(7) Adjusted EBITDA is calculated by adding finance income (expense), net, income tax expense, depreciation and amortization (EBITDA) plus export taxes (Adjusted EBITDA) to net income, in each case determined in accordance with IFRS as issued by the IASB. 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. The Company believes that Adjusted EBITDA, while providing useful information, should not be considered in isolation or as a substitute for net income 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.

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

The following table shows CODELCO's Adjusted EBITDA and reconciles its Adjusted EBITDA with profit under IFRS for the periods indicated.

	For the year ended December 31,				For the three months ended March 31,	
	2009	2010	2011	2012	2012	2013
	(in thousands of U.S.$)				(unaudited)	
Profit for the period	$ 1,174,191	$ 1,876,321	$ 2,055,352	$ 3,875,320	$ 482,322	$ 257,490
Income tax expense	1,813,643	2,611,601	3,491,798	2,373,206	723,485	342,314
Depreciation and amortization of assets	1,082,086	1,304,600	1,485,357	1,606,165	392,802	397,036
Export taxes	979,906	1,310,733	1,485,551	1,269,908	305,059	268,006
Finance cost	318,757	331,132	294,496	69,594	75,682	89,245
Adjusted EBITDA	$ 5,368,583	$ 7,434,387	$ 8,812,554	$ 9,530,877	$ 1,973,262	$ 1,354,091

The following table shows CODELCO's earnings, ratio of earnings to fixed charges and reconciliation of earnings to profit under IFRS for the periods indicated.

	For the year ended December 31,				For the three months ended March 31,	
	2009	2010	2011	2012	2012	2013
	(in thousands of U.S.$, except ratios)				(unaudited)	
Profit for the period	$ 1,174,191	$ 1,876,321	$ 2,055,352	$ 3,875,320	$ 482,322	$ 257,490
Income tax expense	1,813,643	2,611,601	3,491,798	2,373,206	723,485	342,314
Finance cost	318,757	331,132	294,496	406,278	69,594	89,245
EBIT[1]	$ 3,306,591	$ 4,819,054	$ 5,841,646	$ 6,654,804	$ 1,275,401	$ 689,049
Ratio of earnings to fixed charges[2]	10.4	14.6	19.8	16.4	18.3	7.7

(1) EBIT is calculated by adding finance cost and income tax expense, each determined in accordance with IFRS as issued by the IASB, to profit for the period. EBIT, while not a financial performance measure under IFRS, is presented as an indicator of funds available to service debt. The Company believes that 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 EBIT may be different than the calculation used by other companies and therefore, comparability may be affected.

(2) Fixed charges consist of finance cost. The ratio of earnings to fixed charges is calculated by dividing earnings by finance cost.

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

	For the year ended December 31,				For the three months ended March 31,	
	2009	2010	2011	2012	2012	2013
	(in thousands of U.S.$, except ratios)				(unaudited)	
Debt	$ 4,667,954	$ 6,346,437	$ 7,049,274	$ 9,902,678	$ 7,114,672	$ 9,962,651
Ratio of debt to Adjusted EBITDA	0.9	0.9	0.8	1.0	—	—
Finance income	27,666	35,559	44,701	59,023	10,129	11,757
Adjusted EBITDA coverage ratio[1]	18.4	25.2	35.3	27.4	33.2	17.5

(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 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'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 the first three months of 2013, copper prices averaged 359.77 cents per pound, down from 376.94 cents per pound in the same period in 2012, which may be attributed in part to the European financial crisis and uncertainty in the demand for copper in China. China has been the main driver of copper consumption over the last few years, and in 2010, 2011 and 2012, 42.8%, 37.7% and 41.0%, respectively, of CODELCO's sales were made to China. If economic conditions deteriorate in China, 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 2012, each one-cent change in CODELCO's average annual copper price per pound caused a variation in operating profit of approximately U.S.$39 million. 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 is currently among the lowest cost copper producers in the world mining industry and 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 68.3% of its copper output in 2012 (including CODELCO's share in El Abra and Anglo American Sur). The Chuquicamata mine produced an aggregate of 355,901 metric tons of copper in 2012, and the Radomiro Tomic mine produced an aggregate of 427,791 metric tons of copper in the same period. The El Teniente Division, including the Caletones smelter, produced 417,244 metric tons of copper in 2012. 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," "Business and Properties—Operations—Radomiro Tomic Division," and "Business and Properties—Operations—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 typical in the copper mining industry 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, government 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 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. 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.

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 pollution and to protect natural resources, including water and air, among other requirements. If the environmental authority 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 decontamination or prevention 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 is a decontamination plan for PM_{10} under review, and a pollution prevention plan for SO_2 is under development. CODELCO is unable to fully assess yet what may be required of the Company or the cost of compliance with the revised PM_{10} pollution reduction plan, the SO_2 prevention plan or any future changes to the other plans covering the areas where CODELCO operates. To date, 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 emission standard for smelters is under review by the Ministry of the Environment. This standard may involve arsenic (As), SO_2, PM_{10} and mercury (Hg) emissions. CODELCO is currently unable to estimate fully the costs of complying with these new regulations should they become effective, but expects that compliance costs could be significant. See "Regulatory Framework—Environmental Regulations."

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 additional changes are pending and may be adopted in Chile, particularly those regarding water quality standards (including regulations to develop water quality standards for the Loa, Aconcagua and Cachapoal rivers) and the mentioned air emission standard for smelters. Each of these laws and regulations could result in significant additional environmental compliance costs. At March 31, 2013, CODELCO had total provisions of U.S.$1,497 million for mine closure expenses (asset retirement and decommissioning). CODELCO is currently unable to estimate the costs of complying with potential new regulations regarding smelter emissions, but such costs could be material. CODELCO's operations outside of 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."

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, in February 2010 when a severe earthquake struck the southern central region of Chile. The 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.

Although the February 2010 earthquake 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 operations, earnings and 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 that could be incorrect.

CODELCO's ore deposits (its resources and reserves) described in this offering memorandum constitute estimates based on standard evaluation methods generally used in the international mining industry and on assumptions as to production costs and market prices. The actual ore deposits may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may be below the estimated levels. Lower market prices, as well as increased production costs, reduced recovery rates and other factors, may render CODELCO's ore deposits uneconomic to exploit and may result in revision of its reserve and resource estimates from time to time. Reserve and resource data are not indicative of future results of operations. See "Business and Properties—Resources and 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.$26.5 billion over the next five years on major projects, which it intends to finance through depreciation, amortization, deferred taxes, debt financing and, subject to approval each year by the Ministries of Finance and Mining, retention in the range of 10% to 15% of its pre-tax profit in each year over the next five years. 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 net income 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.

Future performance of the Company 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 continue to decline over time, innovation and exploration is increasingly important to CODELCO's success. 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. 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 such increased costs have adversely affected CODELCO's results. CODELCO has taken certain actions to secure the sources from which it can procure energy, including the participation in the construction of liquefied natural gas ("LNG") re-gasification terminals and entering into electrical and liquid fuels contracts which are expected to meet its energy requirements. See "Business and Properties—Production Costs of Copper." If CODELCO is unable to procure sufficient energy at reasonable prices in the future or its energy suppliers do not perform as expected, CODELCO's profits and cash flow could be adversely affected.

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

On December 31, 2012, CODELCO employed 19,019 employees, approximately 86.1% of whom were covered by collective bargaining agreements with labor unions. Most of these collective bargaining agreements have terms of two to four years. Although management believes its present labor relations are good, CODELCO has experienced material work slowdowns, work stoppages and strikes in the past.

CODELCO was involved in negotiating seven collective bargaining agreements in 2012, all of which were negotiated before the termination of the contracts, without conflict or work stoppage: one in the Chuquicamata Division, two in the Ventanas Division, three in the Andina Division and one in the Headquarters, covering a total of 8,242 employees. In 2013, three collective bargaining agreements should be negotiated in the second half of the year involving the El Teniente Division supervisors and two workers' unions in Salvador, covering 1,502 employees.

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, and 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.

On July 11, 2011, a one-day strike was called by the Federation of Copper Workers ("FTC"), which resulted in an approximately 5,000 metric ton decrease in production. CODELCO and the FTC subsequently signed a framework agreement to regulate relations within the Company between management and workers and to foster a dialogue concerning the competiveness of the Company.

On April 9, 2013, an illegal one-day strike was called by the FTC, which resulted in an approximately 4,700 metric ton decrease in production. CODELCO and the FTC subsequently established a dialogue to address issues concerning labor stability.

As of March 31, 2013, there were 41,172 employees of regular independent operating contractors and 21,819 employees of contractors involved in the development of CODELCO's investment projects. At the end of July 2007, a small portion of contract workers that provide services to CODELCO in various divisions went on a strike that lasted 37 days. During 2007, a framework agreement was signed establishing programs to improve the benefits for the workers. Nevertheless, there was another strike in April and May of 2008 by workers of CODELCO's contractors that lasted 12 days at El Teniente and 20 days at Salvador, reducing production by 30,000 metric tons. A similar strike occurred in May 2011 that lasted 55 days in El Teniente, which resulted in an approximately 17,000 metric ton decrease in production. This strike was resolved through dialogue and agreement between representatives of the workers and the association of contractor companies (Asociación Gremial de Empresas para la Minería y Rubros Asociados ("AGEMA")). While none of the strikes had a material effect on CODELCO's results of operations, CODELCO has experienced material and more protracted work disruptions in the past.

In August 2011, the AGEMA and the Confederation of Copper Workers ("CTC") signed an agreement to prevent strikes such as the one at El Teniente in April and May of 2008 for the benefit of employees of contractors that permanently service various CODELCO divisions and production facilities, including Gabriela Mistral. The agreement provided for the payment of a bonus by the contractor companies to certain contract employees and establishes better working practices.

On May 15, 2013, the AGEMA and the CTC signed a revision and extension of their previous agreement. This agreement provides for the payment of one additional bonus by the contractor companies to certain contract employees and establishes better working practices. There can be no assurance that a work slowdown or stoppage will not occur prior to or upon the completion of the agreed bonus payment, and CODELCO is unable to estimate the effect of any such events on CODELCO's production levels.

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. In addition, pursuant to the Labor Code of Chile (*Código del Trabajo*), 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.

Law 20.123 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. Law 20.123 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.

For further information on employee and independent contractor matters, see "Business and Properties—Employees."

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 risk associated with copper price volatility. CODELCO currently does not have any production hedging commitments. See Notes 26 and 27 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 27 and 28 to the 2011-2012 Year-end Consolidated Financial Statements and Notes 26 and 27 to the Unaudited Interim Consolidated Financial Statements for further information on CODELCO's hedging activity.

Risks Relating to CODELCO's Relationship with the Chilean Government

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 names CODELCO's nine directors and approves any amendments to CODELCO's bylaws. 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 Business Development Plan (*Plan de Negocios de Desarrollo)* ("BDP"), 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 net income, are or will be the same as they would be in a privately owned company. See "Management" and "Regulatory Framework."

CODELCO's use of net income 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 net income is required 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 that the Company shall allocate to the creation of capitalization and reserve funds. In June 2013, the Ministries of Finance and Mining approved the capitalization of 25.8% of 2012 net income, or U.S.$1.0 billion, from retained earnings attributed to the fair value accounting related to the purchase of CODELCO's indirect interest in Anglo American Sur. Since 2007, the Government of Chile has authorized the capitalization and retention of almost U.S.$4.2 billion within CODELCO. Although CODELCO currently expects the Ministries of Finance and Mining to approve retention in the range of 10% to 15% of its pre-tax profit in each year over the next five years, there can be no assurance that such profit retention will be approved in those years or in future years.

If CODELCO's funding through capitalization and retention of profits, depreciation, amortization and deferred taxes were to prove insufficient to fund capital expenditures, and if the Ministries of Finance and Mining do not otherwise issue a joint decree permitting CODELCO to retain net income, CODELCO's business could be adversely affected if it is unable to otherwise finance planned expenditures. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

CODELCO is subject to special taxes and distributions.

Law 13.196 of Chile currently requires the payment of a 10% special export tax on revenues from the export of copper and related by-products produced by CODELCO. A bill is currently under discussion in the Chilean Congress that proposed the repeal of Law 13.196, and if the bill were to be approved, effective as of January 1 of the calendar year following such approval, CODELCO would no longer be subject to such special export tax, and consequently, its pre-tax income and after-tax profit could increase.

In addition, CODELCO is subject to the corporate income tax rate of 20% (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 by Decree Law 2.398, Art. 2.

CODELCO was subject to a 5% mining tax calculated on its operating income for the fiscal years 2010 and 2011. Effective for its 2012 fiscal year, 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 and will be determined as provided in new articles 64 II and 64 III of the Chilean Income Tax Law. For 2012, CODELCO distributed a total of U.S.$3.18 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 effective rate of the mining tax was 5.0% for CODELCO in 2012 and it is estimated to be approximately 5.0% for 2013.

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

CODELCO is 100% owned by 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 been reduced 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 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 Chilean Central Bank 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) during the last five years ended December 31, 2012 and in the first three months of 2013:

Year	Inflation (CPI) (in percentages)
2008	7.1
2009	(1.4)
2010	3.0
2011	4.4
2012	1.5
2013 (through March 31, 2013)	0.7

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 the main exchange exposure of CODELCO. The mismatch between assets and liabilities denominated in pesos amounts to a net asset for the Company of U.S.$1,027 million (3.31% of the total amount of assets on a consolidated basis) as of March 31, 2013. 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, particularly with respect to its copper production, which may not be successful and may result in losses to CODELCO."

Chile has different corporate disclosure and accounting standards than holders may be familiar with in the United States.

The accounting, financial reporting and securities disclosure requirements in Chile differ from those in the United States in some significant respects. Financial results from the first quarter of fiscal year ending December 31, 2010, onwards, were reported according to IFRS in compliance with *Officio Circular* 368, as amended, promulgated by the SVS. Financial results for the fiscal year ended December 31, 2009 have been reconstructed according to IFRS in order to compare to 2010 results. Thus, the Company's financial statements are not directly comparable to those reported according to U.S. GAAP.

The securities laws of Chile have as a principal objective promoting disclosure of all material corporate information to the public. Chilean disclosure requirements, however, differ from those in the United States in some important respects. In addition, although Chilean law imposes restrictions on insider trading and price manipulation, applicable Chilean laws are different from those in the United States and in certain respects the Chilean securities markets are not as highly regulated and supervised as the U.S. securities markets.

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 Chilean 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."

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

The notes contain no 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 and ratable basis with the notes. If CODELCO incurs any additional unsecured debt that ranks on an equal and ratable basis with the notes, the holders of that debt will be entitled to share ratably 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 you under such an event.

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—Additional Amounts") so that the amount received by the holder after Chilean withholding tax will equal the amount that would have been received if no such taxes had been applicable. The notes are redeemable at the option of CODELCO in whole (but not in part), at any time at the principal amount thereof plus accrued and unpaid interest and any Additional Amounts due thereon if, as a result of changes in the laws or regulations after the date of this offering memorandum affecting Chilean taxation, CODELCO becomes obligated to pay additional amounts with respect to interest on the 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—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 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, has been made to list the notes on the Luxembourg Stock Exchange. Furthermore, CODELCO does not intend to exchange the notes for notes that are registered under the Securities Act. The initial purchasers are not obligated to make a market in the notes. No assurance can be given about the liquidity of any markets that may develop for the notes, the ability of holders to sell the notes or the prices at which the notes could be sold. Future trading prices of the notes will depend on many factors, including prevailing interest rates, CODELCO's operating results and the market for similar securities. There can be no assurance that any active trading market will develop for the notes or that you will be able to transfer or resell the notes without registration under applicable securities laws.

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

The credit ratings of the notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the 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 ratings 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. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on 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 rate of exchange in effect on the date on which payments are made. As a result, you may suffer a U.S. dollar shortfall if you obtain a judgment in Chile.

USE OF PROCEEDS

The estimated total net proceeds from the offering of the notes is U.S.$743,265,100, after deducting commissions to the initial purchasers, payment of a Chilean stamp tax of U.S.$3,000,000, and payment of legal fees and all other expenses related to the offering. The net proceeds will be used to finance partially capital expenditures, cancel short-term indebtedness consisting of CODELCO's 5.50% notes due 2013 in the aggregate principal amount of U.S.$595,632,000 and for general corporate purposes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

CAPITALIZATION

The following table sets forth the capitalization of CODELCO in accordance with IFRS at March 31, 2013 and as adjusted to give effect to the offering of the notes and application of the net proceeds from the offering of the notes as described in "Use of Proceeds." This table is qualified in its entirety by reference to, and should be read together with, CODELCO's Consolidated Financial Statements, including the notes thereto, included elsewhere in this offering memorandum.

	As of March 31, 2013	
	Actual	As Adjusted
	(in thousands of U.S.$)	
Short-term debt		
Current portion of loans from financial institutions	$ 267,355	$ 267,355
Current portion of bonds[1]	595,632	—
Current portions of others	42,895	42,895
Total short-term debt	$ 905,882	$ 310,250
Long-term debt		
Bank debt	$ 2,580,925	$ 2,580,925
4.750% Notes due 2014	498,234	498,234
7.500% Notes due 2019	592,073	592,073
3.750% Notes due 2020	984,809	984,809
3.875% Notes due 2021	1,134,174	1,134,174
3.00% Notes due 2022	1,232,742	1,232,742
4.0% UF Notes due 2025[2]	359,537	359,537
5.625% Notes due 2035	490,375	490,375
6.150% Notes due 2036	495,893	495,893
4.25% Notes due 2042	730,902	730,902
Long-term of others	171,528	171,528
Notes offered hereby[3]	—	743,265
Total long-term debt	$ 9,271,192	$ 10,014,457
Non-controlling interest	$ 2,109,799	$ 2,109,799
Equity		
Issued capital	$ 2,524,423	$ 2,524,423
Other reserves	3,287,301	3,287,301
Retained Earnings:		
Retained earnings	4,482,654	4,482,654
Profits distributions to the Chilean Treasury	—	—
Net income for the period	257,490	257,490
Equity attributable to equity holders of parent	$ 10,294,378	$ 10,294,378
Total capitalization[4]	$ 22,581,251	$ 22,728,884

(1) The 5.500% notes due 2013 to be repaid with the proceeds of this offering are included in this item.

(2) The approximate U.S.$ equivalent of UF 6.9 million aggregate principal amount of the 4.0% UF notes due 2025 has been translated at an exchange rate of U.S.$1.00 = UF 0.021 at March 31, 2013.

(3) Net of deferred financing costs, commissions to the initial purchasers, payment of a Chilean stamp tax and payment of legal fees and all other expenses related to the offering.

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

EXCHANGE RATES

As a general matter, prior to 1989, Chilean law permitted the purchase and sale of foreign exchange only in those cases explicitly authorized by the Central Bank. Law 18.840, the *Ley Orgánica Constitucional del Banco Central de Chile* (the "Chilean Central Bank 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. 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 rate of exchange in the Informal Exchange Market can 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 2008 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)]
2008	676.75	431.22	522.46	636.45
2009	643.87	491.09	559.61	507.10
2010	549.17	468.01	510.25	468.01
2011	533.74	455.91	483.67	519.20
2012	519.69	469.65	486.75	478.60
2013:				
January	479.96	470.67	472.67	471.40
February	473.60	470.67	472.29	473.30
March	474.82	471.10	472.48	472.54
April	477.74	466.50	472.14	471.54
May	492.80	469.64	479.58	492.80
June	514.38	492.59	502.89	503.86
July	514.34	497.79	504.96	514.34
August (through August 5)	515.42	513.63	514.49	513.63

(1) Rates shown are the actual low and high 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 August 5, 2013 was Ch$ =513.63 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 is qualified in its entirety by reference to, and should be read together with, CODELCO's Consolidated Financial Statements and notes thereto, included elsewhere in this offering memorandum, from which all such data (other than the average LME copper prices) has been derived. The data should also be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Year-end Consolidated Financial Statements for 2009, 2010, 2011 and 2012, the Unaudited Interim Consolidated Financial Information for the three month periods ended March 31, 2012 and 2013, and other financial information included in this offering memorandum are presented in accordance with IFRS. The unaudited interim information for the three-month periods ended March 31, 2012 and 2013 includes all adjustments, consisting of only normal recurring adjustments, that in the opinion of management are necessary for the fair presentation of such information. The unaudited results of operations for the three months ended March 31, 2013 are not necessarily indicative of the results to be expected for the year ending December 31, 2013 or any other period.

	For the year ended December 31,				For the three months ended March 31,	
	2009	2010	2011	2012	2012*	2013*
	(in thousands of U.S.$)					
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					(unaudited)	
Revenues	$ 12,379,137	$ 16,065,946	$ 17,515,296	$ 15,860,432	$ 3,963,855	$ 3,277,000
Cost of sales[1]	(7,666,010)	(9,088,740)	(10,283,026)	(10,851,680)	(2,307,848)	(2,250,103)
Gross profit	4,713,127	6,977,206	7,232,270	5,008,752	1,656,007	1,027,573
Other income	308,363	141,473	726,185	4,092,339	25,568	31,975
Distribution cost	(19,157)	(14,994)	(11,114)	(12,654)	(3,533)	(3,373)
Administrative expenses	(323,836)	(390,234)	(452,217)	(543,531)	(112,103)	(127,283)
Other expenses[2]	(1,458,441)	(2,058,867)	(2,307,326)	(2,275,945)	(352,329)	(301,424)
Other gains	14,749	28,040	38,709	35,400	8,504	10,759
Finance income	27,666	35,559	44,701	59,023	10,129	11,757
Finance cost	(318,757)	(331,132)	(294,496)	(406,278)	(69,594)	(89,245)
Share of profit of associates and joint ventures accounted for using the equity method	310,651	303,395	353,440	457,230	116,129	99,223
Exchange differences	(266,531)	(202,524)	216,998	165,801	(72,971)	(60,158)
Profit for the period before tax	2,987,834	4,487,922	5,547,150	6,248,526	1,205,807	599,804
Income tax expense[3]	(1,813,643)	(2,611,601)	(3,491,798)	(2,273,206)	(723,485)	(342,314)
Profit for the period	1,174,191	1,876,321	2,055,352	3,875,320	482,322	257,490
Profit attributable to owners of parent	1,176,226	1,877,659	2,056,414	3,867,960	482,521	246,594
Profit (loss), attributable to non-controlling interests	(2,035)	(1,338)	(1,062)	7,360	(199)	10,896
Profit for the period	$ 1,174,191	$ 1,876,321	$ 2,055,352	$ 3,875,320	$ 482,322	$ 257,000

STATEMENTS OF FINANCIAL POSITION INFORMATION	As of January 1, 2009	As of December 31, 2009	As of December 31, 2010	As of December 31, 2011	As of December 31, 2012	As of March 31, 2013*
						(unaudited)
Total current assets	$ 3,729,946	$ 4,995,564	$ 6,623,885	$ 5,906,920	$ 6,534,627	$ 5,680,779
Total property, plant and equipment	10,507,650	11,210,433	12,351,430	13,437,764	17,044,931	17,463,983
Investments accounted for using the equity method[4]	1,084,470	1,100,156	588,365	945,055	7,644,612	7,452,599
Non-current receivables	149,234	198,102	198,785	132,721	171,699	169,856
All other assets	263,493	749,625	516,576	412,484	249,164	237,568
Total assets	$15,734,793	$18,253,880	$20,279,041	$20,834,944	$31,645,033	$31,004,785
Total current liabilities	3,022,841	4,096,615	5,243,827	4,416,082	4,138,972	3,318,778
Total non-current liabilities	8,147,686	9,714,038	10,504,002	10,353,832	15,328,281	15,281,830
Total liabilities	$11,170,527	$13,810,653	$15,747,829	$14,769,914	$19,467,253	$18,600,608
Non-controlling interests	2,951	2,007	1,994	2,020	2,099,406	2,109,799
Equity attributable to owners of parent	4,561,315	4,441,220	4,529,218	6,063,010	10,078,374	10,294,378
Total equity	$ 4,564,266	$ 4,443,227	$ 4,531,212	$ 6,065,030	$12,177,780	$12,404,177
Total liabilities and equity	$15,734,793	$18,253,880	$20,279,041	$20,834,944	$31,645,033	$31,004,785

OTHER ITEMS	For the year ended December 31,				For the three months ended March 31,	
	2009	2010	2011	2012	2012*	2013*
	(in thousands of U.S.$, except ratios and copper prices)					
					(unaudited)	
Depreciation and amortization of assets	$ 1,082,086	$ 1,304,600	$ 1,485,357	$ 1,606,165	$ 392,802	$ 397,036
Interest income (expense), net	$ (291,091	$ (295,573)	$ (249,795)	$ (347,255)	$ (59,465)	$ (77,488)
Ratio of earnings to fixed charges[5]	10.4	14.6	19.8	16.4	18.3	7.7
Average LME copper price (U.S. ¢ per pound)[6]	234.22	341.98	399.66	360.59	376.94	359.77
Adjusted EBITDA[7]	$ 5,368,583	$ 7,434,387	$ 8,812,554	$ 9,530,877	$ 1,973.262	$ 1,354,091
Ratio of debt to Adjusted EBITDA	0.9	0.9	0.8	1.0	—	—
Adjusted EBITDA coverage ratio[8]	18.4	25.2	35.3	27.4	33.2	17.5

* The accounting policies adopted in the preparation of the Unaudited Interim Consolidated Financial Statements are consistent with those applied in the preparation of the Year-end Consolidated Financial Statements for the year ended December 31, 2012, except for the adoption of new standards and interpretations effective from January 1, 2013, which required retroactive restatement of certain figures as of March 31, 2012. The amounts reported at and for the three months ended March 31, 2013 are not fully comparable to amounts presented in the Year-end Consolidated Financial Statements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—New Accounting Standards" for the details of the restatement and Section II.3 to the Unaudited Interim Consolidated Financial Statements.

(1) Cost of sales for any period includes direct and indirect costs, depreciation and amortization associated with the production of copper and by-products, 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 Law 13.196. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(3) CODELCO was subject to a 5% mining tax calculated on its operating income for the fiscal years 2010 and 2011. Effective for its 2012 fiscal year, 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 effective rate of the mining tax was 5.7% for CODELCO in 2011 and 5.0% in 2012. 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." See also "Risk Factors—Risks Relating to CODELCO's Relationship with the Chilean Government—CODELCO is subject to special taxes and distributions" for information related to the mining tax rate effective in 2013. In addition, CODELCO is subject to the corporate income tax rate of 20% (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 by Decree Law 2.398, Art. 2. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Distributions to the Chilean Treasury."

(4) See Note 8 to the Unaudited Interim Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(5) For the purpose of calculating CODELCO's ratio of earnings to fixed charges, (i) earnings consist of profit (loss) and finance cost and (ii) fixed charges consist of finance cost.

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

(7) Adjusted EBITDA is calculated by adding finance income (expense), net, income tax expense, depreciation and amortization (EBITDA) plus export taxes (Adjusted EBITDA) to net income, in each case determined in accordance with IFRS as issued by the IASB. 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. The Company believes that Adjusted EBITDA, while providing useful information, should not be considered in isolation or as a substitute for net income 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.

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

The following table shows CODELCO's Adjusted EBITDA and reconciles its Adjusted EBITDA with profit under IFRS for the periods indicated.

	For the year ended December 31,				For the three months ended March 31,	
	2009	2010	2011	2012	2012	2013
	(in thousands of U.S.$)				(unaudited)	
Profit for the period	$ 1,174,191	$ 1,876,321	$ 2,055,352	$ 3,875,320	$ 482,322	$ 257,490
Income tax expense	1,813,643	2,611,601	3,491,798	2,373,206	723,485	342,314
Depreciation and amortization of assets	1,082,086	1,304,600	1,485,357	1,606,165	392,802	397,036
Export taxes	979,906	1,310,733	1,485,551	1,269,908	305,059	268,006
Finance cost	318,757	331,132	294,496	406,278	69,594	89,245
Adjusted EBITDA	$ 5,368,583	$ 7,434,387	$ 8,812,554	$ 9,530,877	$ 1,973,262	$ 1,354,091

The following table shows CODELCO's earnings, ratio of earnings to fixed charges and reconciliation of earnings to profit under IFRS for the periods indicated.

	For the year ended December 31,				For the three months ended March 31,	
	2009	2010	2011	2012	2012	2013
	(in thousands of U.S.$, except ratios)				(unaudited)	
Profit for the period	$ 1,174,191	$ 1,876,321	$ 2,055,352	$ 3,875,320	$ 482,322	$ 257,490
Income tax expense	1,813,643	2,611,601	3,491,798	2,373,206	723,485	342,314
Finance cost	318,757	331,132	294,496	406,278	69,594	89,245
EBIT [1]	$ 3,306,591	$ 4,819,054	$ 5,841,646	$ 6,654,804	$ 1,275,401	$ 689,049
Ratio of earnings to fixed charges [2]	10.4	14.6	19.8	16.4	18.3	7.7

(1) EBIT is calculated by adding finance cost and income tax expense, each determined in accordance with IFRS as issued by the IASB, to profit for the period. EBIT, while not a financial performance measure under IFRS, is presented as an indicator of funds available to service debt. The Company believes that 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 EBIT may be different than the calculation used by other companies and therefore, comparability may be affected

(2) Fixed charges consist of finance cost. The ratio of earnings to fixed charges is calculated by dividing earnings by finance cost.

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

	For the year ended December 31,				For the three months ended March 31,	
	2009	2010	2011	2012	2012	2013
	(in thousands of U.S.$, except ratios)				(unaudited)	
Debt	$ 4,667,954	$ 6,346,437	$ 7,049,274	$9,902,678	$ 7,114,672	$ 9,962,224
Ratio of debt to Adjusted EBITDA	0.9	0.9	0.8	1.0	—	—
Finance income	27,666	35,559	44,701	59,023	10,129	11,757
Adjusted EBITDA coverage ratio[4]	18.4	25.2	35.3	27.4	33.2	17.5

(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, 2009, 2010, 2011 and 2012 and for the three months ended March 31, 2012 and 2013. For more information regarding such data, see "Business Properties."

	Year ended December 31,				Three months ended March 31,	
	2009	2010	2011	2012	2012	2013
				(unaudited)		
COPPER MINING OPERATIONS						
Ore Mined (in thousands of dry metric tons):						
CODELCO Norte Division[1]	128,377	123,724	—	—	—	—
Chuquicamata Division	—	—	67,531	52,117	17,667	13,866
Radomiro Tomic Division	—	—	71,925	75,952	17,526	21,405
Gabriela Mistral Division	23,806	18,987	29,121	31,818	9,094	7,713
El Teniente Division	48,577	47,049	46,963	48,879	11,801	11,777
Andina Division	23,168	23,773	30,547	31,436	7,884	7,626
Salvador Division	16,476	16,704	15,613	15,793	3,898	35,666
Total	240,404	230,237	261,700	255,995	67,870	65,953
Average Copper Ore Grade:						
CODELCO Norte Division[1]	0.79%	0.82%	—	—	—	—
Chuquicamata Division	—	—	0.97%	0.80%	0.76%	0.82%
Radomiro Tomic Division	—	—	0.77	0.71	0.73	0.69
Gabriela Mistral Division	0.77	0.86	0.59	0.57	0.60	0.59
El Teniente Division	0.95	0.97	0.95	0.92	0.92	0.93
Andina Division	1.04	0.92	0.88	0.90	0.88	0.87
Salvador Division	0.55	0.61	0.59	0.55	0.51	0.55
Weighted Average	0.83%	0.85%	0.83%	0.76	0.76%	0.76%
PLANT COPPER PRODUCTION (by division in metric tons):						
CODELCO Norte Division[1]	874,748	903,720	—	—	—	—
Chuquicamata Division	—	—	443,381	355,901	60,046	73,296
Radomiro Tomic Division	—	—	470,096	427,791	106,432	110,083
Gabriela Mistral Division	148,026	117,052	118,078	133,000	34,607	32,352
El Teniente Division	404,035	403,616	400,294	417,244	96,463	98,035
Andina Division	209,727	188,493	234,348	249,861	62,057	58,215
Salvador Division	65,462	76,184	69,044	62,728	12,932	12,635
Total	1,701,998	1,689,065	1,735,241	1,646,525	372,537	384,616
PLANT COPPER PRODUCTION (contained copper in metric tons):						
ER Cathodes	423,902	431,799	234,989	120,574	16,881	34,673
SX-EW Cathodes	615,982	601,433	617,124	599,379	152,226	154,860
Fire-refined	87,778	100,482	68,968	—	—	—
Anodes – Blister	305,302	293,841	274,694	376,200	89,953	67,396
Concentrates	269,034	261,510	538,466	550,372	113,477	136,687
Total	1,701,998	1,689,065	1,735,241	1,646,525	372,537	384,616
MOLYBDENUM PRODUCTION (contained molybdenum in metric tons)	21,556	21,677	23,098	19,676	3,830	5,401
COPPER SALES (in metric tons; includes sales of third-party copper):						
Cathodes	1,618,541	1,598,707	1,573,815	1,423,920	322,821	247,471
Fire-refined	88,421	99,665	74,830	99	99	—
Anodes – Blister	126,559	120,521	63,881	101,360	16,883	34,673
Concentrates	183,847	162,961	215,390	317,440	71,069	86,496
Total	2,017,368	1,981,854	1,927,916	1,842,819	410,872	348,851
COPPER EXPORTS (in metric tons; includes sales of third-party copper):						
Cathodes	1,547,307	1,505,677	1,493,940	1,335,715	302,438	225,458
Fire-refined	83,405	95,778	73,997	99	99	—
Blister	114,443	116,003	63,874	101,360	16,883	14,884
Concentrates	138,235	131,793	196,167	288,020	65,436	79,276
Total	1,883,390	1,849,251	1,827,978	1,725,194	384,855	319,618
INVENTORIES OF COPPER AT PERIOD-END (in metric tons)	75,109	76,811	77,433	100,081	88,529	155,056

(1) In December 2010, CODELCO divided the CODELCO Norte Division into the Chuquicamata and Radomiro Tomic Divisions. See "Business and Properties—Copper Production—CODELCO Norte Division."

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

The following discussion should be read in conjunction with the Consolidated Financial Statements and the notes thereto included elsewhere in this offering memorandum, as well as the data set forth in "Selected Consolidated Financial Data."

Adoption of IFRS

Pursuant to *Oficio Circular* 368, as amended, promulgated by the SVS, beginning January 1, 2010, Chilean companies were required to report consolidated financial statements in accordance with IFRS. As of January 1, 2010, CODELCO is no longer preparing financial statements in accordance with Chilean GAAP. IFRS differs in certain significant respects from Chilean GAAP, and as a result of the Company's adoption of IFRS, there were significant changes in the presentation of CODELCO's financial statements and of its equity. The adoption of IFRS represents a change in the accounting framework only and does not affect the Company's operations or cash flows. CODELCO's first results reported under IFRS were the unaudited interim financial statements as of and for the three-month period ended March 31, 2010.

In connection with the filing of CODELCO's audited IFRS financial statements as of and for the year ended December 31, 2010, CODELCO was required to present for purposes of comparison the audited IFRS financial statements as of and for the year ended December 31, 2009, as required by IAS 1 Presentation of Financial Statements.

The Consolidated Financial Statements and other financial information included in this offering memorandum, unless otherwise indicated are presented in accordance with IFRS.

The accounting policies adopted in the preparation of the Unaudited Interim Consolidated Financial Statements are consistent with those applied in the preparation of the Year-end Consolidated Financial Statements for the year ended December 31, 2012, except for the adoption of new standards and interpretations effective from January 1, 2013, which required retroactive restatement of certain figures as of March 31, 2012. The amounts reported at and for the three months ended March 31, 2013 are not fully comparable to amounts presented in the Year-end Consolidated Financial Statements. See "—New Accounting Standards" and Section II.3 to the Unaudited Interim Consolidated Financial Statements.

Overview

CODELCO is the world's largest copper producer and the largest company in Chile in terms of sales. CODELCO engages primarily in the exploration, development and extraction of ores bearing copper and by-products, the processing of ore into refined copper and the international sale of refined copper and by-products. In 2012, CODELCO derived 91% of its total sales from copper and 9% of its total sales from by-products of its copper production, primarily molybdenum, anodic slimes and sulfuric acid.

Since its inception in 1976, CODELCO contributed approximately U.S.$98 billion (in 2012 currency) to the Chilean Treasury. Due to higher copper prices, 58% of this amount was generated in the last 9 years, representing 14% of Government revenues. In 2012, CODELCO accounted for 18% 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 360.59 per pound in 2012, compared to 399.66 cents per pound in 2011 and 341.98 cents per pound in 2010. On March 28, 2013, the closing price for refined copper on the LME was 343.94 cents per pound. In the second quarter of 2013, copper prices averaged 324.22 cents per pound. See "Overview of the Copper Market."

CODELCO continues to focus on controlling and limiting production cost increases. For many years, CODELCO has been one of the world's lowest cost producers of copper and has been within the first and second quartile in industry costs. This position is principally 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 return to the first quartile of the industry's cost curve in the long term. In 2012, CODELCO's total costs and expenses were 264.5 cents per pound, compared to 205.6 cents per pound in 2011 and 197.6 cents per pound in 2010. The increase in 2012 as compared to 2011 is primarily attributable to lower ore grade, a significant increase in prices of energy, increases in third-party service expenses and increases in prices of most significant inputs and consumables used in the production process. The increase in 2011 as compared to 2010 was mainly driven by the increase in prices of most significant inputs and consumables used in the production process, the appreciation of the Chilean peso against the U.S. dollar and higher third-party and other services expenses. For the first three months of 2013, CODELCO's total costs and expenses were 245.0 cents per pound, compared to 219.2 cents per pound in the same period in 2012. This increase is primarily attributable to an increase in third-party services and maintenance expenses and the appreciation of the Chilean peso in the first quarter of 2013 against the U.S. dollar.

In 2012, CODELCO'S total cash cost was U.S.$5,864 million, as compared to U.S.$4,408 million in 2011. For the first three months of 2013, CODELCO's total cash cost was U.S.$1,423 million, as compared to U.S.$1,058 million for the first three months of 2012. Because a significant portion of CODELCO's costs are denominated in Chilean pesos, depreciation of the Chilean peso against the U.S. dollar reduces CODELCO's cash costs in U.S. dollar terms and appreciation increases these costs. See "Exchange Rates." In 2012, CODELCO's cash cost of production was 163.5 cents per pound, compared to 116.4 cents per pound in 2011, primarily due to lower ore grades and the increase in prices of most significant inputs, consumables and services used in the production process. In 2011, CODELCO's cash cost of production increased by 12.0 cents per pound, from 104.4 cents per pound in 2010, primarily due to the increase in prices of most significant inputs and consumables used in the production process and the appreciation of the Chilean peso against the U.S. dollar, which was partially offset by better by-product credits. For the first three months of 2013, CODELCO's cash cost was 170.0 cents per pound, compared to 130.2 cents per pound, in the same period in 2012. This increase is primarily attributable to higher costs of third-party services and maintenance expenses, the appreciation of the Chilean peso against the U.S. dollar and lower by-product credits.

CODELCO conducts hedging operations from time to time to reduce the risk 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 fluctuation in the sale price paid in connection with such sales. In July 2005, the Board of Directors determined to hedge certain future copper delivery commitments and production in order to manage the risk associated with copper price volatility. As of March 31, 2013, CODELCO did not have any production hedging commitments and, accordingly, there was no related impact on pre-tax income in the quarter. See Notes 27 and 28 to the 2011-2012 Year-end Consolidated Financial Statements and Notes 26 and 27 Unaudited Interim Financial Statements.

CODELCO has hedged a portion of its exchange rate and interest rate exposure, including by entering into forward exchange contracts to hedge against fluctuations in the UF to U.S. dollar exchange rate for its outstanding UF-denominated bonds. See "Business and Properties—Marketing—Pricing and Hedging" and "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO engages in hedging activity from time to time, particularly with respect to its copper production, which may not be successful and may result in losses to CODELCO." See also Notes 27 and 28 to the 2011-2012 Year-end Consolidated Financial Statements and Notes 26 and 27 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 quotational period, generally for the month following shipment. Revenues under such contracts are recorded at provisional prices determined at the time of shipment. Delays in the delivery of copper led to a delay in the recording of revenues, such as during the work stoppage from March 16 to April 5, 2013 that blocked exports from Chilean ports. 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 2012, CODELCO's annual production decreased to 1.76 million metric tons including El Abra and Anglo American Sur (as compared to 1.80 million metric tons in 2011 and 1.76 million metric tons in 2010), mainly due to lower production from the Chuquicamata and Radomiro Tomic Divisions resulting from lower ore grades, partially offset by higher production of El Teniente, Andina and Gabriela Mistral Divisions. The increase in 2011 was principally attributable to increased production from the Radomiro Tomic and the Andina Divisions resulting from a greater amount of ore mined in both divisions and higher ore grade at Radomiro Tomic. In 2012, each one-cent change in CODELCO's average annual copper price per pound caused a variation in operating profit of approximately U.S.$39 million. CODELCO expects production to remain relatively flat 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 Andina Phase I Expansion, Radomiro Tomic Sulfides project and the new Mina Ministro Hale 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 medium term.

CODELCO continues to develop and refine its mine management practices and programs to limit and reduce its cost increases. 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, including the Mina Ministro Hales ore body, the Radomiro Tomic Sulfides phase II, the new mine level at El Teniente, Chuquicamata underground and Andina Phase II Expansion Project. Cash costs of production are influenced by mining and production practices, as well as the type of ore from which copper is produced, production levels of and market prices for by-products, and exchange rates.

In 2012, CODELCO invested U.S.$4.1 billion, mainly in Mina Ministro Hales, early work associated with the Chuquicamata underground project and the new mine level at El Teniente. See "Business and Properties."

In 2012, CODELCO acquired an indirect 20% interest in Anglo American Sur and as a result recognized other income of U.S.$3.5 billion. See "Business and Properties—Associations, Joint Ventures and Partnerships—Anglo American Sur" and Note 22a to the 2011-2012 Year-end Consolidated Financial Statements.

In addition to selling its current production of copper, CODELCO may sell from its inventories of copper 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 requirements under sales contracts and, to a lesser extent, to participate in the spot market for copper based on its evaluation of market conditions. Other than pursuant to the joint venture with Minmetals, CODELCO has no long-term commitments regarding third-party copper purchases or sales. 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 statements of operations expressed as a percentage of revenues under IFRS. These tables are qualified in their entirety by reference to, and should be read together with, CODELCO's Consolidated Financial Statements, including the notes thereto, included elsewhere in this offering memorandum:

	Year ended December 31,				Three months ended March 31,	
	2009	2010	2011	2012	2012*	2013*
					(unaudited)	
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	(61.9)	(56.6)	(58.7)	(68.4)	(59.9)	(68.6)
Gross profit	38.1	43.4	41.3	31.6	40.1	31.4
Other income	2.5	0.9	4.1	25.8	0.6	1.0
Administrative expenses	(2.6)	(2.4)	(2.6)	(3.4)	(2.8)	(3.9)
Other expenses	(11.8)	(12.8)	(13.2)	(14.3)	(8.9)	(9.2)
Finance cost	(2.6)	(2.1)	(1.7)	(2.6)	(1.8)	(2.7)
Profit for the period before tax	24.1	27.9	31.7	39.4	28.7	18.3
Income tax expense	(14.7)	(16.3)	(19.9)	(15.0)	(17.2)	(10.4)
Profit for the period	9.5%	11.7%	11.7%	24.4%	11.5%	7.9%

* The accounting policies adopted in the preparation of the Unaudited Interim Consolidated Financial Statements are consistent with those applied in the preparation of the Year-end Consolidated Financial Statements for the year ended December 31, 2012, except for the adoption of new standards and interpretations effective from January 1, 2013, which required retroactive restatement of certain figures as of March 31, 2012. The amounts reported at and for the three months ended March 31, 2013 are not fully comparable to amounts presented in the Year-end Consolidated Financial Statements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—New Accounting Standards" for the details of the restatement and Section II.3 to the Unaudited Interim Consolidated Financial Statements.

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

	Year ended December 31,				Three months ended March 31,	
	2009	2010	2011	2012	2012	2013
				(unaudited)		
CODELCO Average Metal Price (per pound)[1]						
Copper	$ 2.41	$ 3.22	$ 3.81	$ 3.53	$ 3.90	$ 3.36
Molybdenum	$ 10.88	$ 15.29	$ 15.45	$ 12.90	$ 13.99	$ 11.38
CODELCO Sales Volume (in metric tons)						
Own copper[2]	1,936,785	1,898,308	1,855,304	1,739,515	391,951	386,580
Third-party copper	156,169	161,552	145,079	205,821	49,935	40,948
Total copper	2,092,954	2,059,860	2,000,383	1,945,336	441,885	400,240
Molybdenum (in oxide and concentrate)	21,347	21,358	22,843	19,126	5,155	5,002
CODELCO's Cash Cost of Production (per pound)	92.9¢	104.4¢	116.4¢	163.5¢	130.2¢	170.0¢

(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 subsidiaries.

Results of Operations for the Three-Month Periods ended March 31, 2012 and 2013

The following table sets forth CODELCO's summarized results of operations for the three months ended March 31, 2012 and 2013:

	Three months ended March 31,		% Change
	2012	2013	2012/2013
	(in millions of U.S.$) (unaudited)		
Revenues	$ 3,964	$ 3,278	(17.3)%
Cost of sales	(2,308)	(2,250)	(2.5)
Gross profit	1,656	1,028	(37.9)
Other income	26	32	(23.1)
Administrative expenses	(112)	(127)	13.4
Other expenses	(352)	(301)	(14.5)
Finance cost	(70)	(89)	(27.1)
Share of profit of associates and joint ventures accounted for using the equity method	116	99	(14.7)
Exchange differences	(73)	(60)	(17.8)
Profit for the period before tax	1,206	600	(50.2)
Income tax expense	(723)	(342)	(52.7)
Profit for the period	482	257	(46.7)
Profit (loss), attributable to owners of parent	482	247	(48.8)
Profit (loss), attributable to non-controlling interests	—	11	—

Revenues. The following table sets forth CODELCO's revenues for the three months ended March 31, 2012 and 2013:

	Three months ended March 31,		% Change
	2012	2013	2012/2013
	(in millions of U.S.$) (unaudited)		
Revenues	$ 3,964	$ 3,278	(17.3)%
Sales of CODELCO's own copper	3,164	2,667	(15.7)
Sales of third-party copper	429	384	(10.5)
Sales of by-products and other	371	226	(39.1)

Revenues decreased by 17.3% to U.S.$3.28 billion in the first three months of 2013, compared to U.S.$3.96 billion for the same period in 2012. This decrease was principally due to a decrease of U.S.$497 million in the sales of CODELCO's own copper during the first three months of 2013, resulting from a decrease in CODELCO's average copper prices from U.S.$3.90 per pound in the first three months of 2012 to U.S.$3.36 per pound in the first three months of 2013 and the decrease of total tonnage of copper sold of 9.4% mainly due to the decrease of own copper sold. The decrease in CODELCO's own copper sold is related to the stoppage at the Chilean ports, which delayed the export and related income associated with 60,000 tons of copper that was unable to be exported. The effect of the ports closure from March 16 to April 5, 2013 will be offset in the second quarter by a sales increase as CODELCO exports copper delayed by the ports stoppage. CODELCO uses information on future copper prices to determine amounts due under its provisional invoices to purchasers. A decline in copper prices in April and May 2013 will result in a downward adjustment in CODELCO's revenues and trade receivables for March 2013. See "—Critical Accounting Policies—Accruals for Open Invoices."

Third-party copper sales totaled U.S.$384 million in the first three months of 2013, compared to U.S.$429 million for the same period in 2012, primarily due to higher production in the first quarter of 2013 of CODELCO'S own copper, principally due to a recovery in Chuquicamata ore grades. 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 participate in the spot market for copper based on its evaluation of market conditions.

Sales of by-products and other decreased by 39.1% to U.S.$226 million in the first three months of 2013, compared to U.S.$371 million for the same period in 2012. This decrease was primarily due to a decrease in molybdenum and sulfuric acid prices and a decrease in the volumes of sulfuric acid and anodic slimes sold.

Cost of Sales. CODELCO's cost of sales in any period includes the mining and production costs of its own copper and by-products, as well as the purchase costs of copper, as well as gold, silver and other by-products 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 three months ended March 31, 2012 and 2013:

	Three months ended March 31,		% Change
	2012	2013	2012/2013
	(in millions of U.S.$) (unaudited)		
Cost of sales	$ 2,308	$ 2,250	(2.5)%
Cost of CODELCO's own copper	1,703	1,749	2.7
Cost of third-party sales	431	375	13.0
Cost of by-products and other	174	126	(27.6)

CODELCO's total cost of sales decreased by 2.5% to U.S.$2.25 billion (68.6% of sales) in the first three months of 2013, compared to U.S.$2.31 billion (58.2% of sales) for the same period in 2012 principally due to lower levels of copper purchased from third parties and a lower cost of by-products and other, which was partially offset by an increase in CODELCO's own production, an increase in third-party services and maintenance expenses and the appreciation of the Chilean peso against the U.S. dollar. Some of the minerals that CODELCO sells are purchased at market prices, and CODELCO also purchases mineral ore from third parties at market prices that it processes and sells as copper.

CODELCO's cost of sales of its own copper increased by 2.7% to U.S.$1.75 billion in the first three months of 2013, compared to U.S.$1.70 billion for the same period in 2012. This increase was primarily due to higher production, due to higher ore grade at the Chuquicamata Division and increased ore mined at the Radomiro Tomic Division, as well as higher third-party and maintenance expenses and the appreciation of the Chilean peso against the U.S. dollar.

The cost of copper purchased from third parties decreased by 13.0% in the first three months of 2013 to U.S.$375 million, compared to U.S.$431 million for the same period in 2012, primarily as a result of the decrease in the average price of copper purchased.

The cost of by-products and other decreased by 27.6% to U.S.$126 million in the first three months of 2013, compared to U.S.$174 million in the first three months of 2012, mainly due to lower sulfuric acid and silver production and lower molybdenum and sulfuric acid prices.

The depreciation of fixed assets is calculated by CODELCO according to the straight-line method based on the estimated useful life of the particular assets. The amortization of the development costs of mines is based on the proportion of the tons of mineral extracted from the mine compared to the total reserves of the mine. Depreciation and amortization expenses increased by 1.1% to U.S.$397 million for the first three months of 2013, compared to U.S.$393 million for the same period in 2012. This increase was due to higher levels of overall investment that resulted in depreciable assets.

Gross profit. Gross profit amounted to U.S.$1.03 billion for the first three months of 2013, compared to U.S.$1.66 billion for the same period in 2012. The decrease was mainly due to the decrease in the average price received for CODELCO's product mix, a decrease in the copper volume sold due to the Chilean ports stoppage, despite higher production level.

Other income. The largest components of other income are sales of services to third parties, fines received from suppliers for not complying with contract terms, insurance payments and sale of assets. Other income increased to U.S.$32.0 million in the first three months of 2013, compared to U.S.$25.6 million for the same period in 2012. This increase was mainly due to other income related to a provision reversal in the amount of U.S.$17.9 million registered at the end of 2012.

Administrative expenses. Administrative expenses were U.S.$127.3 million (3.9% of total sales) for the first three months of 2013, compared to U.S.$112.1 million (2.8% of total sales) for the same period in 2012. This increase was principally due to higher third-party services and consultant expenses.

Other expenses. Other expenses amounted to U.S.$301.4 million (9.2% of total sales) for the first three months of 2013, compared to U.S.$352.3 million (8.9% of total sales) for the same period in 2012. This decrease was primarily due to a decrease in the export tax paid by the Company pursuant to Law 13.196.

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

	Three months ended March 31,	
	2012	2013
	(in millions of U.S.$) (unaudited)	
Law 13.196 export tax	$ 305	$ 268
Employee benefits expenses	19	12
Other expenses	29	22
Total	$ 352	$ 301

CODELCO recorded other expenses of U.S.$305 million and U.S.$268 million in the first three months of 2012 and 2013, respectively, pursuant to Law 13.196, which levies a 10% tax on CODELCO's exports of its own copper and related by-products. Under IFRS, this export tax is accounted for in the other expenses line. The decrease of this tax recorded in the first three months of 2013 compared to the same period in 2012, is mainly due to a corresponding decrease in export sales of CODELCO's own copper and a lower price of copper sold.

Finance cost. Finance cost increased to U.S.$89.2 million in the first three months of 2013, compared to U.S.$69.6 million for the same period in 2012. This increase was primarily due to an increase in debt from U.S.$7.11 billion to U.S.$9.96 billion, which was partially offset by lower interest rates in the first three months of 2013 compared to the same period in 2012. CODELCO's average interest rate is 3.77% as of March 31, 2013. As of March 31, 2013, 79% of bond debt had a fixed rate and 21% had a floating rate.

Share of profit of associates and joint ventures accounted for using the equity method. CODELCO's net equity participation in related companies decreased to a net of U.S.$99.2 million in the first three months of 2013, compared to U.S.$116.1 million for the same period in 2012. This decrease was primarily due to lower share of profit from GNL Mejillones S.A. ("GNL Mejillones"), Copper Partners Investment Company ("CUPIC") and El Abra. The decrease from GNL Mellijones primarily resulted from the absence of gas hedges in 2013, which were in place during the first three months of 2012. The decreases related to CUPIC and El Abra were primarily the result of lower copper prices in the first three months of 2013 compared to the same period in 2012, as well as the port stoppage. These decreases in the share of profit were partially offset by the new share of profit from Anglo American Sur amounting to U.S.$28.9 million.

Profit before tax. Profit before tax was U.S.$600.0 million in the first three months of 2013, compared to U.S.$1.2 billion for the same period in 2012, principally due to a decrease in copper prices and volumes sold.

Income tax expense. For the first three months of 2013, CODELCO had an effective income tax rate of 60% in accordance with applicable regulations, comprised of a corporate income tax rate of 20% (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 by Decree Law 2.398, Art. 2. As of 2006, 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 2012 was 5.0%. CODELCO's taxes on income amounted to U.S.$342 million and U.S.$723 million for the first three months of 2013 and 2012, respectively.

Profit. CODELCO's profit was U.S.$257 million in the first three months of 2013, compared to U.S.$482 million for the same period of 2012, principally due to a decrease in copper prices and volumes sold.

Results from Operations for the Three Years Ended December 31, 2012

The following table sets forth CODELCO's summarized results of operations for the years ended December 31, 2010, 2011 and 2012:

	Year ended December 31,			% Change	
	2010	2011	2012	2010/2011	2011/2012
	(in millions of U.S.$)				
Revenues	$ 16,066	$ 17,515	15,860	9.0%	(9.4)%
Cost of sales	(9,089)	(10,283)	(10,852)	13.1	5.5
Gross profit	6,977	7,232	5,009	3.7	(30.7)
Other income	141	726	4,092	414.9	463.6
Administrative expenses	(390)	(452)	(544)	15.9	20.4
Other expenses	(2,059)	(2,307)	(2,276)	12.0	(1.3)
Finance cost	(331)	(294)	(406)	(11.2)	38.1
Share of profit of associates and joint ventures accounted for using the equity method	303	353	457	16.5	29.5
Exchange differences	(203)	217	(166)	(206.9)	(176.5)
Profit (for the period before tax	4,488	5,547	6,249	23.6	12.7
Income tax expense	(2,612)	(3,492)	(2,373)	33.7	(32.0)
Profit for the period	1,876	2,055	3,875	9.5	88.6
Profit attributable to owners of parent	1,878	2,056	3,868	9.5	88.1
Profit (loss), attributable to non-controlling interests	(1)	(1)	7	–	(800.0)

Revenues. The following table sets forth CODELCO's revenues for the years ended December 31, 2010, 2011 and 2012:

	Year ended December 31,			% Change	
	2010	2011	2012	2010/2011	2011/22012
	(in millions of U.S.$)				
Revenues	$ 16,066	$ 17,515	$ 15,860	9.0%	(9.4)%
Sales of CODELCO's own copper	13,459	14,338	12,792	6.5	(10.8)
Sales of third-party copper	1,256	1,346	1,669	7.2	24.0
Sales of by-products and other	1,351	1,832	1,400	35.6	(23.6)

Revenues decreased by 9.4% to U.S.$15.86 billion in 2012 compared to U.S.$17.51 billion for 2011 and increased by 9.0% to U.S.$17.51 billion in 2011, compared to U.S.$16.07 billion for 2010. The decrease in 2012 was primarily attributable to the decrease of U.S.$1.55 billion in the sales of CODELCO's own copper during 2011, resulting from a decrease in CODELCO's average copper prices from U.S.$3.81 per pound to U.S.$3.53 per pound and a decrease of total tonnage of copper sold of 2.8%, primarily due to the 6.2% decrease of own copper sold. The decrease in CODELCO's own copper sold is related to lower production in 2012, due to the scheduled decline of deposit ore grades, especially in the Chuquicamata Division. The increase in 2011 was principally due to an increase of U.S.$879 million in the sales of CODELCO's own copper during 2011, resulting from an increase in CODELCO's average copper prices from U.S.$3.22 per pound to U.S.$3.81 per pound. In 2011, total tonnage of copper sold decreased 2.9% to 2.00 million tons from 2.06 million tons in 2010, mainly due to the 10.2% decrease of third-party copper sold, which decreased from 162 thousand tons sold in 2010 to 145 thousand tons sold in 2011.

Third-party copper sales totaled U.S.$1.67 billion in 2012, compared to US.$1.35 billion in 2011 and U.S.$1.26 billion in 2010, primarily due to the increase in copper volume in 2012 and prices in 2010 and 2011. 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 participate in the spot market for copper based on its evaluation of market conditions.

Sales of by-products and other decreased by 23.6% in 2012 to U.S.$1.40 billion, compared to U.S.$1.83 billion in 2011. In 2011, sales of by-products increased by 35.6% from U.S.$1.35 billion in 2010. Sales of by-products in 2010 increased by 7.6% to U.S.$1.35 billion as compared to U.S.$1.26 billion in 2009. The decrease in 2012 was attributable to a lower production of copper and a related lower production of by-products, especially

molybdenum, as well as lower by-product prices. The increase in 2011 was primarily due to a 66.9% increase in other by-products sales such as anodic slimes and sulfuric acid as a result of higher prices for these by-products.

Cost of Sales. The following table sets forth CODELCO's total cost of sales for the years ended December 31, 2010, 2011 and 2012:

	Year ended December 31,				% Change
	2010	2011	2012	2010/2011	2011/2012
	(in millions of U.S.$)				
Cost of sales	$ 9,089	$ 10,283	$ 10,852	13.1%	5.5%
Cost of CODELCO's own copper[(1)]	7,191	8,114	8,479	12.8	4.5
Cost of third-party sales	1,257	1,331	1,647	5.9	23.7
Cost of by-products and other[(1)]	641	838	726	30.7	(13.4)

(1) "Cost of CODELCO's own copper" and "Cost of by-products and other" have been reclassified for the year ended December 31, 2010 because the operating costs of Minera Gaby S.A., which were previously considered under the item "Other costs of sales," are now considered part of the cost of sales of copper as part of Gabriela Mistral's operations for the production of copper that is sold.

CODELCO's total cost of sales increased by 5.5% to U.S.$10.85 billion (68.4% of sales) compared to U.S.$10.28 billion (58.7% of sales) in 2011, U.S.$9.09 billion (56.6% of sales) in 2010. The increase in 2012 was mainly due to significant increases in the prices of energy and most important inputs and consumables used in the production process, as well as third-party services expenses. The increase in 2011 was mainly due to higher copper prices, the appreciation of the Chilean peso against the U.S. dollar and higher costs of inputs used in the production process, including electricity, oil and spare parts.

CODELCO's cost of sales of its own copper increased by 4.5% to U.S.$8.48 billion in 2012, compared to U.S.$8.11 billion in 2011 mainly due to higher costs of inputs used in the production process, especially energy, and third-party services expenses. CODELCO's cost of sales of its own copper increased by 12.8% to U.S.$8.11 billion in 2011, compared to U.S.$7.19 billion in 2010, and increased by 16.7% in 2010, compared to U.S.$6.16 billion in 2009. The increase in 2011 was primarily due to the appreciation of the Chilean peso against the U.S. dollar and higher costs of inputs used in the production process, including electricity, oil and spare parts.

The cost of copper purchased from third parties increased by 23.7% in 2012 compared to U.S.$1.33 billion in 2011, primarily due to higher volumes purchased. The cost of copper purchased from third parties increased by 5.9% in 2011 to U.S.$1.33 billion, as compared to U.S.$1.26 billion in 2010, primarily as a result of the increase in the average price of copper purchased in 2011.

The cost of by-products and other decreased by 13.4% to U.S.$726 million in 2012, compared to U.S.$838 million in 2011, mainly due to a 18.3% decrease in cost of sales of other by-products and services, partially offset by an increase of 6.8% in molybdenum cost of sales. In contrast, the cost of by-products and other increased by 30.7% to U.S.$838 million in 2011, compared to U.S.$641 million in 2010, mainly due to an increase in cost of sales of both molybdenum and other by-products and services. "Cost of CODELCO's own copper" and "Cost of by-products and other" have been reclassified for the year ended December 31, 2010 because the operating costs of Minera Gaby S.A., which were previously considered under the item "Other costs of sales," are now considered part of the cost of sales of copper as part of Gabriela Mistral's operations for the production of copper that is sold.

The depreciation of fixed assets is calculated by CODELCO according to the straight-line method based on the estimated useful life of the particular assets. The amortization of the development costs of mines is based on the proportion of the tons of mineral extracted from the mine compared to the total reserves of the mine. Depreciation and amortization expenses increased by 8.1% to U.S.$1.61 billion in 2012, compared to U.S.$1.49 billion in 2011 and U.S.$1.30 billion in 2010. The increases in each of these years were due to higher levels of overall investment that resulted in depreciable assets.

Gross profit. Gross profit amounted to U.S.$5.01 billion in 2012, compared to U.S.$7.23 billion in 2011 and U.S.$6.98 billion in 2010. The decrease in 2012 was mainly related to lower production, average price received for CODELCO's product mix and increases in industry operating costs. The increase in 2011 was due to the

increases in the average price received for CODELCO's product mix, partially offset by increases in costs related primarily to increases in the price for minerals purchased by CODELCO from third parties.

Other income. Other income increased 463.5% to U.S.$4.1 billion in 2012, compared to U.S.$726 million in 2011 and U.S.$141 million in 2010. The increase in 2012 was primarily due to CODELCO's decision to exercise its option to purchase a stake in Anglo American Sur due to the capture of the difference between the Anglo American Sur option price of U.S.$1.7 billion and the fair market value of the asset of U.S.$5.4 billion. CODELCO acquired an indirect 20% interest in Anglo American Sur. Without the recognition of this difference due to the exercise of this option, other income would have decreased to U.S.$575 million. See Note 22a to the 2011-2012 Year-end Consolidated Financial Statements. During 2011, the 414.9% increase was mainly due to the sale of 100% of CODELCO's equity stake in E-CL S.A. (formerly Edelnor S.A.) to the public for U.S.$1.051 billion in January 2011 and the sale of 66% of CODELCO's stake in Inca de Oro S.A. in February 2011. The estimated book value of CODELCO's investment was U.S.$672 million, and the Government of Chile permitted CODELCO to retain the gain (less expense), which amounted to U.S.$375 million. Without the sale of its stake in E CL S.A., CODELCO's other income would have increased 148.1% to U.S.$351 million in 2011 compared to 2010.

Administrative expenses. Administrative expenses were U.S.$544 million (3.4% of total asset sales) for 2012 compared to U.S.$452 million (2.6% of total sales) in 2011 and U.S.$390 million (2.4% of total sales) in 2010. The increases in each of these years were due primarily to higher third-party services expenses, salaries and other expenses.

Other expenses. Other expenses amounted to U.S.$2.28 billion (14.3% of total sales) for 2012, compared to U.S.$2.31 billion (13.2% of total sales) in 2011 and U.S.$2.06 billion (12.8% of total sales) in 2010. The decrease in 2012 was mainly due to the decrease in export tax paid by the Company. In addition, lower other expenses related primarily to the sale of shares in Acrux in August 2012 accounted for as other expense under IFRS, partially offset by higher employee benefits expenses related to higher collective bargaining agreement and retirement plan expenses. The increase in 2010 was primarily due to subsequent increases in the export tax paid by the Company (pursuant to Law 13.196).

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

	Year ended December 31,		
	2010	2011	2012
	(in millions of U.S.$)		
Law 13.196 export tax	$ (1,331)	$ (1,486)	$ (1,270)
Employee benefits expenses	(496)	(313)	(700)
Other expenses	(232)	(508)	(306)
Total	$ (2,059)	$ (2,307)	$ (2,276)

CODELCO recorded other expenses of U.S.$1.27 billion, U.S.$1.49 billion and U.S.$1.33 billion in 2012, 2011 and 2010, respectively, pursuant to Law 13.196, which levies a 10% tax on CODELCO's exports of its own copper and related by-products. The increases of this tax recorded in 2012 compared to 2011 and in 2011 compared to 2010 were mainly due to corresponding increases in export sales of CODELCO's own copper as a result of higher copper prices.

Finance cost. Finance cost increased to U.S.$406 million in 2012, compared to U.S.$294 million in 2011 and U.S.$331 million for 2010. The increase in 2012 as compared to 2011 was mainly due to an accounting adjustment in 2012, due to CODELCO's swaps related to the local bonds and an increase in the average level of debt, and was partially offset by lower average interest rates. The decrease in 2011 as compared to 2010 was primarily due to lower interest rates in 2011, despite the increase in the amount of debt. CODELCO's average interest rate is 3.77% as of December 31, 2012. As of December 31, 2012, 79% of CODELCO's bond debt had a fixed rate and 21% had a floating rate.

Share of profit of associates and joint ventures accounted for using the equity method. CODELCO's net equity participation in related companies increased to U.S.$457 million in 2012, compared to U.S.$353 million in

2011 and U.S.$303 million in 2010. The increase in 2012 was mainly due to higher profit received from CUPIC, the inclusion of four months of CODELCO's share of Anglo American Sur (from September to December 2012) and GNL Mejillones. The increase in 2011 was due to higher profit received from CUPIC and GNL Mejillones, partially offset by the sale of CODELCO's equity interest in E-CL S.A. in January 2011. The slight decrease in 2010 was mainly due to lower profit received from CUPIC.

Profit before tax. Profit before tax was U.S.$6.2 billion in 2012, compared to U.S.$5.5 billion in 2011 and U.S.$4.5 billion in 2010. The increase in 2012 was primarily due to the opportunity of CODELCO to capture the difference between Anglo American Sur's option price and the asset market value. The increase in 2011 was primarily due to increases in copper prices.

Income tax expense. In 2012, CODELCO had an effective income tax rate of 60% in accordance with applicable regulations, comprised of a corporate income tax of 20% (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 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 2012 was 5.0%. See also "Risk Factors—Risks Relating to CODELCO's Relationship with the Chilean Government—CODELCO is subject to special taxes and distributions." CODELCO's taxes on income amounted to U.S.$2.4 billion, U.S.$3.5 billion and U.S.$2.6 billion for 2012, 2011 and 2010, respectively. Income tax decreased from 2012 to 2011 due to lower revenues due to lower copper and by-product prices. Higher taxes on income in 2011 compared to 2010 reflect higher pre-tax profit due to higher copper prices.

Profit. CODELCO's profit increased 88.5% in 2012 to U.S.$3.9 billion compared to U.S.$2.1 billion in 2011 and U.S.$1.9 billion in 2010. The increase in 2012 was mainly due to CODELCO's decision to capture the difference between the Anglo American Sur option price and the asset market value. The increase in 2011 was primarily due to higher copper prices.

Liquidity and Capital Resources

CODELCO's primary sources of liquidity are funds from operations, domestic and international borrowings from banks, and debt offerings in the domestic and international capital markets. In addition, CODELCO is generally required to transfer its net income to the Chilean Treasury, and is limited to funding with internally generated cash from deferred taxes, amortization and depreciation. In 2012, funding available to CODELCO from these three sources totaled U.S.$2.60 billion (U.S.$989 million from deferred taxes, U.S.$601 million from amortization and U.S.$1.01 billion from depreciation). When deferred taxes become payable, the use of cash required for the payment of such taxes reduces the amount of internally generated funding available for investment. See Note 5 to the 2011-2012 Year-end Consolidated Financial Statements for further information on deferred taxes. In January 2011, the Government of Chile authorized CODELCO to sell its equity interest in E-CL S.A. (formerly Edelnor S.A.) to the public and retain the difference between the cash proceeds (less expenses) and the book value, which amounted to U.S.$375 million. The sale proceeds totaled U.S.$1.051 billion, and the estimated book value of CODELCO's investment was U.S.$672 million. In June 2012, the Ministries of Finance and Mining approved the capitalization of 40% of 2011 net income, or U.S.$800 million (in addition to the authorization for CODELCO to retain the gain (less expenses) over the estimated book value of CODELCO's investment from the proceeds obtained in its sale of its equity interest in E-CL S.A. (formerly Edelnor S.A.), announced after the sale in 2011). In June 2013, the Ministries of Finance and Mining approved the capitalization of 25.8% of 2012 net income, or U.S.$1.0 billion, from retained earnings attributed to the fair value accounting related to the purchase of CODELCO's indirect interest in Anglo American Sur. Since 2007, the Government of Chile has authorized the capitalization and retention of almost U.S.$4.2 billion within CODELCO. CODELCO currently expects the Ministries of Finance and Mining to approve retention in the range of 10% to 15% of its pre-tax profit in each year over the next five years, although there can be no assurance that such profit retention will be approved in those years or in future years. See "Business—Resources and Reserves."

Cash flow. For the year ended December 31, 2012, net cash flow from operating activities decreased to U.S.$1.94 billion from U.S.$2.65 billion for the same period in 2011. The decrease in net cash flow from operating activities mainly resulted from decreases in cash flows provided by sales of goods and rendering of service due to a

decrease in copper and by-product prices. For the first three months of 2013, net cash flow from operating activities increased 127.7% to U.S.$1.2 billion from U.S.$527 million for the same period in 2012. This increase in net cash flow from operating activities resulted primarily from the increase in dividends received from the acquisition of Anglo America Sur and the decrease in income taxes paid. See Note 26 to the 2011-2012 Year-end Consolidated Financial Statements and Note 25 to the Unaudited Interim Consolidated Financial Statements.

For the year ended December 31, 2011, net cash flow from operating activities decreased to U.S.$2.65 billion from U.S.$3.26 billion for the same period in 2010. The decrease in net cash flow from operating activities resulted from increases in payments to suppliers, taxes and other payments related to operations and to employees, partially offset by increases in sales of goods and services during the period, which were due to an increase in copper prices.

CODELCO prepaid in full (i) on September 9, 2011, a U.S.$200 million loan from Banco Santander that would have matured in December 2011 and (ii) on December 31, 2011, a U.S.$200 million loan from Export Development Canada that would have matured in March 2012.

On September 1, 2012, CODELCO fully paid at maturity the UF 7 million (U.S.$328,192,448) 3.96% UF notes due 2012 placed in the Chilean market.

On November 30, 2012, CODELCO fully paid at maturity the U.S.$435 million 6.375% notes due 2012 placed in the international market.

Bank debt. CODELCO's total financial debt as a percentage of its total capitalization was 58.3% at December 31, 2010, 53.8% at December 31, 2011, 44.8% at December 31, 2012 and 44.5% at March 31, 2013. CODELCO's total outstanding financial debt at December 31, 2012, 2011and 2010 was U.S.$9.90 billion, U.S.$7.05 billion and U.S.$6.35 billion, respectively. As adjusted to give effect to the offering of the notes, CODELCO's total financial debt as a percentage of its total capital would be 44.9% and its total outstanding financial debt was U.S.$10.11 billion as of March 31, 2013.

In August 2007, CODELCO entered into a U.S.$400 million, seven-year unsecured syndicated bank loan with a group of international financial institutions, which bears interest at a rate of LIBOR plus an average margin of 16.42 basis points. The loan requires three payments of principal in the fifth, sixth and seventh years.

In November 2010, CODELCO entered into a U.S.$75 million, five-year unsecured bilateral bank loan with Banco Santander, S.A., London Branch, which bears interest at a rate of LIBOR plus 85 basis points.

In December 2010, CODELCO entered into four five-year U.S. dollar unsecured bilateral bank loans with the following banks and terms:

	Credit Amount	**Interest Rate**
HSBC Bank Bermuda Ltd.	U.S.$162.5 million	LIBOR plus 85 basis points
The Bank of Tokyo–Mitsubishi UFJ, Ltd.	U.S.$100.0 million	LIBOR plus 75 basis points
Banco Santander, S.A., London Branch	U.S.$100.0 million	LIBOR plus 85 basis points
Export Development Canada	U.S.$250.0 million	LIBOR plus 80 basis points

In February 2011, CODELCO entered into a U.S.$100 million, five-year unsecured bilateral bank loan with Sumitomo Mitsui, which bears interest at a rate of LIBOR plus 83 basis points.

In October and November 2011, CODELCO entered into four five-year U.S. dollar unsecured bilateral bank loans, each with a commitment fee of 10 basis points, with the banks and terms described below.

	Credit Amount	Interest Rate	Availability Period
HSBC Bank USA, National Association	U.S.$250.0 million	LIBOR plus 60 basis points	9 months
The Bank of Tokyo–Mitsubishi UFJ, Ltd.	U.S.$250.0 million	LIBOR plus 50 basis points	6 months
Mizuho Corporate Bank Ltd.	U.S.$100.0 million	LIBOR plus 60 basis points	6 months
Export Development Canada	U.S.$250.0 million	LIBOR plus 50 basis points	9 months

In April 2012, CODELCO drew on 100% of its commitments described above with The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mizuho Corporate Bank Ltd. In July 2012, CODELCO drew on 100% of its commitments described above with HSBC Bank USA, National Association. In October 2012, CODELCO drew on 100% of its commitments 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 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 loan are described below:

	Credit Amount	Interest Rate	Availability Period
Japan Bank for International Cooperation	U.S.$224.0 million	LIBOR plus 45 basis points	36 months
The Bank of Tokyo–Mitsubishi UFJ, Ltd.	U.S.$96.0 million	LIBOR plus 55 basis points	36 months

In July 2013, CODELCO entered into three five-year U.S. dollar unsecured bilateral bank loans, each with a commitment fee of 10 basis points, with the banks and terms described below.

	Credit Amount	Interest Rate	Availability Period
The Bank of Tokyo–Mitsubishi UFJ, Ltd.	U.S.$300.0 million	LIBOR plus 62.5 basis points	9 months
Bank of America N.A.	U.S.$300.0 million	LIBOR plus 65.0 basis points	90 days
Export Development Canada	U.S.$300.0 million	LIBOR plus 62.5 basis points	9 months

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

Type of Issuance	Maturity	Principal Amount	Interest Rate
International	October 15, 2013	US$500,000,000	5.50%
International	October 15, 2014	US$500,000,000	4.75%
International	January 15, 2019	US$600,000,000	7.50%
International	November 4, 2020	US$1,000,000,000	3.75%
International	November 4, 2021	US$1,150,000,000	3.88%
International	July 17, 2022	US$1,250,000,000	3.00%
Local	April 1, 2025	UF6,900,000	4.00%
International	September 21, 2035	US$500,000,000	5.63%
International	October 24, 2036	US$500,000,000	6.15%
International	November 4, 2042	US$750,000,000	4.25%

Additionally, apart from the committed unsecured bilateral bank loans mentioned above, CODELCO has uncommitted short-term lines of credit available for U.S.$2.52 billion. The Government of Chile has authorized CODELCO's use of only U.S.$1 billion of such short-term lines of credit. In addition, Codelco-Kupferhandel GmbH has a short-term line of credit for U.S.$60 million, with a comfort letter provided by CODELCO.

The following table sets forth the scheduled maturities of CODELCO's contractual obligations as of March 31, 2012, adjusted to give effect to the offering of the notes:

	Contractual Financial 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
Contractual Financial Obligations							
Long-term debt	$ 2,848	$ 267	$ 147	$ 785	$ 841	$ 808	LIBOR + 0.61%
Notes payable	7,114	596	498	—	—	6,020	4.55%
Total	$ 9,962	$ 863	$ 645	$ 785	$ 841	$ 6,828	

In addition to the obligations set forth in the table above, CODELCO was a party to certain commitments primarily to secure the payment of deferred customs duties and severance payment obligations payable upon retirement of individual employees, amounting to U.S.$21 million and U.S.$798 million, respectively, as of December 31, 2012, and to U.S.$10 million and U.S.$826 million, respectively, as of March 31, 2013. See Notes 17 and 18 to the 2011-2012 Year-end Consolidated Financial Statements and Notes 16 and 18 to the Unaudited Interim Consolidated Financial Statements. Additionally, CODELCO has deferred tax liabilities of U.S.$(486) million payable in 2013, U.S.$(502) million payable in 2014, U.S.$(458) million payable in 2015, U.S.$(410) million payable in 2016 and U.S.$(983) million payable after 2017. CODELCO currently has no hedges related to its production of copper through 2013. 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 Anglo American Sur option (the "Anglo American Sur Option"). 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 for the 49% interest in Anglo American Sur of U.S.$9.76 billion. 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.$1.87 billion to finance the acquisition by Inversiones Mineras Becrux SpA ("Becrux") of equity interests of Anglo American Sur as described below under "Business and Properties—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.$1.87 billion 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. At March 31, 2013 the balance payable by CODELCO under the Mitsui Term Loan is U.S.$864,523,000.

Capital Expenditure Program. The Company seeks to maintain and improve its competitive position in the industry through its capital expenditure program. Following the completion of a number of significant projects in recent years, such as 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 El Teniente mine, CODELCO intends to continue its development program. Accordingly, the Company expects to make capital expenditures of approximately U.S.$26.5 billion over the next five years on major projects, creating new operations and transforming its main mining operations with a view towards the long-term development of its resources. The Company's expansion and development projects for the next five years include:

- the development of the Mina Ministro Hales ore body, which is expected to begin operations at the end of 2013 (U.S.$1.2 billion investment over the next five years to produce an expected total average of 183,000 tons of copper per year and 300 tons of silver per year);

- the expansion of the existing sulfide operation in the Radomiro Tomic mine (U.S.$4.6 billion investment over the next five years to enable the Radomiro Tomic mine to produce an expected average of 343,000 tons of copper per year starting in 2017);

- the development of a new production level in the existing El Teniente underground mine (U.S.$2.9 billion investment over the next five years to maintain El Teniente's current annual copper production of approximately 434,000 tons of copper per year starting in 2017; environmental approvals were obtained in March 2011);

- the gradual transfer of the Chuquicamata mine from an open pit mine to an underground operation (U.S.$2.7 billion investment over the next five years to enable Chuquicamata to produce an expected total average of 366,000 tons of copper and 18,000 tons molybdenum per year starting in 2018; environmental approvals were obtained in September 2010); and

- the expansion of the existing Andina mine (U.S.$1.0 billion investment over the next five years to enable Andina to produce an expected average of an additional 350,000 tons of copper per year for a total expected average of approximately 600,000 tons of copper per year starting in 2021).

In 2012, CODELCO invested U.S.$4.09 billion in expansion and development projects, including Mina Ministro Hales, the Chuquicamata underground expansion, Radomiro Tomic sulfides, El Teniente new mine level and the Andina mine expansion. In 2011, CODELCO invested U.S.$2.63 billion in expansion and development

projects, including Mina Ministro Hales, Chuquicamata Underground, Andina Phase II and El Teniente New Mine Level. In 2010, CODELCO invested over U.S.$2.62 billion, principally in the development of the Andina Phase I Expansion Project, the Radomiro Tomic Sulfides project and the Pilar Norte area at El Teniente mine.

For 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 capitalization and retention of net income, new borrowing from banks and capital markets to fund its anticipated capital expenditures and investment. As described in "Regulatory Framework—Overview of the Regulatory Regime" below, the Ministries of Finance and Mining determine by means of a joint decree the amount that the Company shall allocate to the creation of capitalization and reserve funds. In January 2011, the Government of Chile authorized CODELCO to sell its equity interest in E-CL S.A. (formerly Edelnor S.A.) to the public and retain the difference between the cash proceeds (less expenses) and the book value, which amounted to U.S.$375 million. The sale proceeds totaled U.S.$1.051 billion, and the estimated book value of CODELCO's investment was U.S.$672 million. In June 2012, the Ministries of Finance and Mining approved the capitalization of 40% of 2011 net income, or U.S.$800 million. In June 2013, the Ministries of Finance and Mining approved the capitalization of 25.8% of 2012 net income, or U.S.$1.0 billion, from retained earnings attributed to the fair value accounting related to the purchase of CODELCO's indirect interest in Anglo American Sur. Since 2007, the Government of Chile has authorized the capitalization and retention of almost U.S.$4.2 billion within CODELCO. CODELCO currently expects the Ministries of Finance and Mining to approve retention in the range of 10% to 15% of its pre-tax profit in each year over the next five years, although there can be no assurance that such profit retention will be approved. In addition, although an extraordinary contribution to the Company of U.S.$1.0 billion was authorized in 2009, CODELCO expects to continue to utilize debt financing to finance its investments.

Cash flow from operations may, however, 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 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.$370 million in these projects from 2008 to 2012, and plans to continue implementing its pollution abatement plan through additional capital investments of approximately U.S.$928 million from 2013 through 2014. In 2012, CODELCO invested U.S.$138 million in environmental projects, including the seventh stage of the enlargement of the Talabre tailings dam in the Chuquicamata Division and a project to prevent pollution of natural water resources in the north dump area in the Andina Division. This figure includes the investment made in the Gabriela Mistral Division. CODELCO's investment of approximately U.S.$276 million in 2013 includes the continuation of a project to prevent pollution of natural water resources in the north dump area in the Andina Division, and a new phase of the enlargement of the Talabre tailings dam in the Chuquicamata Division, among others. In 2014, planned investments include the eighth stage of the enlargement of the Talabre tailings dam in the Chuquicamata Division, the enlargement of the Ovejería tailings dam in the Andina Division, and a project in Potrerillos smelter in the El Salvador Division for the abatement of atmospheric emissions, among others.

The following table sets forth CODELCO's principal environmental investments in the years 2010-2012:

	Environmental Investments (in millions of U.S.$)			
	2010	**2011**	**2012**	**Total**
Decontamination plans	-	0.1	13.2	13.6
Tailing dams	49.3	48.9	67.4	192.6
Solid wastes	1.1	7.1	0.7	10.8
Liquid wastes	10.9	10.3	49.7	84.3
Others	0.3	5.5	7.4	15.2
Total	61.6	71.9	138.4	316.5

Distributions to the Chilean Treasury. As a state-owned enterprise and according to its governing law, CODELCO's net income 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 that the Company shall allocate to the creation of capitalization and reserve funds. The amount not allocated to the creation of capitalization and reserve funds is distributed to the Chilean Treasury.

In 2010, 2011 and 2012, CODELCO distributed U.S.$5.99 billion, U.S.$6.90 billion and U.S.$3.18 billion respectively, to the Chilean Treasury. While CODELCO makes advance payments to the Chilean Treasury, funded by cash flows from operations, throughout the year, it generally has distributions payable to the Chilean Treasury at the end of each year. These distributions are paid in the first quarter 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 net income distributions made by CODELCO to the Chilean Treasury for each of the three years ended December 31, 2012 and for the three months ended March 31, 2013.

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

	Year Ended December 31,			For the three months ended March 31,
	2010	**2011**	**2012**	**2013**
Income tax payments	$ 2,515	$ 3,851	$ 1,807	$ 86
Export tax under Law 13.196	1,271	1,576	1,264	323
Subtotal	$ 3,786	$ 5,428	$ 3,071	$ 409
Net income distributions	2,206	1,472	106	—
Total	$ 5,992	$ 6,900	$ 3,177	$ 409

Production Hedging. CODELCO has hedged certain future copper delivery commitments and production in order to manage the risk associated with copper price volatility in the past. CODELCO currently does not have any hedged production commitments and therefore there is no relevant impact from hedging. See Notes 27 and 28 to the 2012 Year end Consolidated Financial Statements and Notes 26 and 27 to the Unaudited Interim Consolidated Financial Statements. In 2012, CODELCO's production hedging activities had a negative impact of U.S.$764 million 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 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.

See "Business and Properties—Marketing—Pricing and Hedging," "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO engages in hedging activity from time to time, particularly with respect to its

copper production, which may not be successful and may result in losses to CODELCO," Note 28 to the 2011-2012 Year-end Consolidated Financial Statements and to 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 pesos and paid pursuant to contracts providing for indexation to Chilean inflation, and approximately 100% of revenues are 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 peso/dollar exchange rate.

As of March 31, 2013, CODELCO had swap contracts in place to hedge the risk of future UF/U.S.$ exchange rate fluctuations with respect to a notional amount of U.S.$334 million, which is equivalent to, and sufficient to cover, 100% of CODELCO's outstanding UF-denominated bonds.

As of March 31, 2013, 21% of CODELCO's financial debt was at a variable interest rate and 79% 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 control as of the year ended December 31, 2012. Based on the assessment performed, CODELCO's management identified a material weakness within the Company's SAP enterprise resource planning applications, specifically related to the deficiencies in the assignation of profiles. The situation detracted from an effective control environment.

The material weakness identified by CODELCO did not result in any impact on CODELCO's consolidated financial statements as of and for the three-month period ended March 31, 2012, as of and for the year ended December 31, 2012 and as of and for the three-month period ended March 31, 2013 or require the correction of any material misstatement in the Company's disclosures.

In response to the results of CODELCO's evaluation, management undertook remedial measures to implement additional controls and improve the functionalities in its SAP system. The principal procedures implemented by CODELCO included implementing a predictive risk matrix by defining the function/action/authorization/objects based on critical, high, medium and low risk.

CODELCO has also created a position for a manager of internal risks to direct and oversee the implementation of changes and enhancements to its SAP system. CODELCO believes that its remediation measures have mitigated the risks within its SAP system and further believes that the material weakness has been remediated as of the date of this offering memorandum.

New Accounting Standards

The accounting policies adopted in the preparation of the Unaudited Interim Consolidated Financial Statements are consistent with those applied in the preparation of the Year-end Consolidated Financial Statements for the year ended December 31, 2012, except for the adoption of new standards and interpretations effective from January 1, 2013, which required retroactive restatement of certain figures for the three months ended March 31, 2012. The amounts reported at and for the three months ended March 31, 2013 are not fully comparable to amounts presented in the Year-end Consolidated Financial Statements. See Section II.3 to the Unaudited Interim Consolidated Financial Statements. The following is a description of the new standards and interpretations effective from January 1, 2013:

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. The accounting criteria established in IFRIC 20 requires that the costs of waste removal activities relating to the production phase of a surface mine (stripping), incurred with the purpose of granting access to a specific ore body, be recognized as part of property,

plant and equipment and are amortized based on units of production extracted from the mineralized zone. In contrast, the accounting methods applied by CODELCO prior to the adoption of IFRIC 20 established an amortization criteria based on linear amortization of the capitalized removal costs.

The adoption of IFRIC 20 in the Unaudited Interim Consolidated Financial Statements resulted in a change in CODELCO's accounting policy as defined by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors." This change involved making adjustments based on the criteria of this standard, so that the existing balances at December 31, 2011 with respect to stripping in the production phase (discussed by other accounting criteria based on IFRIC 20) determined to be the initial balance for purposes of applying IFRIC 20.

The impact of this standard on the comparative amounts presented in the Unaudited Interim Consolidated Financial Statements were as follows:

Effects of IFRIC 20 on Retained Earnings, as of January 1, 2012

		(in thousands of U.S.$)
The balance of retained earnings prepared in accordance with the accounting policies in place prior to the adoption of IFRIC 20	$	1,709,068
Adjustments due to IFRIC 20, net of deferred taxes	$	(88,501)
Balance of retained earnings, as adjusted by IFRIC 20	$	1,620,567

Net Effects of IFRIC 20 on PP&E, as of December 31, 2012

		(in thousands of U.S.$)
The balance of PP&E, net as of December 31, 2012 under prior accounting policies	$	17,044,931
Adjustments due to IFRIC 20	$	(21,390)
Balance of PP&E, as adjusted by IFRIC 20	$	17,023,541

Effects of IFRIC 20 on gain (loss), before taxes as of three-month period ended March 31, 2012

		(in thousands of U.S.$)
Gain (loss) before taxes under prior accounting policies	$	455,825
Adjustments due to IFRIC 20	$	26,497
Gain (loss) before taxes, as adjusted by IFDRIC 20 December 31, 2012	$	482,322

IAS 19 Employee Benefits (revised 2011) (IAS 19-R). Until December 31, 2012, CODELCO included actuarial gains and losses in the profit of a given period. IAS 19-R requires that actuarial results be included as part of other comprehensive income and permanently excludes it from the profit and loss of a given period. Other modifications include new disclosures, such as quantitative sensitivity of the variables set for the calculation of the defined benefit liabilities.

IAS 19-R requires retrospective application of the associated effects, requiring the restatement of financial statements from previous years. Given that CODELCO updated the discount rate used as an actuarial assumption in the calculation of some of the employee benefit obligation at December 31, 2012 and 2011, the adoption of IAS 19-R involved reclassifications of actuarial gains and losses from retained earnings to other comprehensive income, modifying the statements of financial position as follows:

Effects at January 1, 2012	**Retained Earnings**	**Reserve of gains / (losses) on defined benefit plans**
	(in thousands of U.S.$)	
Balance under prior accounting policies	$ 1,709,068	-
Adjustments due to IAS 19-R	$ 60,327	$ (60,327)
Balance, as adjusted by IAS 19-R	$ 1,769,395	$ (60,327)

Effects at December 31, 2012	**Retained Earnings**	**Reserve of gains / (losses) on defined benefit plans**
	(in thousands of U.S.$)	
Balance under prior accounting policies	$ 4,189,769	-
Adjustments due to IAS 19-R	$ 54,687	$ (54,687)
Balance, as adjusted by IAS 19-R	$ 4,244,456	$ (54,687)

IAS 1 Presentation of items in other comprehensive income – Modifications to IAS 1. The amendments made to this standard require of the separation of the items included in other comprehensive income, which may be reclassified as the statement of comprehensive income in the future (e.g. net results from cash flow hedges or exchange rates of foreign operations) of those items that standards do not allow to be reclassified as comprehensive income (e.g. gains and losses from benefits plans). This amendment affects only the presentation of the statement of comprehensive income and has no impact on CODELCO's financial position.

IAS 1 Comparative reporting requirement – Explanatory amendment. This amendment requires the inclusion of comparative information in notes to the financial statements when they are voluntarily disclosed beyond the minimum comparative period. When a retrospective accounting change is made, an additional statement of financial position must be presented, and the items included in the financial statements must be reclassified, as long as any of those changes have a material effect on the statement of financial position at the beginning of the previous period. This amendment clarifies that the additional statement of financial position does not need to be accompanied by comparative information in related notes.

IFRS 10 Consolidated Financial Statements and IAS 27 Consolidated and Separate Financial Statements. IFRS replaces IAS 27 "Consolidated and Separate Financial Statements" in sections related to consolidated financial statements and SIC 12 "Consolidation Special Purpose Entities." IFRS 10 changes the definition of control such that an investor controls an investee when such is exposed, or has rights, to variable returns from its involvement in the investee and has the potential to affect those returns through its power over the investee. The application of IFRS 10 had no impact on the determination of control or consolidation of investments held by CODELCO.

IFRS 11 Joint Arrangements. IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly-controlled Entities – Non-monetary Contributions by Ventures." IFRS 11 removes the option to account for jointly controlled entities using proportional consolidation, leaving the equity method as the only option. The application of IFRS 11 had no impact on CODELCO's Unaudited Consolidated Financial Statements.

IFRS 12 Disclosure of Interests in Other Entities. This standard establishes requirements for disclosures related to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The additional disclosure requirements are presented in Notes 8 and 9 to the Unaudited Consolidated Financial Statements, and are related to summarized financial information of material subsidiaries and associates.

IFRS 13 Fair Value Measurement. IFRS 13 establishes a single source of fair value measurements. This standard provides guidance on how to measure fair value when required or permitted by IFRS. The application of IFRS 13 has not materially affected CODELCO's fair value measurements.

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles in Chile as well as the application of IFRS requires CODELCO to make a wide variety of estimates and assumptions that affect (1) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and (2) the reported amounts of revenues and expenses during the reporting periods covered by the financial statements. CODELCO routinely makes judgments and estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the future resolution of the uncertainties increases, these judgments become even more subjective and complex. CODELCO has identified the following accounting policies that are most important to the portrayal of its current financial condition and results of operations. For a full description of CODELCO's accounting policies, see Section II to the 2011-2012 Year-end 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 (both internal and 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.

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 CODELCO regarding the amount of resources that could be exploited and sold at prices exceeding the total cost associated with extraction and processing.

CODELCO applies judgment in determining 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 compiled by the "Competent Person" of the Company, as defined and regulated by Law 20.235. The estimations 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 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 such amount cannot be recovered. 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 book values of the corresponding assets.

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

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

Provisions for Decommissioning and Site Restoration Costs. An obligation to incur in decommissioning and site restoration costs when 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. These factors include estimates of the extent and costs of decommissioning and site restoration activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. Environmental costs are estimated by using the work of external specialists and/or internal experts. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

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 either increasing or decreasing the rehabilitation liability and rehabilitation asset if the initial estimate was originally recognized as part of an 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 taken immediately to 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. If the revised asset net of decommissioning and site restoration provisions exceeds the recoverable value, that portion of the increase is charged directly to expense. 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 net income over the life of the mine through depreciation of the asset. 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.

CODELCO uses 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 CODELCO believes that the assumptions used are appropriate, a change in these assumptions could affect net income.

Accruals for Open Invoices. 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 quotational period, generally the month following the scheduled month of shipment. CODELCO recognizes adjustments to its revenues and trade receivables after delivery of the copper. These adjustments are updated on a monthly basis. At the end of each month, CODELCO estimates and accrues 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 Recognition. Revenue is recorded when ownership rights and obligations have been substantially transferred to the purchaser, 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 for which the rights and obligations are substantially

transferred based on receipt of the product at the buyer's destination point, and for these contracts revenue is recorded at the moment of transfer.

Sales contracts include a provisional price at the shipment date, whose final price is generally based on the price recorded in the LME. Recognition of sales revenue for copper and other commodities is based on the estimates of the future spread of metal price (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 quoted market prices (LME) up to the date of final settlement. The period between provisional invoicing and final settlement can be between one and six 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, CODELCO recognizes 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 on 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. The Company applies customary valuation techniques used by other professionals in the industry. 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. CODELCO 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 Company's legal advisors believe that a favorable outcome will be obtained or when the results are uncertain and the lawsuits are still pending resolution, no provisions are recognized.

BUSINESS AND PROPERTIES

CODELCO is the world's largest copper producer and the largest company in Chile in terms of sales (U.S.$15.86 billion in 2012). As of March 31, 2013, CODELCO's total assets and equity amounted to U.S.$31.00 billion and U.S.$12.40 billion, respectively, without including the value of CODELCO's mining concessions and ore deposits (as of December 31, 2012, such amounts were U.S.$31.64 billion and U.S.$12.18 billion, respectively). CODELCO engages primarily in the exploration, development and extraction of ores bearing copper and by-products, the processing of ore into refined copper and the international sale of refined copper and by-products. CODELCO is 100% owned by Chile and controls approximately 9% of the world's proved and probable copper reserves, as such term is defined by the U.S. Geological Survey. In 2012, CODELCO had an estimated 10% share of the total world copper production, with production of approximately 1.76 million metric tons (including CODELCO's share of the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra, owned 49% by CODELCO and 51% by Cyprus El Abra Corporation (a subsidiary of Freeport McMoRan) and CODELCO's indirect 20% share of Anglo American Sur) and an estimated 8% share of the world's molybdenum production with production of approximately 19,676 metric tons.

CODELCO's main commercial product is Grade A cathode copper. In 2012, CODELCO derived 91% of its total sales from copper and 9% of its total sales from by-products of its copper production (for the three-month period ended March 31, 2013, 93% and 7%, respectively).

The following table sets forth certain production, cost and price information relating to CODELCO for the four-year period ended December 31, 2012 and the three-month periods ended March 31, 2012 and 2013:

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

	Year ended December 31,				Three months ended March 31,	
	2009	2010	2011	2012	2012	2013
CODELCO's Copper Production	1,702	1,689	1,735	1,646	373	385
CODELCO's Cash Cost of Production	92.9	104.4	116.4	163.5	130.2	170.0
Average LME Price[(1)]	234.2	342.0	399.7	360.6	376.9	359.8

(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. The Company seeks to maintain and improve its competitive position in the industry through its capital expenditure program. Following the completion of a number of significant projects in recent years, such as 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 El Teniente mine, CODELCO intends to continue its development program. Accordingly, the Company expects to invest approximately U.S.$26.5 billion over the next five years on major projects, creating new operations and transforming its main mining operations with a view towards the long-term development of its resources. The Company's expansion and development projects for the next five years include:

- the Mina Ministro Hales Division was created in September 2010 for the operation of the Mina Ministro Hales ore body, which is expected to begin operations at the end of 2013 and expected to produce an average of 183,000 tons of copper per year and 300 tons of silver per year;

- the expansion of the existing sulfide operation in the Radomiro Tomic mine (U.S.$4.6 billion investment over the next five years to enable the Radomiro Tomic mine to produce an expected average of 343,000 tons of copper per year starting in 2017);

- the development of a new production level in the existing El Teniente underground mine (U.S.$2.9 billion investment over the next five years to maintain El Teniente's current annual copper production of approximately 434,000 tons of copper per year starting in 2017; environmental approvals were obtained in March 2011);

- the gradual transfer of the Chuquicamata mine from an open pit mine to an underground operation (U.S.$2.7 billion investment over the next five years to enable Chuquicamata to produce an expected total average of 366,000 tons of copper and 18,000 tons molybdenum per year starting in 2018; environmental approvals were obtained in September 2010); and

- the expansion of the existing Andina mine (U.S.$1.0 billion investment over the next five years to enable Andina to produce an expected average of an additional 350,000 tons of copper per year for a total expected average of approximately 600,000 tons of copper per year starting in 2021).

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, 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 on providing increased flexibility to its operations.

Exploration Effort. 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 continuing to attract and retain a world-class management team and professionals of the highest caliber. Against the background of increased competition for talent in the mining industry, the Company will continue to improve 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 in situations where these associations will add value to CODELCO's business. An example of the Company's willingness and ability to do so is the association with Freeport McMoran in the El Abra copper mine (CODELCO owns 49%) and 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 3/4 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 and Radomiro Tomic. In the first step of the SX-EW process, copper sulfide 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 eight divisions. In December 2010, CODELCO divided the former CODELCO Norte Division into the Chuquicamata and Radomiro Tomic Divisions. CODELCO's divisions consist of the following:

- 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 2012, this division produced 355,901 metric tons of copper cathodes, or 20.3% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 193.4 cents per pound, compared to 110.9 cents per pound in 2011, and a total cash cost of U.S.$1,503 million, compared to U.S.$1,078 million in 2011. For the first three months of 2013, this division had a cash cost of 193.4 cents per pound and a total cash cost of U.S.$311 million.

- The Radomiro Tomic Division operates the Radomiro Tomic mine, which began its first full year of production in 1998 and is the world's largest producer of copper using the SX-EW technology. In 2012, this division produced 427,791 metric tons of copper cathodes, or 24.3% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 130.9 cents per pound, compared to 100.3 cents per pound in 2011, and a total cash cost of U.S.$1,223 million, compared to U.S.$1,028 million in 2011. For the first three months of 2013, this division had a cash cost of 121.7 cents per pound and a total cash cost of U.S.$292 million.

- On January 1, 2013, CODELCO created the Gabriela Mistral Division. The Gabriela Mistral Division 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 with total construction costs of U.S.$1.03 billion. In 2012, this division produced 133,000 metric tons of copper, or 7.6% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 199.6 cents per pound, compared to 165.8 cents per pound in 2011, and a total cash cost of U.S.$585 million, compared to U.S.$432 million in 2011. For the first three months of 2013, this division had a cash cost of 221.5 cents per pound and a total cash cost of U.S.$158 million.

- The El Teniente Division is the operator of 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 2012, this division produced 417,244 metric tons of copper, or 23.7% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 128.8 cents per pound, compared to 92.4 cents per pound in 2011, and a total cash cost of U.S.$1,175 million, compared to U.S.$810 million in 2011. For the first three months of 2013, this division had a cash cost of 162.6 cents per pound and a total cash cost of U.S.$347 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 2012, this division produced 249,861 metric tons of copper, or 14.2% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 136.3 cents per pound, compared to 128.0 cents per pound in 2011, and a total cash cost of U.S.$725 million, compared to U.S.$639 million in 2011. For the first three months of 2013, this division had a cash cost of 131.0 cents per pound and a total cash cost of U.S.$162 million.

- The Salvador Division includes the Salvador mine and concentrator and the smelter/refinery complex at Potrerillos, which has a capacity to treat 671,000 metric tons of concentrate. In 2012, this division produced 62,728 metric tons of copper cathodes, or 3.6% of CODELCO's total copper output (including CODELCO's share of the El Abra deposit and Anglo American Sur), with a cash cost of 268.9 cents per pound, compared to 175.3 cents per pound in 2011, and a total cash cost of U.S.$372 million, compared to U.S.$267 million in 2011. For the first three months of 2013, this division had a cash cost of 245.7 cents per pound and a total cash cost of U.S.$69 million. CODELCO's Board of Directors has decided to phase out mining operations at the Salvador mine by 2016, or by 2021 if warranted by market and operational conditions. The Potrerillos smelter and refinery will 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. The Ventanas smelter has a capacity to treat 400,000 metric tons of concentrate. In 2012, this division refined 398,116 metric tons of copper. Pursuant to the terms of the acquisition, CODELCO is required to provide on market terms the necessary smelting and refining capacity for the treatment of copper concentrate delivered by the small- and medium-sized mining industry that ENAMI serves.

- The Mina Ministro Hales Division was created in September 2010 for the operation of the Mina Ministro Hales ore body, which is expected to begin operations at the end of 2013 and expected to produce an average of 183,000 tons of copper per year and 300 tons of silver per year.

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

Beginning in late 2010, CODELCO implemented a corporate reorganization plan which divided the management of the Company's operations into Operations Norte and Operations Centro-Sur, to supervise the divisions in the north and center-southern regions, respectively. Pursuant to the plan, CODELCO created a new mining division in the north (the Mina Ministro Hales Division), to manage the operations of the Mina Ministro Hales ore body, and divided the CODELCO Norte Division into the Chuquicamata and Radomiro Tomic Divisions. In addition, 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, Radomiro Tomic Division and Mina Ministro Hales Division are now supervised by the vice president of Operations Norte. The Salvador Division (moved from Operation Norte in early 2012), Andina Division, El Teniente Division and Ventanas Division are now supervised by the vice president of Operations Centro Sur.

CODELCO's copper production, excluding CODELCO's share of the El Abra deposit, and of Anglo American Sur, increased to 384,616 metric tons for the first three months of 2013 from 372,537 metric tons in the first three months of 2012. This increase was mainly due to the increase in ore grade at the Chuquicamata Division.

The table below shows the production of copper from CODELCO's mines, as compared to private sector production in Chile, for the four-year period ended December 31, 2012 and the three-month period ended March 31, 2013:

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

	Year ended December 31,				Three months ended March 31,
	2009	**2010**	**2011**	**2012**	**2013**
CODELCO Norte Division[1]	875	904	–	–	–
Chuquicamta Division	–	–	443	356	73
Radomiro Tomic Division	–	–	470	428	110
Gabriela Mistral Division	148	117	118	133	32
El Teniente Division	404	404	400	417	98
Andina Division	210	188	234	250	58
Salvador Division	65	76	69	63	13
El Abra[2]	80	71	61	75	20
Anglo American Sur[3]	–	–	–	36	23
CODELCO Total Production	**1,782**	**1,760**	**1,796**	**1,758**	**428**
Chilean Private Sector[4]	**3,612**	**3,659**	**3,467**	**3,676**	**949**
Total Chilean Production	**5,394**	**5,419**	**5,263**	**5,434**	**1,377**

(1) In December 2010, CODELCO divided the CODELCO Norte Division into the Chuquicamata and Radomiro Tomic Divisions.

(2) CODELCO's figures presented for El Abra include 49% of the mine's total production (the share of production which corresponds to CODELCO's 49% ownership interest in the mine). The balance of El Abra's production is included in the private sector figures.

(3) 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.

(4) Source: Chilean Copper Commission.

The table below shows the breakdown of CODELCO's own copper output for the four-year period ended December 31, 2012 and the three-month period ended March 31, 2013:

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

	Year ended December 31,				Three months ended March 31,
	2009	**2010**	**2011**	**2012**	**2013**
Cathodes	1,040	1,033	853	720	181
Fired Refined	88	100	69	0	0
Blister and anodes	305	294	275	376	67
Concentrates	269	262	538	550	137
Total	**1,702**	**1,689**	**1,735**	**1,646**	**385**

The following table sets forth CODELCO's capital expenditures budget for the period 2013-2017 by division, and for the executive offices, as approved by the Company's Board of Directors as part of the Company's BDP, which is subject to the approval of the Ministries of Finance and Mining (capital expenditures are subject to change at the discretion of the Company):

Projected Capital Expenditures by Division 2013-2017

Division	Investment[(1)] (in millions of U.S.$)
Chuquicamata	$ 5,323
Radomiro Tomic	5,706
El Teniente	5,065
Andina	3,675
Salvador	1,299
Ventanas	337
Mina Ministro Hales	1,498
Gabriela Mistral	366
Executive Offices	737
Subsidiaries	400
Deferred expenses	2,056
Total	$ 26,462

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

The following table sets forth 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.$)
Chuquicamata	Chuquicamata Underground (2013-2018)	Execution[(1)]	$ 3,776
Radomiro Tomic	Sulfides phase II (2013-2016)	Feasibility	4,555
El Teniente	New mining level (2011-2017)	Execution[(1)]	3,381
Andina	Expansion phase II (2013-2020)	Feasibility	7,187
Mina Ministro Hales	Mina Ministro Hales ore body (2010-2013)	Execution[(1)]	2,991
Total Investment			**$ 21,890**

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

Chuquicamata Division

Chuquicamata—Mining Operations. Chuquicamata is one of the largest open pits in the world with a total production of 355,901 metric tons in 2012. 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.

In December 2007, CODELCO completed the Calama Integration Project, a major initiative undertaken to relocate the inhabitants of the town of Chuquicamata, which is situated on the outskirts of the mining facility, to the nearby city of Calama. CODELCO undertook the project to make more space available near the mine site for depositing the large piles of the mine's tailings and to move inhabitants away from mining activities near the growing project area. CODELCO invested U.S.$317 million in the implementation of this project, which included the construction and financing of houses and apartments for mine employees and commercial centers in Calama. The site of the town of Chuquicamata is now being used as a new site for the deposit of waste rock and for SX-EW treatment dams.

Chuquicamata—Smelting Operations. Chuquicamata utilizes one Outokumpu flash furnace, five Pierce Smith converters and two Teniente converters to process 1.39 million metric tons of 27.71% copper concentrate per year. Chuquicamata performs all stages of copper production from the mining process through cathode production.

As of March 31, 2013, the Chuquicamata Division employed 6,713 persons and produced 73,296 metric tons of copper at a cash cost of 193.4 cents per pound and a total cash cost of U.S.$311 million, compared to a cash cost of 118.9 cents per pound and a total cash cost of U.S.$156 million for the first three months of 2012. In 2012, this division had a cash cost of 193.4 cents per pound, compared to 110.9 cents per pound in 2011, and a total cash cost of U.S.$1,503 million, compared to U.S.$1,078 million in 2011.

Radomiro Tomic Division

Radomiro Tomic. Radomiro Tomic is CODELCO's largest division based on 2012 production. 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 2012, the Radomiro Tomic Division produced 427,791 metric tons of copper.

As of March 31, 2013, the Radomiro Tomic Division employed 1,101 persons and produced 110,083 metric tons of copper at a cash cost of 121.7 cents per pound and a total cash cost of U.S.$292 million, compared to a cash cost of 109.6 cents per pound and a total cash cost of U.S.$255 million for the first three months of 2012. In 2012, this division had a cash cost of 130.9 cents per pound, compared to 100.3 cents per pound in 2011, and a total cash cost of U.S.$1,223 million, compared to U.S.$1,028 million in 2011.

Copper Production and Cash Cost — CODELCO Norte Division (Chuquicamata and Radomiro Tomic)[1]
(production in thousands of metric tons and cash cost in cents per pound)

	Year ended December 31,				Three months ended March 31,
	2009	2010	2011	2012	2013
Copper Production CODELCO Norte	875	904	–	–	–
Copper Production Chuquicamata	–	–	443	356	73
Copper Production Radomiro Tomic	–	–	470	428	110
Cash Cost CODELCO Norte	93.2	102.5	–	–	–
Cash Cost Chuquicamata	–	–	110.8	193.4	193.4
Cash Cost Radomiro Tomic	–	–	100.3	130.9	121.7

(1) In December 2010, CODELCO divided the CODELCO Norte Division into the Chuquicamata and Radomiro Tomic Divisions.

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.$1.03 billion. In 2012, the Gabriela Mistral Deposit produced 133,000 metric tons of copper.

As of March 31, 2013, the Gabriela Mistral Division employed 554 persons and produced 32,352 metric tons of copper at a cash cost of 221.5 cents per pound and a total cash cost of U.S.$158 million, as compared to a cash cost of 171.6 cents per pound and a total cash cost of U.S.$131 million for the first three months of 2012. In 2012, this division had a total cash cost of 199.6 cents per pound, compared to 165.8 cents per pound in 2011, and a total cash cost of U.S.$585 million, compared to U.S.$432 million in 2011.

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,				Three months ended March 31,
	2009	2010	2011	2012	2013
Copper Production	148	117	118	133	32.3
Cash Cost	93.8	129.9	165.8	199.6	221.5

El Teniente Division

Mining Operations. The El Teniente Division is the second-largest division of CODELCO based on 2012 production and operates El Teniente underground mine located 80 kilometers southeast of Santiago. With production of 417,244 metric tons in 2012, it is the world's largest underground copper mine.

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 132,000 metric tons of ore per day. The Reservas Norte area of the mine is the main producing mine area, producing approximately 32,600 metric tons of ore per day.

As of March 31, 2013, the El Teniente Division employed 5,052 persons and produced 98,034 metric tons of copper at a cash cost of 162.6 cents per pound and a total cash cost of U.S.$347 million, as compared to a cash cost of 95.2 cents per pound and a total cash cost of U.S.$201 million for the first three months of 2012. In 2012, this division had a cash cost of 128.8 cents per pound, compared to 92.4 cents per pound in 2011, and a total cash cost of U.S.$1,175 million, compared to U.S.$810 million in 2011.

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,				Three months ended March 31,
	2009	2010	2011	2012	2013
Copper Production	404	404	400	417	98
Cash Cost	83.3	85.8	92.4	128.8	162.6

Smelting Operations. The El Teniente Division includes the Caletones smelter, with capacity to smelt 1.25 million metric tons of concentrate per year. El Teniente mine supplies 1.28 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.

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. 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 March 31, 2013, the Andina Division employed 1,626 persons and produced 58,215 metric tons of copper at a cash cost of 131.0 cents per pound and a total cash cost of U.S.$162 million, as compared to a cash cost of 137.7 cents per pound and a total cash cost of U.S.$182 million for the first three months of 2012. In 2012, this division produced 249,861 metric tons of copper and had a cash cost of 136.2 cents per pound, compared to 128.0 cents per pound in 2011, and a total cash cost of U.S.$725 million, compared to U.S.$639 million in 2011.

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,				Three months ended March 31,
	2009	2010	2011	2012	2013
Copper Production	210	188	234	250	58
Cash Cost	84.9	108.5	128.0	136.3	131.0

With the aim to increase the processing output of the Andina Division, CODELCO completed the Andina Phase I Expansion Project in 2010 and plans to continue with a U.S.$1.0 billion investment over the next five years to expand the mine and increase copper production to produce an expected additional 350,000 tons of copper per year for a total expected average of approximately 600,000 tons of copper per year starting in 2021.

Salvador Division

Mining Operations. The Salvador Division is the smallest of the CODELCO divisions. In 2012, it produced 62,728 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 the CODELCO 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 March 31, 2013, Salvador employed 1,505 persons and produced 12,635 metric tons of fine copper at a cash cost of 245.7 cents per pound and a total cash cost of U.S$68 million, compared to a cash cost of 228.8 cents per pound and a total cash cost of U.S.$65 million for the first three months of 2012. In 2012, this division had a cash cost of 268.9 cents per pound, compared to 175.3 cents per pound in 2011, and a total cash cost of U.S.$372 million, compared to U.S.$267 million in 2011.

CODELCO's Board of Directors has decided to phase out mining operations at the Salvador mine by 2016, or by 2021 if warranted by market and operational conditions. The Potrerillos smelter and refinery will 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,				Three months ended March 31,
	2009	2010	2011	2012	2013
Copper Production	65	76	69	63	13
Cash Cost	136.7	149.3	175.3	268.9	245.7

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 a capacity of over 400,000 metric tons of concentrate. Ventanas refined approximately 398,116 metric tons of copper in 2012. 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 March 31, 2013, the Ventanas Division employed 985 persons.

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, which is currently under construction, and is expected to begin operations at the end of 2013. The Mina Ministro Hales ore body is located near Calama in the Antofagasta region and is expected to produce an average of 183,000 tons of copper per year and 300 tons of silver per year and is expected to be exploited at a rate of 375,000 tons of rock per day. As of March 31, 2013, the Mina Ministro Hales Division employed 594 persons.

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.

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 China Minmetals Non-Ferrous Metals Co. Ltd. ("Minmetals"), a Chinese state-owned metals company, 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. 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 have agreed to identify joint opportunities in the future.

- *SCM El Abra:* In 1994, CODELCO (49%) formed a company with Cyprus El Abra Corporation (51%), a subsidiary of Freeport McMoRan, Sociedad Contractual Minera (SCM) El Abra 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. El Abra started production seven months ahead of schedule in August 1996. Constructed at a cost of U.S.$1.05 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 1,200 million 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 2012, SCM El Abra produced 153,424 metric tons of fine copper at a cash cost of 207 cents per pound. For the three months ended March 31, 2013, the production was 41,087 metric tons of fine copper with a cash cost of 192 cents per pound.

- As of March 31, 2013, the project had delivered total dividends of U.S.$2,710 million and CODELCO had received U.S.$1,327.9 million in dividends. As of March 31, 2013, CODELCO's equity participation in SCM El Abra totaled U.S.$825.4 million.

- *Anglo American Sur:* On December 19, 2008, CODELCO purchased from ENAMI for U.S.$175 million the Anglo American Sur Option to purchase up to 49% of the equity interests of Anglo American Sur, a wholly-owned subsidiary of Anglo American, for a price determined by a prescribed formula based on a multiple of historic earnings. 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 received 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, 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 4.06% 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 below 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.

- In 2012, Anglo American Sur produced 419,108 metric tons of fine copper at a cash cost of 155.3 cents per pound. For the three months ended March 31, 2013, the production was 113,874 metric tons of fine copper with a cash cost of 147.2 cents per pound. As of March 31, 2013, Anglo American Sur had distributed to Becrux cash dividends of U.S.$206.5 million. As of March 31, 2013, the value of CODELCO's equity participation in Anglo American Sur was equal to U.S.$6,332.8 million.

- *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 and delivered U.S.$315 million in dividends to date, of which U.S.$110.3 million corresponds to CODELCO. SCM Purén mines two gold and silver ore bodies through open pits. Currently, SCM Purén is evaluating a second phase of the project, which is expected to produce 295,419 ounces of equivalent gold 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, which was in production until 2005. As of the date of this offering memorandum, the company is completing a feasibility study of the Jerónimo gold deposit, which contains over 2 million ounces of gold as indicated and inferred resources.

- *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. Inca de Oro S.A. is expected to produce 45,000 tons of fine copper over a ten-year period from its porphyry copper deposit located in northern Chile.

- *Deutsche Giessdraht GmbH*: CODELCO (40%) and Nordeutsche Affinerie Group (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.

CODELCO sold to the public in January 2011, for proceeds totaling U.S.$1.05 billion, all of its direct and indirect interest (40%) in E-CL S.A. (formerly Edelnor S.A.), which is a power generating company operating in the north of Chile. The estimated book value of CODELCO's investment was U.S.$672 million, and CODELCO was permitted to retain the difference (less expenses).

Exploration Partnerships and Agreements: In recent years, as various companies have formally expressed their interest in undertaking joint exploration efforts with CODELCO, the Company has executed numerous exploration agreements with strategic partners, some of them leading to the creation of mining companies, such as SCM Purén mentioned above, and Minera Pecobre S.A. de C.V., with Mexican mining company Minas Peñoles, S.A. de C.V. (51%). On December 29, 2008, CODELCO sold its 49% interest in Pecobre to its affiliate, Industrias Peñoles S.A. de C.V, for U.S.$5 million.

- *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 a liquefied natural gas ("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. As of the date of this offering memorandum, a LNG storage tank is under construction and is expected to be completed at the end of 2013. GNL has entered into a long term agreement with E-CL S.A. 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 March 31, 2013, CODELCO owned 37% of the outstanding shares of the company, and Suez Energy Andino S.A. owned the remaining 63% of the shares.

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 Company (33.33%). BioSigma develops processes and technology in the fields of genomics, proteomics and bioinformatics to enhance the value of biotechnology for mining. BioSigma plays a leading role in CODELCO's efforts to develop bioleaching technologies to improve the leaching process and enhance sustainability of low-grade primary copper sulfide ores operations. In 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 will continue throughout 2013. To date, results indicate that the BioSigma bioleaching technology has produced a significant improvement in copper recovery and profitability compared to those of conventional bioleaching technologies.

- *MI Robotic Solutions S.A.*: In April 2007, CODELCO formed MI Robotic Solution S.A. among itself (36%), Nippon Mining and Metals Co. Ltd. (9%), Kuka Roboter GmbH (2%) and Industrial Support Company Limitada (53%), whose purpose is to research and develop robotics products and technologies to be used in the mining industry and metallurgic and related services.

- *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%, and CODELCO, which owns 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 is a partner in Ecosea Farming S.A. ("Ecosea") a technology consortium financed by the Chilean Commission of Scientific Investigation and Technology (CONICYT) with the International Copper Association, Sitecna, Universidad de Concepción, Pontificia Universidad Católica de Valparaíso and Fundación Chile. The main objective of the consortium is the development of growth systems through the use of copper nets for protected and exposed environments. Ecosea's nets are used in the salmon industry to slow the growth of pathogens and inhibit the attachment of other materials. Ecosea currently has 70 copper alloy mesh cage systems in the water and has contracts in place with important fish farmers.

- *CoMoTech S.A.*: CODELCO is a partner in CoMoTech S.A., through its affiliate INCuBA S.A., with Molibdeno y Metales S.A. (MOLYMET) and Universidad de Chile. INCuBA and MOLYMET equally own 96.4% of the shares, and the Universidad de Chile owns the remaining 3.6% of the shares. CoMoTEch was created for research and development to increase molybdenum demand through new and enhanced applications.

- *Copper for Energy S.*A. (C4E): CODELCO, through its wholly- owned subsidiary Inversiones Copperfield, with Universidad de Chile, ICA and Fundación Chile, created C4E in 2010. The purpose of C4E is to develop renewable energy products that use copper. There are two products currently being developed by C4E: C4Water, which is a water purifier that uses solar energy, and C4Heat, which is a protector of copper from heat and corrosive gases in aggressive environments, such as combustion chambers. As of March 31, 2013, C4E was equally owned by the four participants.

The following table sets forth the major mining and exploration agreements to which CODELCO is a party, as of March 31, 2013:

Major Mining and Exploration Agreements
(As of March 31, 2013)

Mining Co-participation in Chile	**Partner**	**Type**
SCM El Abra	Cyprus El Abra Corporation (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		
Pasaca	Rio Tinto (England)	Copper
Anillo	Fortune Valley Resources (Chile)	Gold
Puntilla Galenosa	Pucobre (Chile)	Copper
Sierra Jardín	Antofagasta Minerals S.A. (England)	Copper
Desierto	MMX (Grupo Batista) (Brazil)	Copper/Iron
Cumbres	Antofagasta Minerals S.A. (England)	Copper
Queen Elizabeth	Rio Tinto (England)	Copper
Plazuela	Hot Chilli (Australia)	Copper/Iron
Sulfatos	Chinalco (China)	Copper
Catiña	Aurex (USA)	Copper
International		
Liberdade	Pan Brazilian (Brazil)	Copper/Gold
El Palmar	Private (Ecuador)	Copper
Grupo Propiedades	Ministerio de Minas y Petróleo del Ecuador (Ecuador)	Copper

Resources and Reserves

As is standard in the industry, CODELCO divides its mineral holdings into three categories – geological resources, mineral resources and ore reserves. The system described below for categorizing mineral ore is widely used within the mining industry and codified in such international regulations as the Chilean Code 2009 and the Joint Ore Reserves Committee (JORC) code of Australia 2004.

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 allows 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*.

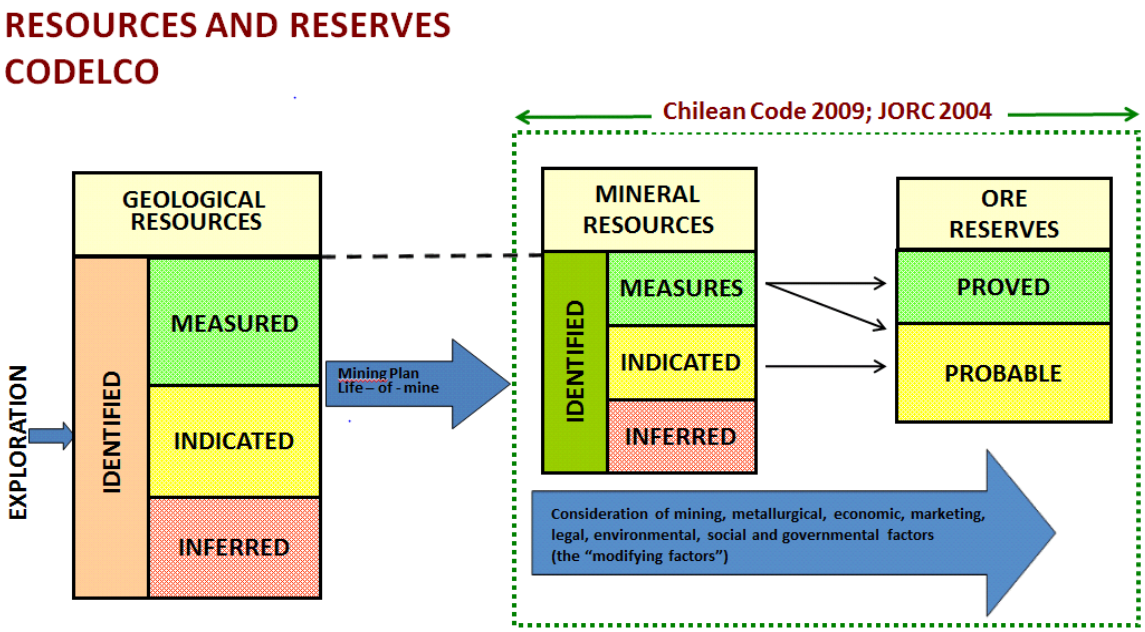
Mineral Resources

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*. Like geological resources, mineral resources are sub-categorized as *measured*, *indicated* and *inferred*.

Ore Reserves

Ore reserves are defined as the economically mineable part of a *mineral resource*. 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:



Based on the methods and categories described above, CODELCO's proved and probable reserves include 63.6 million metric fine tons of copper, an amount that represents at least 30 years of future production at current levels. CODELCO's mineral resources include 131.9 million metric fine tons of copper, and its identified geological resources include 339.5 million fine metric tons of copper, for a cut-off grade of 0.2% copper.

The following table sets forth the amount and grade of CODELCO's copper holdings by division according to the methodology described above, as of December 31, 2012:

	Identified Geological Resources[1]			Identified Mineral Resources[2]			Ore Reserves		
	Ore[3]	Grade copper	Fine copper[3]	Ore[3]	Grade copper	Fine copper[3]	Ore[3]	Grade copper	Fine copper[3]
Radomiro Tomic	8,229	0.36%	29.9	3,733	0.44%	16.6	2,567	0.47%	12.1
Chuquicamata	14,877	0.46%	68.8	2,498	0.66%	16.5	1,057	0.81%	8.6
Ministro Hales	1,700	0.83%	14.1	958	0.84%	8.0	280	1.00%	2.8
Gabriela Mistral	1,112	0.35%	3.9	550	0.37%	2.0	535	0.37%	2.0
Salvador	2,916	0.46%	13.4	1,645	0.49%	8.1	812	0.50%	4.1
Andina	19,888	0.59%	117.9	6,013	0.76%	45.6	2,551	0.74%	18.8
El Teniente	16,184	0.56%	90.2	4,235	0.83%	35.2	1,538	0.99%	15.2
Exploration/Business and Subsidiaries	558	0.25%	1.4	–	–	–	–	–	–
Total	**63,464**	**0.52%**	**339.5**	**19,631**	**0.67%**	**131.9**	**9,339**	**0.68%**	**63.6**

(1) Geological resources cut-off grade 0.2% copper.

(2) Mineral resources with variable cut-off grade.

(3) In millions of metric tons.

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, 2012:

	World (in millions of tons)	CODELCO (in millions of tons)	CODELCO's share (%)
Geological Resources	3,000[1]	339.5	11
Proved and Probable Reserves	680[1]	63.6	9

(1) As defined by the U.S. Geological Survey (January 2013).

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 net income may be allocated by CODELCO to the creation of capitalization and reserve funds.

The 2013 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 2013 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 2013 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 holds an estimated 9% of the world's proved and probable copper reserves. CODELCO has a two-pronged exploration program that is focused on increasing new resources for its existing divisions and exploring

for new deposits outside its current operations in Chile and abroad. Development and replacement of reserves is a major aspect of CODELCO's development strategy.

CODELCO's main exploration projects can be summarized, in order of economic importance, with information of total resources (measured, indicated and inferred resources), as set forth below. The majority of the resources described for each of these projects are inferred, based on advanced exploration studies.

- *Mocha*: Mocha is located approximately 90 kilometers to the northeast of Iquique. CODELCO estimates that this deposit contains total resources of 1,738 million metric tons of ore with an average grade of 0.35% copper, for a cut-off grade of 0.2% copper.

- *Sierra Overa:* Sierra Overa is an advanced exploration project, where drilling has been completed for the Casualidad deposit. CODELCO estimates that this deposit contains total resources of 595 million metric tons of ore with an average grade of 0.38% copper, for a cut-off grade of 0.2% copper.

- *Virgo:* Virgo is located five kilometers from the Casualidad deposit. CODELCO estimates that this deposit contains total resources of 100 million metric tons of copper ore in two ore bodies.

- *Ecuador's Ministry of Mines and Petroleum*: CODELCO entered into an agreement with Ecuador's Ministry of Mines and Petroleum to begin preliminary exploration work in zones with potential mining resources. The agreement permits CODELCO to perform exploration activities in more than ten locations in Ecuador, and a new company is expected to be created between CODELCO and the Ecuador state-owned company Enami EP.

There are also a number of other locations within each division that are presently being studied and that will be reported when they reach more advanced stages of development. These locations provide CODELCO with exploration potential near deposits with which it is familiar.

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 by-products. 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 2012, CODELCO's annual production of copper was 1.65 million metric tons, or 1.76 million metric tons including El Abra and Anglo American Sur. CODELCO continues to focus on controlling and limiting production cost increases. In 2012, CODELCO's total costs and expenses were 264.5 cents per pound, compared to 205.6 cents per pound in 2011 and 197.6 cents per pound in 2010. The increase in 2012 as compared to 2011 is primarily attributable to an increase in prices of most significant inputs and consumables used in the production process and third-party services. The increase in 2011 as compared to 2010 was mainly driven by the increase in prices of most significant inputs and consumables used in the production process, the appreciation of the Chilean peso against the U.S. dollar and higher costs of third-party and other services expenses. For the first three months of 2013, CODELCO's total costs and expenses were 245.0 cents per pound, compared to 219.2 cents per pound in the same period in 2012. This increase is primarily attributable to increase in third-party services and maintenance expenses and the appreciation of the Chilean peso in the first quarter of 2013 against the U.S. dollar.

In 2012, CODELCO's cash cost of production was 163.5 cents per pound, as compared with 116.4 cents per pound in 2011, 104.4 cents per pound in 2010 and 92.9 cents per pound in 2009. During the period of 2009 to 2010, CODELCO's cash cost increased primarily due to the appreciation of the Chilean peso against the U.S. dollar and the effect of the rate of inflation in Chile, partially offset by an increase in the price of molybdenum. In 2011, CODELCO's cash cost continued increasing primarily due to the appreciation of the Chilean peso against the U.S. dollar, the effect of the rate of inflation in Chile and the increase in prices of significant inputs and consumables used in the production process. In 2012, CODELCO's cash cost continued to increase as compared to 2011, mainly due to lower ore grade, significant increases in energy prices, increases in third-party service expenses, and increases in prices of most significant inputs, consumables used in the production process. For the first three months of 2013,

CODELCO's cash cost of production was 170.0 cents per pound, compared to 130.2 cents per pound in the first three months of 2012. This increase is primarily attributable to significant increases of prices of most significant inputs and consumables used in the production process, especially energy and the appreciation of the Chilean Peso against the U.S in the first three months of 2013. In 2012, CODELCO'S total cash cost was U.S.$5,864 million, compared to U.S.$4,408 million in 2011. For the first three months of 2013, CODELCO's total cash cost was U.S.$1,424 million, as compared to U.S.$1,058 million for the first three months of 2012.

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 such increased costs have adversely affected CODELCO's results.

In the past few years, the energy industry has invested in LNG re-gasification terminals in response to the natural gas shortage. CODELCO joined a consortium in the ownership of the LNG re-gasification terminal in Mejillones, in the north of Chile, in an effort to provide more stability to the electrical supply for the north of the country. See "Business and Properties—Copper Production—Associations, Joint Ventures and Partnerships—Exploration Partnerships and Agreements—GNL Mejillones S.A." Recently, CODELCO has entered into electrical and liquid fuel supply agreements to help ensure the long-term energy supply for its operations. In late 2009 and early 2010, 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 a new electrical generation capacity based on coal. In early 2010, CODELCO entered into a five-year supply contract for liquid fuels with the main Chilean fuel distributors. 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. Energy supply began in 2011 for Mina Ministro Hales and is expected to begin in 2016 for Radomiro Tomic, lasting until 2028 for each. These energy supply contracts are expected to meet all of the Company'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 cost increases. 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) an acceleration of the development of key projects, including the Mina Ministro Hales ore body, the Radomiro Sulfide Phase II Project, the new mine level at El Teniente mine, the Chuquicamata underground project and the Andina Phase II Expansion Project.

CODELCO has 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 inputs 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.

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 four years ended December 31, 2012 and the three months ended March 31, 2013:

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

	Year ended December 31,				Three months ended March 31,
	2009	2010	2011	2012	2013
Cathodes	1,619	1,599	1,574	1,424	247
Fired Refined	88	100	75	0	0
Blisters and Anodes	127	121	64	101	15
Concentrates	184	163	215	317	86
Total	2,017	1,982	1,928	1,843	349

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 to customers with long-term relationships with CODELCO, generally under annual contracts. For such contracts, pricing is based on prevailing monthly average copper prices quoted on the LME for a quotational period, generally the month following the scheduled month of shipment. To the extent not sold under annual contracts, copper is sold on a spot sale basis to merchants and consumers.

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 2012, the base premium for CIF shipments (including shipping and insurance costs) to Rotterdam was set at U.S.$90 per metric ton, as compared to the premium of U.S.$98 per metric ton established in 2011 and U.S.$80 per metric ton established in 2010 and in 2009. The estimated base premium for 2013 is U.S.$85 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, each year contracts covering one-third of the terms on one-third of the volume come up for negotiation. The selling 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 costs.

Molybdenum is sold mainly to steel producers and merchants under annual contracts. Sales prices are based on prevailing monthly averages of molybdenum dealer oxide high/low prices as quoted in "Metals Week" for a quotational 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 risk 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 26 and 27 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 27 and 28 to the 2011-2012 Year-end Consolidated Financial Statements and Notes 26 and 27 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. The value of CODELCO's sales of copper in U.S. dollars in 2012 was geographically diversified, with approximately 60% of sales made to Asia, including 41% to China, 17% to Europe, 21% to North and South America, and the remainder to Oceania and Africa. CODELCO's top ten customers purchased approximately 31.9% of its total copper sales volume in 2012.

The following table shows CODELCO's copper sales for the four years ended December 31, 2012 to CODELCO's top export markets and in Chile:

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

	2009	2010	2011	2012
China	943	849	725	747
South Korea	198	185	162	137
United States	151	131	175	171
Chile	139	133	91	140
France	115	91	93	94
Italy	47	63	69	64
India	12	12	34	61
Germany	109	135	100	52
Brazil	69	68	76	51
Turkey	31	33	39	47
Taiwan	37	64	50	45
Japan	20	29	68	37
Greece	24	35	37	34
Vietnam	7	19	23	25
Mexico	50	54	26	18
Australia	—	30	21	18
Malaysia	—	9	21	16
Spain	15	9	28	10
Bulgaria	20	18	17	8
Others	30	15	73	108
Total	2,017	1,982	1,928	1,831

The decrease in sales to most of CODELCO's export markets during 2012 as compared to 2010 was primarily due to CODELCO's lower production and global economic instability. Despite the global slowdown and

the efforts of the Chinese government to slow its economy's GDP growth, China has remained the main driver of copper consumption over the past few years.

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, 2012, CODELCO employed 19,019 employees, approximately 86.1% of whom were covered by collective bargaining agreements with labor unions. Most of these collective bargaining agreements have terms of two to four years. Although management believes its present labor relations are good, CODELCO has experienced material work slowdowns, work stoppages and strikes in the past.

CODELCO was involved in negotiating seven collective bargaining agreements in 2012, all of which were negotiated before the termination of the contracts, without conflict or work stoppage: one in the Chuquicamata Division, two in the Ventanas Division, three in the Andina Division and one in the Headquarters, covering a total of 8,242 employees. In 2013, three collective bargaining agreements should be negotiated in the second half of the year involving the El Teniente Division supervisors and two workers' unions in the Salvador Division, covering 1,502 employees.

Although management believes its present labor relations are good, there can be no assurance that a work slowdown, a work stoppage or strike will not occur prior to or upon the expiration of the current collective bargaining agreements and management is unable to estimate the effect of any such work slowdown, stoppage or strike on CODELCO's production levels. 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."

On July 11, 2011, an illegal one-day strike was called by the FTC, which resulted in an approximately 5,000 metric ton decrease in production. CODELCO and the FTC subsequently signed a framework agreement to regulate relations within the Company between management and workers and to foster a dialogue concerning the competiveness of the Company.

On April 9, 2013, an illegal one-day strike was called by the FTC, which resulted in an approximately 4,700 metric ton decrease in production. CODELCO and the FTC subsequently established a dialogue to address issues concerning labor stability.

CODELCO employed an average work force of 18,590 persons during 2012, an increase of 3.76% as compared with 2011. CODELCO employed an average work force of 19,572 persons during the first three months of 2013. CODELCO spent U.S.$20.68 million during 2012 on staff development and training. 7,281 training sessions were held, with many employees attending multiple courses, for a total of 42,784 participants.

In September 2010, CODELCO offered retirement to approximately 15% of its labor force, in order to increase productivity, and 2,448 employees accepted, representing 82% of the total offered. This process began on December 31, 2010 and continued through 2011 to ensure the efficient transfer of all activities. Consequently, there has not been any disruption to CODELCO's production.

As of March 31, 2013, there were 41,172 employees of regular independent operating contractors and 21,819 employees of contractors involved in the development of CODELCO's investment projects. At the end of July 2007, a small portion of contract workers that provide services to CODELCO in various divisions went on a strike that lasted 37 days. During 2007, a framework agreement was signed that established programs to improve the benefits for the workers. Nevertheless, there was another strike in April and May of 2008 by workers of

CODELCO's contractors that lasted 12 days at El Teniente and 20 days at Salvador, reducing production by 30,000 metric tons. A similar strike occurred in May 2011 that lasted 55 days in El Teniente, which resulted in an approximately 17,000 metric ton decrease in production. This strike was resolved through dialogue and agreement between representatives of the workers and the AGEMA. While none of the strikes had a material effect on CODELCO's results of operations, CODELCO has experienced material and more protracted work disruptions in the past.

In August 2011, the AGEMA and the CTC signed an agreement to prevent strikes such as the one at El Teniente in April and May of 2008 for the benefit of employees of contractors that permanently service various CODELCO divisions and production facilities. The agreement provides for the payment of a bonus by the contractor companies to certain contract employees, which will be paid in installments until December 2013, and better working practices.

On May 15, 2013, the AGEMA and the CTC signed a revision and extension of their previous agreement. This agreement provides for the payment of one additional bonus by the contractor companies to certain contract employees and establishes better working practices. There can be no assurance that a work slowdown or stoppage will not occur prior to or upon the completion of the agreed bonus payment, and CODELCO is unable to estimate the effect of any such events on CODELCO's production levels.

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. In addition, pursuant to the Labor Code of Chile (*Código del Trabajo*), CODELCO could be held liable for the payment of labor and social security obligations owed to the employees of independent contractors (or of their subcontractors) if the independent contractors (or of their subcontractors) do not fulfill those payment obligations. CODELCO has agreed with a Chilean governmental 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 March 31, 2013, an aggregate of U.S.$266 million in principal amount of these loans was outstanding.

Number of Employees by Division[(1)]

Division	January-December 2011	January-December 2012	Variation (%) 2011/2010 2012	January-March 2013
Chuquicamata	6,513	6,676	2.5%	6,773
Radomiro Tomic	985	1,036	5.2%	1,092
Gabriela Mistral	427	520	21.8%	561
Mina Ministro Hales	224	374	67.0%	580
Salvador	1,530	1,508	(1.4)%	1,509
Andina	1,574	1,591	1.1%	1,625
El Teniente	4,958	5,012	1.1%	5,044
Head office	532	549	3.2%	541
Ventanas	974	984	1.0%	985
Share services (Vice Presidency of Projects)	700	860	22.9%	905
Total	18,417	19,110	3.8%	19,574

(1) Average for the period.

Law 20.123 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. Law 20.123 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.

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 December 2003, CODELCO initiated a legal proceeding against a tax resolution of the *Servicio de Impuestos Internos* ("SII"), or the Chilean Internal Revenue Service, seeking a rebate of approximately U.S.$42 million in connection with the resolution of a tax claim in respect of fiscal year 2003. A final decision regarding this matter is pending.

In October 2006, CODELCO initiated a legal proceeding against a tax resolution of the SII seeking a rebate of approximately U.S.$31 million in connection with the resolution of a tax claim related to fiscal years 2003, 2004 and 2005. A final decision regarding this matter is pending.

In June 2009, Socovesa Tecsa initiated, before an arbitrator, civil legal proceedings against CODELCO (Chuquicamata Division), seeking payment of approximately U.S.$21.2 million for damages for an alleged breach of contract. The arbitrator resolved the dispute and CODELCO paid U.S.$7.7 million to Socovesa Tesca. CODELCO had a provision covering this amount.

In December 2009, Mr. Milton Astudillo initiated, before the Ordinary Courts of Calama, a summary civil legal proceeding against CODELCO (Radomiro Tomic Division), seeking payment of approximately U.S.$26 million for damages for the alleged use of certain technology. The lower court held that CODELCO was required to pay U.S.$14 million, and an appeal is pending. CODELCO has a provision covering the entire amount the lower court indicated CODELCO must pay.

CODELCO has also been subject to alleged silicosis claims. In May 2006, 174 former workers from the Andina Division initiated a civil legal proceeding for approximately U.S.$200 million for alleged silicosis due to working conditions. A resolution issued by the Court of Appeals in this case in April 2010, reduced to approximately U.S.$9.4 million the maximum amount the plaintiffs may be awarded. The Supreme Court awarded the workers U.S.$13.5 million, for which CODELCO had maintained a provision.

In May and July of 2009, 81 former workers from the Andina Division initiated two additional civil legal proceedings for approximately U.S.$110 million for alleged silicosis due to working conditions. In December 2010, 40 former workers of the Andina Division initiated a new legal proceeding for approximately U.S.$43 million on the same grounds. A final resolution is pending in both matters. CODELCO has a provision related to these proceedings.

In March 2012, 62 former workers from the Salvador Division initiated a lawsuit against CODELCO alleging silicosis due to working conditions for an amount of approximately U.S.$64 million. A final resolution by the lower courts is pending. CODELCO has a provision related to this proceeding.

CODELCO is in the process of responding to, by the relevant deadlines, an assessment of the SII that originated from a review of taxable income from prior years related to a product sales contract signed with a related

company, certain deductions, expenses related to employee benefits as well as adjustments to taxable income related to a merger. CODELCO believes that the position of the SII is incorrect, and expects this will be so declared in the pending review or subsequently by a court at the petition of CODELCO, but if the assessment were upheld, it would have a material impact on our results of operations.

In May 2012, CODELCO initiated an arbitration against E-CL, a subsidiary of GDF Suez. CODELCO claims that E-CL overcharged the Company in its invoices relating to a power supply contract executed between the parties. The amount of the claim is approximately UF 712,983.

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 29 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 2008 on the LME:

Average Copper Price
(U.S.¢/Pound)

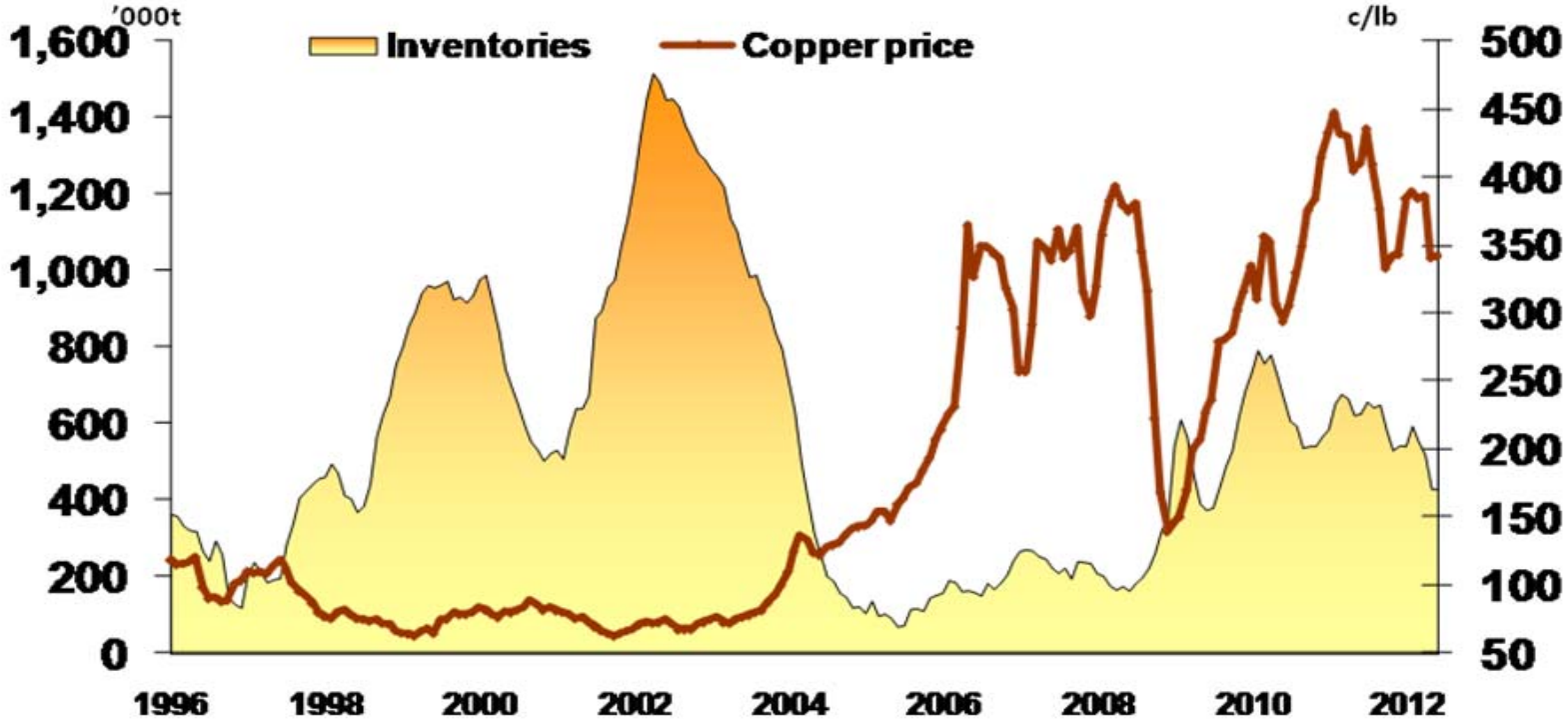
2008		
	First Quarter	353.6
	Second Quarter	383.0
	Third Quarter	348.4
	Fourth Quarter	177.1
2009		
	First Quarter	155.5
	Second Quarter	211.5
	Third Quarter	265.8
	Fourth Quarter	301.6
2010		
	First Quarter	328.1
	Second Quarter	318.8
	Third Quarter	328.5
	Fourth Quarter	391.7
2011		
	First Quarter	437.5
	Second Quarter	415.1
	Third Quarter	407.9
	Fourth Quarter	339.7
2012		
	First Quarter	376.9
	Second Quarter	356.9
	Third Quarter	349.5
	Fourth Quarter	358.7
2013		
	First Quarter	359.8
	Second Quarter	324.2

Source: London Metal Exchange, Monthly Average Settlement.

On August 5, 2013 the closing price for refined copper on the LME was 315.3 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 April 2013:

Copper Prices and Inventories on Commodities Exchanges



Source: Metal Exchanges: London, COMEX and Shanghai.

*Year 2013 until June 4.

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."

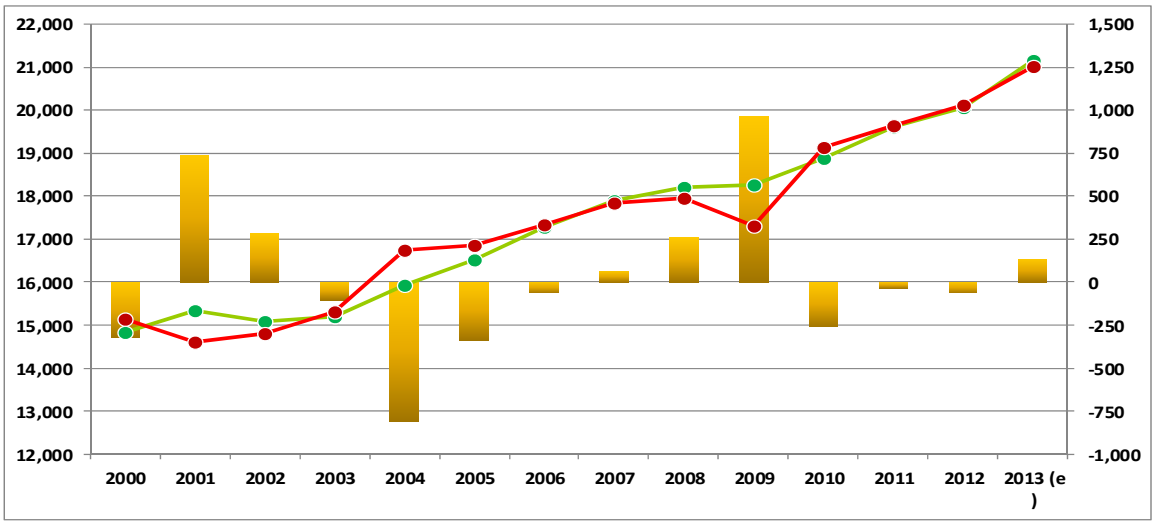
Opportunities for Copper

Since 2005, copper prices have experienced significant volatility. LME copper prices averaged 360.6 cents per pound in 2012 as compared to 399.7 cents per pound in 2011, 342.0 cents per pound in 2010 and 234.2 cents per pound in 2009. Lower copper prices in 2012 reflect the European crisis and global volatility. Copper prices during 2009 to 2011 trended upward, reflecting increased consumption rates from China. Due to the impact of signs of economic recovery in the United States, uncertainty in China, the European crisis and global volatility, copper prices averaged 359.8 cents per pound in the first three months of 2013. In the second quarter of 2013, copper prices averaged 324.2 cents per pound. Copper demand remains strong, particularly in Asia, keeping copper prices at high levels despite economic conditions in Europe and other global uncertainties. See "Risk Factors—Risks Relating to CODELCO's Operations—CODELCO's business is highly dependent upon the price of copper." Global demand for copper in 2012 increased by 2.1%, including a 6.0% demand increase from China. China's consumption was extremely robust in 2010, 2011 and 2012, driven by the expansion of its urbanization, power grid and strong auto and consumer appliances sales, among others.

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. 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 2013 (estimated) (in thousands of metric tons):

Production, Consumption and Refined Copper Inventories Worldwide



Sources: CODELCO, October 2012; Intierra, Copper Briefing Report, Sept-Opt 2012. Brook Hunt, Long-Term Outlook, 3rdQ and Copper Market Service, September. Copper Quarterly Industry and Market Outlook, July 2012 and Copper Monitor, September.

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 through the Ministry of Mining. CODELCO was established pursuant to Decree Law 1.350 of 1976, as amended by Law 20.392, published in the Official Gazette on November 14, 2009, and effective as of March 1, 2010. CODELCO is governed by Decree Law 1.350 and by Decree 146 of August 12, 1991, as amended (to conform the same with Law 20.392) by Decree N° 3 of January 13, 2012 issued jointly by the Ministries of Finance and Mining, 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 open-ended stock companies), and other applicable regulations. CODELCO's principal corporate purpose is the exercise of the mining, exploration and other rights belonging to Chile at the time of CODELCO's creation 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 ("OECD"), into CODELCO's legal framework; (ii) make applicable the provisions of Law 18.046, (the "Corporations Law"), to CODELCO; and (iii) vests in the President of Chile the authority given 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 directorship positions for the Ministers of Finance and Mining or the 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 in directive positions at public or private companies; (iii) directors representing the workers and foremen are no longer appointed directly by the President of Chile, but instead, are appointed by the President of Chile from short-lists presented by the Federation of Copper Workers (FTC) and both the Federation of Copper Supervisors (FESUC) and the National Association of Copper Supervisors (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 SVS, on the same terms as open-ended stock companies (CODELCO is registered under the Securities Registry No. 785 of the SVS) and (ii) the Chilean Commission of Copper (*Comisión Chilena del Cobre*) (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 of Chile with financial or payment terms exceeding one year. Although CODELCO is 100% owned by Chile, Chile is not legally liable for CODELCO's obligations unless expressly guaranteed by Chile, nor do such obligations form any part of the direct public debt 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 (*Plan de Negocios y Desarrollo*) 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 net income 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.

Mining Regulations

Legal framework. CODELCO's exploration, mining, milling, smelting and refining activities are subject to those Chilean laws and regulations which are generally applicable to Chilean companies in the mining sector. The legal framework which regulates CODELCO as a holder of mining concessions is contained in 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 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 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 direct negotiation with the land surface owner or, if the latter opposes, by 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 upon waiver of half of the area 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.$3 per hectare in the case of exploration concessions and U.S.$8 in the case of exploitation concessions. However, the latter, within certain limits, may be credited to income taxes originated in 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 Chilean Ordinary Courts for its exploration and exploitation operations. Some of these concessions were previously held by foreign private mining companies before such being transferred to Chile in 1971 and then to CODELCO upon its creation in 1976. CODELCO's principal concessions are those which give rights to the mineral deposits of the Chuquicamata, El Teniente, Andina, Salvador, Radomiro Tomic and Gabriela Mistral mines. CODELCO's concessions relating to land that is currently being mined essentially grant a perpetual right to conduct mining operations in that land, provided that annual concession fees are paid. In 2012, CODELCO paid total concession fees of U.S.$7.3 million.

Pursuant to the Mining Code, all mining concessions, as well as certain raw materials, assets and other property permanently dedicated to the exploration or extraction of minerals, cannot be subject, except in extremely limited circumstances, to an order of attachment. In addition, pursuant to the Chilean 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 "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 law."

Environmental Regulations

CODELCO's operations are subject to national, regional and local regulations as well as international treaties subscribed by the Chilean Government 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 19.300), enacted in March 1994 and modified by Law 20.417, enacted in 2010, establishes the general environmental legal framework in Chile, including the establishment of a range of environmental management tools known as the Environmental Impact Assessment System (*Sistema de Evaluación de Impacto Ambiental*). Chilean environmental laws and regulations, and the enforcement thereof, have become increasingly stringent since 2010 and have become even more so due to recent changes. Such recent 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*), 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, 2011, infringement of environmental regulations may result in fines of up to approximately U.S.$9.5 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, in 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 supplemented by additional regulations, permits the Chilean Government 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 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, after such non-compliance has been established by a judicial proceeding. CODELCO is currently not aware of any such lawsuits pending against it. Additionally, citizens affected by environmental pollution may petition for relief to a Chilean Court of Appeal, which has the power to require the suspension of the offending activity and to adopt protective measures through a process called *recurso de protección* (protective action).

The General Environmental Law and its regulations contain certain rules on Environmental Impact Assessment, which have been in effect since April 3, 1997, and that provide that CODELCO must evaluate the environmental impact of any future project or activity listed in Law 19.300 by means of a declaration or a 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 2003 to 2012, CODELCO invested U.S.$584 million in projects, and plans to continue implementing pollution abatement plans through additional capital investments amounting to U.S.$928 million from 2013 through 2014. In 2012, CODELCO allocated U.S.$138 million to environmental projects, including the enlargement of the Talabre tailings dam in the Chuquicamata Division and a project to prevent pollution of natural water resources in the north dump area of the Andina Division. 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 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 ambient 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 begins 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 sulfur dioxide (SO_2). These areas are subject to decontamination plans. In the area surrounding the Chuquicamata smelter, there is a decontamination plan for PM_{10} under review and a pollution prevention plan for SO_2 is under development. A new saturated area, which includes Calama and its surroundings, was declared for PM_{10} in 2009, and as a result, a new decontamination plan is under development and is expected to be completed in the near future.

The Ministry of the Environment has also taken steps to implement decontamination plans that could affect CODELCO's operations in the Central Valley near Chile's Sixth Region, which is currently declared saturated for PM_{10}. 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. To date, 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 May 2011. This standard became effective on January 1, 2012 and could lead to the declaration of new latent or saturated zones within the country, which might affect CODELCO's operations. CODELCO is unable to fully assess at this time if any new zones will be declared, what actions might be required in response or the cost of compliance.

On May 2, 2013, the Council of Ministers for Sustainability approved the Emission Standard for Smelting Plants, which establishes maximum parameters of emission for PM_{10}, SO_2, arsenic (As) and mercury (Hg) generated by smelting plants. The regulation is expected to become effective in 2013. Mining companies will be granted five years to adjust their processes in order to comply with the regulation.

Supreme Decree 90, which sets forth the standards for discharges of liquid waste into surface water bodies, went into effect in September 2006. CODELCO has invested significant amounts to reduce liquid waste emissions to date and anticipates that it will continue to incur costs related to compliance with Supreme Decree 90. In addition, the authorities are developing water quality standards for water bodies that the Company 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. The National Geological and Mining Service (*Servicio Nacional de Geología y Minería*) (SERNAGEOMIN) has approved the closure plans CODELCO prepared for all of its facilities.

A new mine closure regulation, Law 20.551, which includes health, safety and environmental requirements along with mandatory provisions that require financial guarantees, was enacted in November 2011, and became effective in November 2012. CODELCO expects that its financial guarantee obligations pursuant to the new law will not be material. According to this law, CODELCO and other mining companies in Chile will be required to

submit an assessment of the closure expenses of all its mines to the SERNAGEOMIN before November 2014. Once the assessment of closure expenses is approved, CODELCO must provide the financial guarantee between the sixth months counted from the approval and 2/3 of the project life (less than 20 years), or 15 years of the project life (more than 20 years). CODELCO may also make any necessary financial provisions beginning in July 2015. CODELCO had total provisions amounting to U.S.$1,471 million for closure expenses, including potential new governmental regulations, at December 31, 2012, and U.S.$1,497 million at March 31, 2013. CODELCO is currently developing a project to estimate the additional costs of complying with this new regulation regarding mine closure, which could be material.

CODELCO first complied in 2003 with international standard ISO-14001 2004 Environmental Management Systems (EMSs) for all its divisions, operations and corporate head office, which have been maintained through annual revisions. This review certifies that CODELCO has management systems in place to control the environmental impact of its activities, products and services. The EMSs provide a structure for the Company to manage atmospheric emissions, waste and wastewater, the environmental impact and risks of its projects and the efficient use of resources.

CODELCO also obtained third-party certification under OHSAS-18001. OHSAS-18001 is an international occupational health and safety management system designed to assist CODELCO's management in the identification, evaluation, elimination and reduction of occupational health and safety risks through continuous improvement. ISO and OHSAS certifications have been maintained in all of CODELCO's divisions following certification obtained through third-party ISO and OHSAS audits.

Future legislative or regulatory developments, private causes of action or the discovery of new facts relating to environmental matters could impose new restrictions or result in additional costs that could 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 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, which, in 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 and senators 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. The Ministry of Finance of Chile authorized CODELCO to commence negotiations to issue bonds abroad through Resolution No. 1265 dated June 4, 2013. The Ministry of Finance of Chile authorized the issuance of the notes by Resolution No. 1745 dated July 26, 2013.

Statutory Documents

The statutory documents of CODELCO are contained in Decree Law 1.350 published in the Official Gazette of 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 of October 25, 1991, as amended (to conform the same with Law 20.392) by Decree N° 3 of January 13, 2012 issued jointly by the Ministries of Finance and Mining, published in the Official Gazette on July 4, 2012. These gazettes may be seen on-line on the Library of the Chilean Congress website (http://www.bcn.cl/portada.html) or in a booklet that CODELCO will issue upon request, which contains free translations of the regulations into English.

MANAGEMENT

The Board of Directors has primary responsibility 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 Federation of Copper Workers (FTC); (iv) and one director is appointed by the President of Chile from a short-list presented by both the Federation of Copper Supervisors (FESUC) and the National Association of Copper Supervisors (ANSCO). All directors in CODELCO serve in office for four years 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 State 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 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, subject to an executive order issued jointly by the Ministries of Finance and Mining.

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. Thomas Keller Lippold was appointed Chief Executive Officer of CODELCO in May 2012.

In February 2010, the four directors selected by the President of Chile from a short-list presented by the Council of Senior Public Management and the two directors selected from the short-lists presented by the Federation of Copper Workers were appointed. In May 2010, the three directors selected directly by the President of Chile were appointed. In May 2011, two of the directors selected by the President of Chile from a short-list presented by the Council of Senior Public Management in February 2010 with a term expiring in 2011 were reappointed with a term through 2015. In September 2012, the President of Chile selected and appointed Augusto González Aguirre to fill a vacant position left since May 2012, after Ignacio Torres Cabello voluntarily resigned, from a short-list presented by both the Federation of Copper Supervisors (FESUC) and the National Association of Copper Supervisors (ANSCO). In May 2013, the President of Chile renewed the mandate of Gerardo Jofré Miranda and reappointed him as Chairman of the Board. The President of Chile also selected and appointed Blas Tomic Errázuriz from a short-list presented by the Council of Senior Public Management in May 2013, replacing Jorge Bande Bruck.

Directors and Executive Officers

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

Name	Position
Directors	
Gerardo Jofré Miranda	Chairman[1][5]
Marcos Büchi Buc	Director[1][6]
Blas Tomic Errázuriz	Director[1][5]
Marcos Lima Aravena	Director[1][6]
Andrés Tagle Domínguez	Director[2][7]
Juan Luis Ossa Bulnes	Director[2][7]
Fernando Porcile Valenzuela	Director[2][7]
Raimundo Espinoza Concha	Director[3][8]
Augusto González Aguirre	Director[4][6]
Executive Officers	
Thomas Keller Lippold	Chief Executive Officer and President
Iván Arriagada Herrera	Chief Financial Officer
Sebastián Conde Donoso	Vice President Human Resources
Rodrigo Toro Ugarte	Vice President Sales
Sergio Fuentes Sepúlveda	Vice President Projects
Gerhard von Borries Harms	Vice President Business Development
Juan Pablo Schaeffer Fabres	Vice President Corporate Affairs & Sustainability
José Antonio Álvarez López	Executive Vice President of Finance
Patricio Enei Villagra	General Counsel
Ignacio Muñoz Reyes	General Auditor
Julio Aranis Vargas	Vice President – Operations Norte
Octavio Araneda Osés	Vice President – Operations Centro Sur
Juan Carlos Avendaño Díaz	General Manager – Chuquicamata Division
Juan Medel Fernández	General Manager – Radomíro Tomic Division
Claudio Olguín Valdivia	General Manager –Mina Ministro Hales Division
Oscar Jiménéz Medina	General Manager – Gabriela Mistral Division
José Sanhueza Reyes	General Manager – Ventanas Division
Álvaro Aliaga Jobet	General Manager – El Teniente Division
Ricardo Palma Contesse	General Manager – Andina Division
Armando Olavarría Couchot	General Manager – Salvador Division

(1) Appointed by the President of Chile from a short list presented by the Council of Senior Public Management (*Consejo de la Alta Dirección Pública*).

(2) Directly appointed by the President of Chile.

(3) Employee of CODELCO, appointed by the President of Chile from a short list presented by the Federation of Copper Workers.

(4) 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.

(5) Term expires May 2017.

(6) Term expires May 2015.

(7) Term expires May 2014.

(8) Raimundo Espinoza Concha was reappointed in May 2012 and his term expires May 2016.

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 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 four members of the Board of Directors, Marcos Lima Aravena (Chair), Marcos Büchi Buc (Vice Chair), Gerardo Jofré Miranda and Blas Tomic Errázuriz,

and 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 investments committee consists of four members, Fernando Porcile Valenzuela (Chair), Marcos Büchi Buc (Vice Chair), Gerardo Jofré Miranda 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 Fernando Porcile Valenzuela (Chair), Andrés Tagle Domínguez (Vice Chair), Marcos Lima Aravena and Raimundo Espinoza Concha. The committee is primarily responsible for management of the Company's divisions, key projects and review and evaluation of 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 Andrés Tagle Domínguez (Chair), Juan Luis Ossa Bulnes (Vice Chair), Gerardo Jofré Miranda and Augusto González Aguirre. The committee considers any recommendations made by senior management regarding changes in corporate or divisional structure, any changes proposed to the internal operating procedures of the Company and responsibilities of senior management, 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.

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 concerning these transactions, see Note 3 to the 2011-2012 Year-end 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), 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 when their intent is to benefit the corporate interest, when entered into on arm's length terms as prevailing when approved, and when they meet the requirements and complete the procedures indicated therein.

According to Article 146 of the Corporations Law (as amended by Law 20.382, the "Corporate Governance Law," enacted on October 13, 2009 and effective as of January 1, 2010), "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) any related persons to the Company, pursuant to the definition contained in Article 100 of Law 18.045 (the "Securities Market Law," also as amended by the Corporate Governance Law);

(ii) board members, managers or main executives of CODELCO, acting directly or on behalf of any third company, or their respective spouses or relatives up to the second degree (consanguinity or affinity);

(iii) corporations or partnerships 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 not of a relevant amount, provided they are conducted on a regular basis (as per the regularity policy determined by the Board of Directors of CODELCO) or 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.

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 Chilean Central Bank 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 a Fiscal and Paying Agency Agreement (the "Fiscal and Paying Agency Agreement") to be dated as of August 13, 2013 between CODELCO and The Bank of New York Mellon, as fiscal and paying agent (the "Fiscal Agent"). The following description of certain provisions of the notes and of the Fiscal and Paying Agency Agreement is subject to and is qualified in its entirety by reference to the provisions of the notes and the Fiscal and Paying Agency Agreement, copies of which will be available for inspection at the office of the Fiscal Agent in The City of New York, currently located at 101 Barclay Street, Floor 4 East, New York, New York 10286.

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 Fiscal and Paying Agency Agreement, including the obligations to pay principal, interest and Additional Amounts (as defined below under "Payment of Additional Amounts"), if any. The fiscal agent under the Fiscal and Paying Agency Agreement is The Bank of New York Mellon (the "Fiscal Agent," which term shall include any successor fiscal agent under the Fiscal and Paying Agency Agreement).

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 Fiscal and Paying Agency Agreement 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.

The notes will bear interest at the rate per annum set forth on the cover page of this offering memorandum from the date of issuance or from the most recent interest payment date to which interest has been paid or provided for. Interest on the notes will be payable semi-annually in arrears on February 13 and August 13 of each year, commencing on February 13, 2014 , or, if any such date is not a Business Day (as defined below), on the next succeeding Business Day (each an "Interest Payment Date") to the person or persons (each, a "Holder") in whose name such notes are registered in the Security Register (as defined below) at the close of business on the January 29 and July 29, respectively, preceding such Interest Payment Dates (each a "Record Date"). Interest on the notes will be calculated on the basis of a 360-day year of twelve 30-day months. For the purposes hereof, the term "Business Day" means a day on which banks in The City of New York are not authorized or required by law or executive order to be closed.

Moneys paid by CODELCO to the Fiscal Agent for the payment of principal of or interest on any of the notes and remaining unclaimed at the end of two years after the date on which such principal 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 Fiscal Agent with respect to such moneys shall cease.

Payments of interest and principal with respect to interests in the Global Notes (as defined below) will be credited by DTC, Euroclear or Clearstream, as the case may be, to the account of the holders of such interests with DTC, Euroclear or Clearstream, as the case may be.

The notes will mature on August 13, 2023. The notes will not be redeemable prior to maturity except in the event of certain developments affecting taxation at the price equal to the outstanding principal amount thereof, together with any Additional Amounts and accrued interest to the redemption date. On the maturity date of the notes, CODELCO will be required to pay 100% of the then outstanding principal amount of the notes plus accrued and unpaid interest thereon and Additional Amounts, if any. The notes will be direct, unsecured and unsubordinated obligations of CODELCO ranking *pari passu* among themselves and with all other unsecured and unsubordinated obligations of CODELCO, other than certain obligations granted preferential treatment pursuant to Chilean law. The notes contain no restrictions 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 notes contain certain restrictions on the ability of CODELCO and its subsidiaries to incur secured indebtedness.

Registration, Form and Delivery

The notes will be issued upon the closing of this offering in definitive, fully registered form, without coupons, in denominations of U.S.$200,000 principal amount at maturity and multiples of U.S.$1,000 in excess thereof. The notes will be exchangeable, and transfers thereof will be registrable, at the office of the Fiscal Agent (including the office of the Luxembourg transfer and paying agent). No charge will be made to holders of the notes in connection with any exchange or registration of transfer, except for the expenses of delivery by other than regular mail (if any) and except for the payment of a sum sufficient to cover any tax or other governmental charges or insurance charges that may be imposed in relation thereto.

The Fiscal Agent will maintain its office in The City of New York, currently located at 101 Barclay Street, Floor 4 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 Fiscal Agent 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 Global Notes, may be treated at all times and for all purposes by CODELCO and the Fiscal Agent 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 Fiscal and Paying Agency Agreement.

Global Notes; Book-Entry Form

The notes initially sold to qualified institutional buyers (or "QIBs"), as defined in Rule 144A under the Securities Act, will be evidenced by one or more permanent Rule 144A Global Notes (collectively, the "144A Global Notes"), which will be deposited with the Fiscal Agent, as custodian for DTC, and registered in the name of Cede & Co., as DTC's nominee.

The notes initially sold to persons who acquire such notes in compliance with Regulation S under the Securities Act will be evidenced by one or more permanent Regulation S Global Notes (collectively, the "Regulation S Global Notes" and, together with the 144A Global Notes, the "Global Notes"), which will be deposited with the Fiscal Agent, as custodian for DTC, and registered in the name of Cede & Co., as DTC's nominee.

Any resale or transfer of such interests to U.S. persons (as that term is defined in Regulation S) during the restricted period (as defined below) shall only be permitted as described in this offering memorandum. The 144A Global Notes and the Regulation S Global Notes are hereinafter sometimes referred to individually as a "Global Note" and collectively as the "Global Notes." Except as set forth below, the record ownership of the Global Note may be transferred, in whole or in part, only to DTC, another nominee of DTC or to a successor of DTC or its nominee.

Prior to the 40th day after the later of the commencement of the offering of the notes and the date of the closing of the sale of the notes (through and including the 40th day, the "restricted period"), transfers by an owner of a beneficial interest in the Regulation S Global Notes to a transferee who takes delivery of this interest through the 144A Global Notes will be made only in accordance with applicable procedures and upon receipt by the Fiscal Agent of a written certification from the transferor of the beneficial interest to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A. Such written certification will no longer be required after the expiration of the restricted period.

Transfers by an owner of a beneficial interest in the 144A Global Notes to a transferee who takes delivery of such interest through the Regulation S Global Notes will be made only upon receipt by the Fiscal Agent of a certification from the transferor to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

QIBs may hold their interests in any of the 144A Global Notes directly through DTC, if they are participants in DTC ("Participants"), or indirectly through organizations that are Participants. Transfers between Participants will be effected in the ordinary way in accordance with DTC rules. Non-U.S. Persons may hold their interests in any of the Regulation S Global Notes through DTC as described, directly through Euroclear or Clearstream, or indirectly through organizations that are participants in Euroclear or Clearstream ("Euroclear Participants" and "Clearstream Participants," respectively). Euroclear and Clearstream will hold interests in the relevant Regulation S Global Notes on behalf of their participants through DTC. Transfers between Euroclear Participants and between Clearstream Participants will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Any beneficial interest in a Regulation S Global Note that is transferred to a person who takes delivery in the form of a beneficial interest in a 144A Global Note will, upon transfer, cease to be represented by a Regulation S Global Note and will become represented by a 144A Global Note and, accordingly, will be subject to the procedures applicable to beneficial interests in a 144A Global Note for as long as it remains such an interest. Any beneficial interest in a 144A Global Note that is transferred to a person who takes delivery in the form of a beneficial interest in a Regulation S Global Note will, upon transfer, cease to be represented by a 144A Global Note and will become represented by a Regulation S Global Note and, accordingly, will be subject to the procedures applicable to beneficial interests in a Regulation S Global Note for as long as it remains such an interest.

Cross-market transfers between Participants, on the one hand, and Euroclear or Clearstream Participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (Brussels time). Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving beneficial interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to the depositories for Clearstream or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream Participant purchasing a beneficial interest in a Global Note from a DTC Participant will be credited during the securities settlement processing day immediately following the DTC settlement date and such credit of any transactions in beneficial interests in such Global Note settled during such processing will be reported to the relevant Euroclear or Clearstream participant on such business day. Cash received in Euroclear or Clearstream as a result of sales of beneficial interests in a Global Note by or through a Euroclear or Clearstream Participant to a Participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

Upon the issuance of the Global Notes, DTC will credit, on its book-entry registration and transfer system, the respective principal amounts of the notes represented by the Global Notes to the accounts of Participants. Each Global Note will be deposited on the date of the closing and sale of the notes with, the Fiscal Agent, as custodian for DTC, and registered in the name of Cede & Co., as nominee of DTC. The accounts to be credited will be designated by the initial purchasers. Ownership of beneficial interests in a Global Note will be limited to Participants or persons that may hold interests through Participants. Ownership of interests in such Global Notes will be shown on, and the transfer of those ownership interests will be effected only through, records maintained by DTC (with respect to Participants' interests) and such Participants (with respect to the owners of beneficial interests in such Global Notes). The laws of some jurisdictions require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer beneficial interests in a Global Note to such persons may be limited.

Persons who are not Participants may beneficially own interests in Global Notes held by DTC only through Participants, including Euroclear and Clearstream, or certain banks, brokers, dealers, trust companies and other parties that clear through or maintain a custodial relationship with a Participant, either directly or indirectly, and have indirect access to the DTC system ("Indirect Participants"). So long as Cede & Co., as the nominee of DTC, is the registered owner of the Global Notes, Cede & Co. for all purposes will be considered the sole Holder of the notes. Except as provided below, owners of beneficial interests in the Global Notes will not be entitled to have

notes registered in their names, will not receive or be entitled to receive physical delivery of notes in definitive form and will not be considered the holders thereof.

Each person owning a beneficial interest in the Global Notes must rely on the procedures of DTC and, if such person is not a Participant, on the procedures of the Participant through which such person owns its interest, to exercise any rights of a Holder of notes under the Global Notes and the Fiscal and Paying Agency Agreement. DTC may grant proxies and otherwise authorize Participants to take any action that DTC, as the holder of a Global Note, is entitled to take under such Global Note and the Fiscal and Paying Agency Agreement. CODELCO understands that under existing industry practice, in the event CODELCO requests any action of holders of notes or an owner of a beneficial interest in a Global Note desires to take any action that DTC, as the holder of such Global Note, is entitled to take, DTC would authorize the Participants to take such action, and the Participants would authorize beneficial owners owning through such Participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Payment of principal of, and interest and any Additional Amounts on, the notes will be made by CODELCO in immediately available funds to Cede & Co., the nominee for DTC, as the registered owner of the Global Notes. Neither CODELCO nor the Fiscal Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or the maintaining, supervising or reviewing of any records relating to such beneficial ownership interest.

Upon receipt of any payment on the Global Notes, DTC, under its current practice, will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amounts of the Global Notes as shown on the records of DTC. Payments by Participants to owners of beneficial interests in the Global Notes held through such Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in "street name," and will be the responsibility of such Participants.

Because DTC can act only on behalf of Participants, who in turn act on behalf of Indirect Participants and certain banks, the ability of a Holder of the notes to pledge such notes to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such notes, may be affected by the lack of a physical certificate for such notes.

Neither CODELCO nor the Fiscal Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their Participants or Indirect Participants of their respective obligations under the rules and procedures governing their operations. DTC has advised CODELCO that it will take any action permitted to be taken by a holder only at the direction of one or more Participants to whose account with DTC notes are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such Participant or Participants has or have given such direction.

DTC has further advised CODELCO as follows:

DTC is a limited purpose trust company organized under the laws of the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve system, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds securities that its Participants deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly. DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Investors who are not participants may

beneficially own securities held by or on behalf of DTC only through participants or indirect participants. DTCC is owned by the users of its regulated subsidiaries.

Certificated Notes

If DTC is at any time unwilling or unable to continue as a depositary for the Global Notes and a successor depositary is not appointed by CODELCO within 90 days or if an event of default has occurred and is continuing and the registrar has received a request from DTC to issue certificated notes, CODELCO will issue notes in registered form without coupons ("Certificated Notes") in exchange for the Global Notes which will bear the legends referred to under the heading "Transfer Restrictions," as applicable.

If CODELCO issues Certificated Notes, the holder may present its notes for exchange with notes of a different authorized denomination, together with a written request for an exchange, at the office of the Fiscal Agent in the City of New York, or at the office of any paying agent. In addition, the holder of any Certificated Note may transfer it in whole or in part by surrendering it at any of these offices together with an executed instrument of transfer. CODELCO will not charge the holders of notes for the costs and expenses associated with the exchange, transfer or registration of transfer of the notes. CODELCO may, however, charge the holders of notes for certain delivery expenses as well as any applicable stamp duty, tax or other governmental charges. The Fiscal Agent may reject any request for an exchange or registration of transfer of any Note made within 15 days of the date for any payment of principal of or interest on the note. CODELCO will notify the Euro MTF Market of the Luxembourg Stock Exchange and publish a notice in a daily newspaper in Luxembourg in the event that Certificated Notes are issued.

Consolidation, Merger, Conveyance, Sale or Lease

Nothing contained in the notes 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 (a) 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 agreement, executed and delivered to the Fiscal Agent, in form satisfactory to the Fiscal Agent, the due and punctual payment of the principal of and interest, if any, on the notes and the performance of every covenant of the notes on the part of CODELCO to be performed or observed; (b) immediately after giving effect to such transaction no Event of Default, 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 (c) CODELCO has delivered to the Fiscal Agent an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and supplemental agreement complies with the foregoing provisions relating to such transaction.

Limitation on Liens

Nothing contained in the notes 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 (a) issue, assume or guarantee any indebtedness for money borrowed ("Debt") if such Debt is secured by a lien upon, or (b) 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 which 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 prepared in accordance with IFRS as of the then most recent date filed by CODELCO with the SVS, 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 (a) any Subsidiary which owns, directly or indirectly, any Principal Property and (b) any Subsidiary which owns, directly or indirectly, any stock or debt of a Restricted Subsidiary.

Limitation on Sale and Lease-Back Transactions

The notes provide 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 (a) 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 (b) 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 (i) the principal amount of notes delivered, within six months after the effective date of such arrangement, to the Fiscal Agent for retirement and cancellation and (ii) 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.

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:

(a) 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;

(b) any estate, inheritance, gift, sales, transfer, personal property, capital gains, excise or similar tax, assessment, duty or other governmental charge;

(c) 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;

(d) 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;

(e) any such withholding or deduction imposed on a payment to an individual that is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000; or

(f) any combination of items (a), (b), (c), (d) and (e) 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.

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, 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 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 original issuance of 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 Fiscal Agent 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."

Defeasance

CODELCO 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" by depositing 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 Fiscal Agent, acting as trustee for such purposes and by satisfying certain other conditions, including delivery to the Fiscal Agent of an opinion of independent tax counsel of recognized standing to the effect that U.S. Holders (as defined in "Taxation") 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.

Events of Default

An Event of Default with respect to the notes is defined in the Fiscal and Paying Agency Agreement as being any of the following: (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 notes and continuance of such default or breach for a period of 60 days after written notice is given to CODELCO 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 notes 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.

Each note will provide that if any Event of Default shall have occurred and be continuing, the holder of such note may declare the principal of such note, together with unpaid accrued interest thereon, if any, to the date of repayment, to be due and payable by notice to CODELCO.

Notices

Notices to holders of notes will be given by mail to the addresses of such holders as they appear in the Security Register and, once the notes are listed on the Luxembourg Stock Exchange, such notices will be published in a daily newspaper in circulation in Luxembourg. In addition, any notices relating to the delisting of the notes from the Luxembourg Stock Exchange as described under "General Information — Listing" will also be published in each of the authorized newspapers, which will be *The Wall Street Journal,* the *Financial Times* and the *Luxemburger Wort*. CODELCO will be deemed to have given such notices on the date of each publication or, if published more than once, on the date of the first publication. Notices may, at CODELCO's option, be published on the website of the Luxembourg Stock Exchange at www.bourse.lu.

Amendments

The Fiscal and Paying Agency Agreement may be amended by CODELCO and the Fiscal Agent without the consent of the holders of the notes in certain limited circumstances therein provided. The notes may be amended by CODELCO and the Fiscal Agent without the consent of the holders of notes for the purpose of correcting any manifest error or to change the terms of the notes in any manner which CODELCO deems necessary or desirable and which shall not adversely affect the interests of the holders of outstanding notes in any material respect. The Fiscal and Paying Agency Agreement may otherwise be amended, and the rights and obligations of CODELCO and the rights of the holders of notes under the notes may be modified, with the consent of holders of more than 66 2/3% in principal amount of the notes outstanding, except that the consent of all holders of notes will be required: (i) to change the definition of Interest Payment Date or the stated maturity date; (ii) to reduce the principal amount of or the interest rate on any Note; (iii) to change the obligation to pay Additional Amounts or the option to redeem the notes (see "—Payment of Additional Amounts," and "—Tax Redemption"); (iv) to change the place of payment where, or the coin or currency in which, interest is payable; (v) to impair the right of holders of notes to institute suit for the enforcement of payments of interest; (vi) to reduce the percentage amount of notes outstanding the consent of whose holders is required in order to amend the notes or the Fiscal and Paying Agency Agreement; and (vii) to modify the provisions of the notes or the Fiscal and Paying Agency Agreement governing the amendment of the notes or the Fiscal and Paying Agency Agreement.

Governing Law; Submission to Jurisdiction; Sovereign Immunity

The notes will be governed by, and will be construed and interpreted in accordance with, the law of the State of New York. The notes will provide 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 Chilean 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.

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 an outstanding series of notes, including the notes. CODELCO may consolidate the additional notes to form a single series with an outstanding series of notes, including the notes.

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 tax consequences related to European Union Council Directive 2003/48/EC are described below, it does not describe any tax consequences arising under the laws of any national, state, or local taxing jurisdiction other than the United States and Chile.

This summary is based on the tax laws of Chile and the United States as in effect on the date of this offering memorandum, as well as regulations, rulings and decisions of Chile and the United States available on or before such date and now in effect. All of the foregoing is subject to change, which may apply retroactively and could affect the continued validity of this summary.

Prospective purchasers of the notes should consult their own tax advisors as to the Chilean, United States or other tax consequences of the purchase, ownership and disposition of the notes, taking into account the application of the tax considerations discussed below to their particular situation, as well as the application of state, local, foreign or other tax laws.

On February 4, 2010, Chile and the United States entered into a tax treaty (the "Treaty"), the application of which is subject to ratification by the competent authorities of both countries 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 in total within two consecutive calendar 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").

However, the same interest that qualifies for the referenced 4% withholding tax rate is subject to special additional 31% tax rate, with the additional 31% tax imposed on CODELCO, to the extent paid to entities related to the Company on the portion of our indebtedness considered to be excessive (thin capitalization rules). Our indebtedness will be considered to be excessive ("Excessive Indebtedness") when in the calendar year when the notes are issued the Company has an indebtedness with entities related to CODELCO qualifying for the 4% withholding tax rate that exceeds three times our "net worth" as calculated for Chilean tax purposes. Consequently, such interest paid to entities related to us with respect to debt that exceeds the Excessive Indebtedness will be subject to a 31% surtax.

Under the Excessive Indebtedness rules, a lender or creditor, such as the holder of the notes, will be deemed to be related to the payor or debtor if (i) the lender or creditor is incorporated, domiciled or resident in a tax haven (qualified as such by the Chilean Ministry of Finance, based on the list of harmful preferential tax regimes and tax havens published by the Organization for Economic Co-operation and Development) at the time of granting

the loan, (ii) the lender or debtor, directly or indirectly, owns or participates in 10% or more of the capital or the profits of the other, or if the lender and debtor 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 or (iii) the debt is guaranteed directly or indirectly by a third party with cash or cash equivalent securities (excluding the securities evidencing obligations of the borrower with any of its related entities) for the amount effectively guaranteed.

The Income Tax Law provides that a Foreign Holder is subject to income tax on his 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. In line with this, capital gains arising from the sale or other disposition by a Foreign Holder of the notes generally should not be subject to Chilean income taxes provided that such sales or other dispositions occur outside of Chile and are made to a Foreign Holder.

The Income Tax Law does not refer to the source of income in case of notes issued abroad by a Chilean company and as of the date of this offering memorandum, there are no specific rulings from the Chilean internal revenue service under which the capital gain earned by a Foreign Holder on the sale or other disposition outside of Chile of a note issued abroad by a Chilean company to a Foreign Holder may be considered a Chilean source of income. However, recent interpretations issued by the Chilean internal revenue service with respect to notes that counsel believes are distinguishable from the notes offered hereby, could be read to imply that any capital gain acquired by a Foreign Holder arising from the sale or disposition of notes issued by a Chilean company would generally be considered Chilean source income, without regard to the tax residency of the Foreign Holder. Chilean internal revenue service interpretations are not binding on taxpayers.

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 0.4% 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

Pursuant to U.S. Treasury Department Circular 230, holders of notes or prospective purchasers are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this offering memorandum or any document referred to herein is not intended or written to be used, and cannot be used by note holders for the purpose of avoiding penalties that may be imposed under the Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) note holders should seek advice based on their particular circumstances from an independent tax advisor.

This summary of U.S. federal income tax considerations deals principally 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 a

partnership for U.S. federal income tax purposes) or partners therein, insurance companies, dealers in securities, 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 its income irrespective of its source.

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, or other tax laws and possible changes in tax laws.

Tax Consequences to U.S. Holders

Taxation of Interest and Additional Amounts. The gross amount of interest and Additional Amounts (*i.e.*, without reduction for any Chilean Interest Withholding Tax at the applicable rate) 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.

Subject to generally applicable restrictions and conditions, Chilean Interest Withholding Tax withheld on payments of interest on the notes, or on Additional Amounts, is 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 (reduced by an amount attributable to accrued but unpaid interest and Additional Amounts not previously included in income, 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 long-term capital gain or loss if the notes are held for more than one year. Under current laws, 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.

Tax Consequences to Non-U.S. Holders

For purposes of the following discussion a "non-U.S. Holder" means a beneficial owner of the notes that is not, for U.S. federal income tax purposes, a U.S. Holder or a partnership (or an entity or arrangement classified as a partnership for U.S. federal income tax purposes). A non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on:

- interest and Additional Amounts received in respect of the notes, unless those payments are effectively connected with the conduct by the non-U.S. Holder of a trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment) in the United States; or

- gain realized on the sale, exchange, redemption, retirement or other taxable disposition of the notes, unless (i) that gain is effectively connected with the conduct by the non-U.S. Holder of a trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment) in the United Sates or, (ii) in the case of gain realized by an individual non-U.S. Holder, the non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

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 a corporation or other exempt recipient 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.

A non-U.S. Holder generally will not be subject to information reporting or backup withholding, but such a holder may have to comply with certification procedures to establish that it is not a United States person.

European Union Savings Directive

Under Council Directive 2003/48/EC (the "Directive") on the taxation of savings income, each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, that other Member State. However, for a transitional period, Austria and Luxembourg will (unless during such period they elect otherwise) instead operate a withholding system in relation to such payments. Under such a withholding system, the beneficial owner of the interest payment must be allowed to elect that certain provision of information procedures should be applied instead of withholding. The rate of withholding is 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange of information procedures relating to interest and other similar income. The Luxembourg government has announced that Luxembourg will elect out of the withholding system in favor of automatic exchange of information with effect from January 1, 2015.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures to the Directive.

A proposal for amendments to the Directive has been published, including a number of suggested changes which, if implemented, would broaden the scope of the rules described above. Investors who are in any doubt as to their position should consult their professional advisers.

If a payment under a note were to be made by a person in a Member State or another country or territory which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Directive or any law implementing or complying with, or introduced in order to conform to the Directive, neither CODELCO nor any paying agent nor any other person would be obliged to pay Additional Amounts under the terms of such note as a result of the imposition of such withholding tax.

The Proposed Financial Transactions Tax

In September 2011, the EU Commission attempted to introduce an EU-wide financial transactions tax. However, not all the Member States were in favour of such a tax and so the tax could not be implemented in all Member States. Subsequently, 11 Member States of the EU requested that the EU Commission develop a proposal for the introduction of a common financial transactions tax ("FTT") for each of those Member States. The EU Commission developed such a proposal under the EU's enhanced co-operation procedure which allows nine or more Member States to implement common legislation. In January 2013, the EU Council of Ministers authorised the EU Commission to proceed with enhanced cooperation for a common FTT and the EU Commission has now published a draft Directive containing proposals for the FTT. This FTT is intended to be introduced in the 11 participating Member States (Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). Additional Member States may decide to participate.

The proposed FTT imposes a charge on a wide range of financial transactions, including purchases and sales of financial instruments, including bonds; this charge will be levied at not less than 0.1% of the sale price. Material modifications of financial instruments also attract a charge at the applicable rate. In both cases, the charge is applied separately to each financial institution that is party to a transaction; if a financial institution does not pay the tax then its counterparty will be jointly and severally liable.

A charge to FTT will arise if at least one party to a financial transaction is established in a participating Member State and a financial institution established in (or which is treated as established in) a participating Member State is a party to the transaction, for its own account, for the account of another person, or if the financial institution is acting in the name of a party to the transaction.

It is important to be aware that a financial institution will be treated as established in a participating Member State if, among other things, its seat is there, it is authorised there (as regards authorised transactions) or it is acting via a branch in that Member State (as regards branch transactions). It may also be treated as established in a participating Member State in relation to a particular transaction, merely because it is entering into the financial transaction with another person who is established in that Member State.

Furthermore, a financial institution which is not otherwise established in a participating Member State will be treated as established in a participating Member State in respect of a financial transaction if it is a party (for its own account or for the account of another person), or is acting in the name of a party, to a financial transaction in respect of a financial instrument issued within that Member State. The other party to such a transaction will, to the extent not otherwise established in a participating Member State, also be treated as established in that Member State.

There are limited exemptions to the proposed FTT and there are no broad exemptions for financial intermediaries or market makers. Therefore, the effective cumulative rate applicable to some dealings in financial instruments could be greatly in excess of the headline rate of the tax.

Even though the FTT is to be introduced only in the participating Member States, if the FTT is introduced in the form proposed it could make dealings in financial instruments more costly for persons both inside and outside the 11 participating Member States, and the FTT could be payable in relation to notes issued under this offering memorandum if the FTT is introduced in the form proposed and the conditions for a charge to arise are satisfied.

The proposed FTT is still under review and it may therefore change significantly before it is implemented. It is currently proposed that the FTT should be introduced in the participating Member States on January 1, 2014. Prospective holders of the notes are strongly advised to seek their own professional advice in relation to the FTT.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of the purchase agreement between CODELCO and HSBC Securities (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Mitsubishi UFJ Securities (USA), Inc., the initial purchasers have severally agreed to purchase from the Company the following respective principal amounts of notes listed opposite their name below at the initial offering price set forth on the cover page of this offering memorandum, less discounts and commissions:

Initial Purchasers	**Principal Amount of Notes**
HSBC Securities (USA) Inc.	U.S.$300,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	300,000,000
Mitsubishi UFJ Securities (USA), Inc.	150,000,000
Total	U.S.$750,000,000

The purchase agreement provides that the obligations of the several initial purchasers to purchase the notes offered hereby are subject to certain conditions precedent and that the initial purchasers will purchase all of the notes offered by this offering memorandum if any of these notes are purchased. The initial purchasers may use any of their affiliates to purchase any of the notes.

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

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

The notes have not been registered under the Securities Act. Each initial purchaser has agreed that it will offer or sell the notes only (i) in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act or (ii) in offshore transactions in reliance on Regulation S under the Securities Act. The notes being offered and sold pursuant to Regulation S may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, unless the notes are registered under the Securities Act or an exemption from, the registration requirements thereof is available. Resales of the notes are restricted as described under "Transfer Restrictions."

Until forty (40) days after the later of the commencement of the offering and the closing date, any offer or sale of notes within the United States by a broker-dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act, unless such offer or sale is made pursuant to Rule 144A under the Securities Act or another available exemption from the registration requirements thereof. Terms used above have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

CODELCO has agreed, that for a period of 60 days from the date of the purchase agreement, CODELCO will not, without prior consent of the initial purchasers, offer, sell or contract to sell, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by CODELCO or any affiliate of CODELCO or any person in privity with CODELCO or any of its affiliates), directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by CODELCO (other than the notes).

The notes are a new issue of securities without an established trading market. The notes will be listed only on the Official List of the Luxembourg Stock Exchange; however, the notes have not yet been listed. The notes are expected to trade on the Euro MTF market of the Luxembourg Stock Exchange. See "General Information—Listing." The initial purchasers may make a market in the notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes or that an active market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending

on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

In connection with this offering, the initial purchasers, or any person acting for any of them, may over-allot or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there is no obligation for the initial purchasers, or any person acting for any of them, to do this. Such stabilizing, if commenced, may be discontinued at any time.

The initial purchasers and their affiliates 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 initial purchasers may, from time to time, continue to engage in transactions with and perform services for us in the ordinary course of their business. Certain affiliates of HSBC Securities (USA) Inc. are lenders to us under various credit facilities totaling U.S.$828.9 million currently. An affiliate of HSBC Securities (USA) Inc. is the custody agent and onshore account bank with respect to our acquisition of a 29.5% stake in Anglo American Sur. See "Business and Properties— Associations, Joint Ventures and Partnerships." The Bank of Tokyo-Mitsubishi UFJ, Ltd., an affiliate of Mitsubishi UFJ Securities (USA), Inc., acts in several capacities under various credit facilities totaling U.S.$779.3 million. An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated is a lender under a U.S.$300 million term loan to us.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the initial purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Delivery of the notes is expected on or about August 13, 2013, which will be the fifth business day following the date of pricing of the notes (this settlement cycle being referred to as "T+5"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade notes on the pricing date or the next succeeding business day should consult their own advisor.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of notes which are the subject of the offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the initial purchasers for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require the Company or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

This offering memorandum has been prepared on the basis that any offer of notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish an offering memorandum for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for the Company or any of the initial purchasers to publish an offering memorandum pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the initial purchasers have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Company or the initial purchasers to publish an offering memorandum for such offer.

For the purposes of this provision, the expression an "offer of notes to the public" in relation to any notes in any Relevant Member State means 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 for the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

Each initial purchaser has represented and agreed that:

(a) 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 Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

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

Notice to Prospective Investors in Hong Kong

The notes may not be offered or sold in Hong Kong by means of any other document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) 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 laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The notes offered in this offering memorandum have not been registered under the Securities and Exchange Law of Japan, 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 account of any resident of Japan, except (i) pursuant to an exemption from the registration

requirements of the Securities and Exchange Law, and (ii) in compliance with any other applicable requirements of Japanese law.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and 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, 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, in each case subject to compliance with conditions set forth in the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- 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

- 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,

- shares, debentures and units of shares and debentures 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:

- to an institutional investor (for corporations, under Section 274 of SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than U.S.$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

- where no consideration is or will be given for the transfer; or

- where the transfer is by operation of law.

Notice to Prospective Investors in Switzerland

The notes may not and will not be publicly offered, distributed or redistributed on a professional basis in or from Switzerland only on the basis of a non-public offering, and neither this offering memorandum nor any other solicitation for investments in the notes may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of articles 652a or 1156 of the Swiss Federal Code of Obligations or of Article 2 of the Federal Act on Investment Funds of March 18, 1994. This offering memorandum may not be copied, reproduced, distributed or passed on to others without the initial purchasers' prior written consent. This offering memorandum is not a prospectus within the meaning of Articles 1156 and 652a of the Swiss Code of Obligations or a listing prospectus according to article 32 of the Listing Rules of the Swiss exchange and may not comply with the information standards required thereunder. We will not apply for a listing of the notes on any Swiss stock exchange or other Swiss regulated market and this offering memorandum may not comply with the information required under the relevant listing rules. The notes have not been and will not be approved by any Swiss regulatory authority. The notes have not been and will not be registered with or supervised by the Swiss

Federal Banking Commission, and have not been and will not be authorized under the Federal Act on Investment Funds of March 18, 1994. The investor protection afforded to acquirers of investment fund certificates by the Federal Act on investment Funds of March 18, 1994 does not extend to acquirers of the notes.

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 SVS). 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.

Notice to Prospective Investors in the Republic of China

Each initial purchaser has agreed that, as part of the distribution of the notes, it has not offered or sold, and will not offer or sell, any note directly or indirectly in the Republic of China; each initial purchaser also understands and has acknowledged that the notes may not be sold to any related person of us (as defined in the Republic of China Statement of Financial Accounting Standards No. 6) or any person listed in Article 36 of the Chinese Securities Association Regulations Governing Underwriting and Resale of Securities by Securities Firms.

TRANSFER RESTRICTIONS

The notes have not been and will not be registered under the Securities Act or with any securities regulatory authority in any jurisdiction and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except that notes may be offered or sold to (i) QIBs in reliance upon the exemption from the registration requirement of the Securities Act provided by Rule 144A and (ii) persons other than U.S. persons as such term is defined in Regulation S under the Securities Act ("Foreign Purchasers") in offshore transactions in reliance upon Regulation S.

Each purchaser of the notes that is not a Foreign Purchaser will be deemed to:

(1) represent that it is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB and is aware that the sale to it is being made in reliance on Rule 144A;

(2) acknowledge that the notes have not been and will not be registered under the Securities Act or with any securities regulatory authority in any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(3) agree that if it should resell or otherwise transfer the securities, it will do so only pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, in each case in accordance with all applicable securities laws of the states of the United States or any other applicable jurisdiction;

(4) agree that it will deliver to each person to whom it transfers notes notice of any restrictions on transfer of such notes;

(5) agree that it is not an "affiliate" (within the meaning of Rule 144 under the Securities Act) of the Bank; and

(6) acknowledge that CODELCO, the Fiscal Agent, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account. If any of the acknowledgements, representations or agreements it is deemed to have been made by the purchase of notes is no longer accurate, it will promptly notify CODELCO and the initial purchasers.

Each 144A Global Note will bear the following legend:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY STATE SECURITIES LAW. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**")) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT OR (B) IT IS A NON-U.S. PERSON OUTSIDE THE UNITED STATES WITHIN THE MEANING OF (OR AN ACCOUNT SATISFYING THE REQUIREMENTS OF PARAGRAPH (k)(2)(i) OF RULE 902 UNDER) REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT, PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE NOTES EVIDENCED HEREBY UNDER RULE 144(d) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER SUCH NOTES

EXCEPT IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND ONLY (A) TO THE ISSUER OR A SUBSIDIARY THEREOF, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (C) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION (IF APPLICABLE). PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (E) ABOVE, THE COMPANY RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THIS NOTE IS SUBJECT TO THE RESTRICTIONS ON TRANSFER SET FORTH IN THE FISCAL AND PAYING AGENCY AGREEMENT REFERRED TO ON THE REVERSE HEREOF. THIS LEGEND WILL BE REMOVED ONLY AT THE OPTION OF THE ISSUER.

Each purchaser of notes that is a Foreign Purchaser will be deemed to:

(1) represent that it is purchasing the notes for its own account or an account for which it exercises sole investment discretion and that it and any such account is a Foreign Purchaser that is outside the United States and acknowledge that the notes have not been and will not be registered under the Securities Act or with any securities regulatory authority in any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(2) agree that if it should resell or otherwise transfer the notes prior to the expiration of a restricted period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the notes), it will do so only (a)(i) outside the United States in compliance with Rule 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A, and (b) in accordance with all applicable securities laws of the states of the United States or any other applicable jurisdiction.

Each Regulation S Global Note will bear the following legend:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AGENCY IN ANY JURISDICTION, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS SECURITY IS SUBJECT TO THE RESTRICTIONS ON TRANSFER SET FORTH IN THE FISCAL AND PAYING AGENCY AGREEMENT REFERRED TO ON THE REVERSE HEREOF. PRIOR TO THE EXPIRATION OF A RESTRICTED PERIOD ENDING ON SEPTEMBER 22, 2013 OR SUCH LATER DATE AS THE COMPANY MAY NOTIFY TO THE FISCAL AGENT, THIS SECURITY, OR ANY BENEFICIAL INTEREST HEREIN, MAY NOT BE RESOLD OR OTHERWISE TRANSFERRED EXCEPT (A)(1) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT OR (2) TO A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT IN COMPLIANCE WITH RULE 144A, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION.

The transfer or exchange of a beneficial interest in a Regulation S Global Note for a beneficial interest in a 144A Global Note during the restricted period may be made only upon receipt by the Fiscal Agent of a duly completed Rule 144A Certificate, as defined in the Fiscal and Paying Agency Agreement. Such Rule 144A Certificate will no longer be required after the expiration of the restricted period. The transfer or exchange of a beneficial interest in a 144A Global Note for a beneficial interest in a Regulation S Global Note may be made only upon receipt by the Fiscal Agent of a duly completed Regulation S Certificate, as defined in the Fiscal and Paying Agency Agreement.

For so long as the notes are listed on the Luxembourg Stock Exchange, if the notes are ever issued in certificated form:

- Certificated Notes will be delivered by the Fiscal Agent as described in this offering memorandum and at the offices of the Luxembourg paying agent; and

- holders of notes in certificated form will be able to transfer or exchange their notes at the offices of the Luxembourg transfer agent.

Any resale or other transfer, or attempted resale of other transfer, made other than in compliance with the above stated restrictions shall not be recognized by us.

For further discussion of the requirements (including the presentation of transfer certificates) under the Indenture to effect exchanges or transfers of interests in Global Notes, see "Description of Notes—Global Notes; Book-Entry Form."

We have prepared this offering memorandum solely for use in connection with the offer and sale of the notes outside the United States, for the private placement of the notes in the United States and for the listing on the Luxembourg Stock Exchange. We and the initial purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the amount of notes offered pursuant to Rule 144A under the Securities Act. This offering memorandum does not constitute an offer to any person in the United States other than any QIB under the Securities Act to whom an offer has been made directly by the initial purchasers or an affiliate of the initial purchasers.

Each purchaser of notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells notes or possesses or distributes this offering memorandum or any part of it and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or resales, and neither the Company nor the initial purchasers shall have any responsibility therefor.

VALIDITY OF THE NOTES

The validity of the notes will be passed upon for CODELCO by Cleary Gottlieb Steen & Hamilton LLP, New York, New York, United States counsel for CODELCO, and by Carey y Cía. Ltda., Chilean counsel to CODELCO, and for the initial purchasers by Davis Polk & Wardwell LLP, United States counsel for the initial purchasers, and by Philippi, Yrarrázaval, Pulido & Brunner Ltda., Chilean counsel for the initial purchasers. Cleary Gottlieb Steen & Hamilton LLP may rely without independent investigation as to all matters of Chilean law on Carey y Cía. Ltda., and Davis Polk & Wardwell LLP may rely without independent investigation as to all matters of Chilean law on Philippi, Yrarrázaval, Pulido & Brunner Ltda.

INDEPENDENT AUDITORS

The year-end consolidated financial statements of CODELCO as of December 31, 2009 and 2010 and as of January 1, 2009 and for each of the two years ended December 31, 2010, prepared in accordance with IFRS, except for the subsidiaries Codelco-Kupferhandel GmbH and its subsidiary, Chile Copper Ltd. and its subsidiary and Inca de Oro S.A., Fundación de Salud del Teniente and its subsidiaries and equity-investees Copper Partner Investment Company Ltd., Electroandina S.A. and its subsidiaries, Inversiones Mejillones S.A., Inversiones Tocopilla Ltda., Sociedad Contractual Minera El Abra, E-CL S.A. (formerly Edelnor S.A), Inversiones Tocopilla 2B S.A., and Inversiones Mejillones 2 S.A., included in this offering memorandum, have been audited by Deloitte Auditores y Consultores Ltda., independent auditors as stated in their report appearing herein (which report expresses an unqualified opinion and includes an explanatory paragraph referring to the convenience of the translation of the financial statements into English). The financial statements of the aforementioned subsidiaries and the equity-method investees (none of which are presented separately herein) were audited by other independent auditors.

The consolidated financial statements of CODELCO as of and for the years ended December 31, 2011 and 2012, included in this offering memorandum, have been audited by Ernst & Young Servicios Profesionales de Auditoría y Asesorías Limitada, independent auditors as stated in their report appearing herein.

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.*, probable reserves or proved 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.

Tera: A metric prefix meaning 10^{12}, or one trillion.

Ton: A unit of weight. One metric ton equals 2,204.6 pounds. One short ton equals 2,000 pounds. Unless otherwise specified in this document, "tons" refers to metric tons.

Tourmaline: A dark-green hydrosilicate that exists in altered rock zones in some ore deposits.

GENERAL INFORMATION

Authorization

The Ministry of Finance of Chile authorized Codelco to commence negotiations to issue bonds abroad by Resolution No. 1265 dated June 4, 2013. The Ministry of Finance of Chile authorized the issuance of the notes by Resolution No. 1745 dated July 26, 2013.

CODELCO's Board of Directors authorized the issuance of the notes in its ordinary session of May 30, 2013 by means of Reserved Agreement No. 26/2013. CODELCO has obtained all other consents and authorizations necessary under Chilean law for the issuance of the notes.

Litigation

CODELCO is not involved in any litigation or arbitration proceeding which is material in the context of the issuance of the notes. CODELCO is not aware of any material litigation or arbitration proceeding that is pending or threatened.

Clearing

CODELCO has applied to have the notes accepted into DTC's book-entry settlement system. The notes have been accepted for clearance through the clearing systems of Euroclear System and Clearstream Banking, *société anonyme*. The securities codes are:

	Common Code	ISIN Number	CUSIP Number
Rule 144A Global Note	096130953	US21987BAS79	21987BAS7
Regulation S Global Note	096130945	USP3143NAR54	P3143NAR5

Listing

Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market of the Luxembourg Stock Exchange, in accordance with its rules and regulations. According to the Rules and Regulations of the Luxembourg Stock Exchange, the notes shall be freely transferable and therefore no transaction made on the Luxembourg Stock Exchange shall be cancelled.

As long as the notes are listed on the Luxembourg Stock Exchange, you may receive free of charge copies of the following documents at the offices of the listing agent or the Luxembourg paying and transfer agents on any business day:

- this offering memorandum;
- the fiscal and paying agency agreement attaching the forms of the notes;
- CODELCO's Unaudited Interim Consolidated Financial Statements;
- CODELCO's statutory documents;
- English translations of the official letter authorizing the incurrence of indebtedness as issued by the Ministry of Finance; and
- the most recent annual report, including the audited consolidated financial statements, of CODELCO.

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

CODELCO will apply to list the notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market of the Luxembourg Stock Exchange in accordance with its rules and regulations. The notes are not yet listed. If any European or national legislation is adopted and is implemented or takes effect in Luxembourg in a manner that would impose requirements on us that CODELCO, in its discretion determines are impracticable or unduly burdensome, CODELCO may de-list the notes. In these circumstances, there can be no assurance that CODELCO would obtain an alternative admission to listing, trading and/or quotation for the notes by another listing authority, exchange and/or system within or outside the European Union. For information regarding the notice requirements associated with any delisting decision, see "Description of Notes—Notices."

CODELCO has initially appointed The Bank of New York Mellon (Luxembourg) S.A. to serve as its Luxembourg listing agent, paying agent and transfer agent. You can contact the listing agent and the Luxembourg paying agent and transfer agent at the addresses listed on the inside back cover of this offering memorandum. CODELCO will maintain a paying agent and transfer agent so long as the notes are listed on the Luxembourg Stock Exchange, and such financial institution has been appointed in such way that the financial service of the notes is ensured in Luxembourg. Any change in the Luxembourg paying or transfer agent will be communicated to the Luxembourg Stock Exchange and through publication in a daily newspaper in Luxembourg.

Financial Condition

There has been no material adverse change in CODELCO's financial condition since the date of the last audited financial statements.

CODELCO – CHILE

Interim Unaudited Consolidated Financial Statements as of and for the three-month period ended March 31, 2013

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

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CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2013 and December 31, 2012
(In thousands of US dollars - ThUS$)

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

	Notes	3/31/2013	12/31/2012	01/01/2012
Assets				
Current Assets				
Cash and cash equivalents	1	1,330,758	1,263,823	1,382,876
Other current financial assets	11	23,708	8,709	193,237
Other current non-financial assets		52,263	24,015	36,413
Trade and other current receivables	2	1,120,201	2,149,103	1,968,269
Accounts receivables due from related companies, current	3	13,085	29,442	56,357
Inventory	4	2,838,743	2,431,965	2,014,838
Current tax assets	6.a	302,021	627,570	254,930
Total current assets		5,680,779	6,534,627	5,906,920
Non-current assets				
Other non-current financial assets	11	141,100	132,999	102,593
Other non-current non-financial assets	10	37,826	37,677	203,950
Non-current receivables	2	169,856	171,699	132,721
Accounts receivables due from related companies, non-current	3	21,356	41,305	75,860
Investment accounted for using the equity method	8	7,452,599	7,644,612	945,055
Intangible assets other than goodwill		19,282	19,178	12,292
Property, Plant and Equipment, net	7	17,463,983	17,023,542	13,216,512
Investment property		18,004	18,004	17,789
Total non-current assets		25,324,006	25,089,016	14,706,772
Total assets		31,004,785	31,623,643	20,613,692

The accompanying notes form an integral part of these Interim Unaudited Consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2013 and December 31, 2012
(In thousands of US dollars - ThUS$)

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

	Notes	3/31/2013	12/31/2012	01/01/2012
Liabilities and Equity				
Liabilities				
Current liabilities				
Other current financial liabilities	12	905,882	864,779	1,643,424
Trade and other current payables	15	1,650,331	2,245,592	1,782,459
Accounts payables to related companies, current	3	108,743	143,364	126,850
Other current provisions	16	158,315	209,895	210,514
Current tax liabilities	6.b	11,742	50,205	137,267
Current employee benefit accruals	16	424,942	549,975	459,251
Other current non- financial liabilities		58,823	75,162	56,317
Total current liabilities		3,318,778	4,138,972	4,416,082
Non-current liabilities				
Other non-current financial liabilities	12	9,271,192	9,262,324	6,395,154
Other non-current payables		-	-	319
Accounts payables to related companies, non-current	3	268,901	275,011	308,616
Other non-current provisions and accrued expenses	16	1,564,444	1,554,167	1,013,441
Deferred tax liabilities	5	2,839,463	2,896,262	1,407,491
Non-current employee benefit accruals	16	1,331,318	1,323,294	1,092,966
Other non-current non-financial liabilities		6,512	4,390	3,094
Total non-current liabilities		15,281,830	15,315,448	10,221,081
Total liabilities		18,600,608	19,454,420	14,637,163
Equity				
Issued Capital		2,524,423	2,524,423	2,524,423
Retained earnings		4,482,654	4,235,899	1,680,894
Other Reserves	18	3,287,301	3,309,495	1,769,192
Equity attributable to owners of the parent		10,294,378	10,069,817	5,974,509
Non-controlling interests	18	2,109,799	2,099,406	2,020
Total equity		12,404,177	12,169,223	5,976,529
Total liabilities and equity		31,004,785	31,623,643	20,613,692

The accompanying notes form an integral part of these Interim Unaudited Consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month periods ended as of March 31, 2013 and 2012
(In thousands of US dollars - ThUS$)

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

	Notes	1/1/2013 3/31/2013	1/1/2012 3/31/2012
Profit (loss)			
Revenue	19	3,277,676	3.963,855
Cost of sales		(2,250,103)	(2,307,848)
Gross profit		1,027,573	1,656,007
Other Income, by function	21.a	31,975	25,568
Distribution costs		(3,373)	(3,533)
Administrative expenses		(127,283)	(112,103)
Other expenses	21.b	(301,424)	(352,329)
Other gains (losses)		10,759	8,504
Profit (losses) from operating activities		638,227	1,222,114
Finance income		11,757	10,129
Finance costs	22	(89,245)	(69,594)
Share of profit of associates and joint ventures accounted for using the equity method	8	99,223	116,129
Foreign exchange differences	24	(60,158)	(72,971)
Profit for the period before tax		599,804	1,205,807
Income tax expense	5	(342,314)	(723,485)
Profit for the period		257,490	482,322
Profit (loss) attributable to:			
Profit attributable to owners of the parent		246,594	482,521
Loss attributable to non-controlling interests	18.b	10,896	(199)
Profit for the period		257,490	482,322

The accompanying notes form an integral part of these Interim Unaudited Consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUATION)

For the three-month periods ended as of March 31, 2013 and 2012
(In thousands of US dollars - ThUS$)

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

	Notes	1/1/2013 3/31/2013	1/1/2012 3/31/2012
Profit for the period		257,490	482,322
Components of other comprehensive income (loss), before tax:			
Exchange differences on conversion			
Gain (loss) on exchange differences on conversion, before tax		233	912
Other comprehensive income, before tax, exchange differences on conversion		233	912
Cash flow hedges			
Gain (loss) on cash flow hedges, before tax		26,623	46,924
Other comprehensive income before tax, exchange differences on conversion		26,623	46,924
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method, before tax		(379)	(2,042)
Other comprehensive income (loss), before tax		26,477	45,794
Income tax related to components of other comprehensive income:			
Income tax related to cash flow hedges of other comprehensive income	5	(15,933)	(29,207)
Aggregated income tax related to components of other comprehensive income		(15,933)	(29,207)
Other comprehensive income (loss)		10,544	16,587
Total comprehensive income		268,034	498,909
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent		257,138	499,108
Comprehensive income attributable to non-controlling interests	19.b	10,896	(199)
Total comprehensive income		268,034	498,909

The accompanying notes form an integral part of these Interim Unaudited Consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD

For the three-months periods ended as of March 31, 2013 and 2012
(In thousands of US dollars - ThUS$)

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

	Notes	1/1/2013 3/31/2013	1/1/2012 3/31/2012
Cash flow provided by (used in) operating activities:			
Cash receipts provided by operating activities			
Cash flows provided by sales of goods and rendering of services		4,264,192	4,278,925
Other cash flows provided by operating activities	25	594,462	512,894
Types of cash payments			
Payments to suppliers for goods and services		(2,447,661)	(2,411,677)
Payments to and on behalf of employees		(643,313)	(557,635)
Other cash flows used in operating activities	25	(735,407)	(927,886)
Dividends received		269,940	35,910
Income taxes paid		(103,220)	(403,767)
Net cash flows provided by operating activities		1,198,993	526,764
Cash flows provided by (used in) investing activities:			
Other payments to acquire equity or debt instruments of other entities		(1,547)	-
Purchases of property plant and equipment		(1,150,192)	(693,218)
Collections from related companies		27,429	16,650
Interest received		14,334	7,164
Other inflows (outflows) of cash		10,806	73,096
Net cash flows from (used in) investing activities		(1,099,170)	(596,308)
Cash flows provided by (used in) financing activities:			
Proceeds from the issue of shares		236,606	203,636
Repayments of borrowings		(201,265)	(204,276)
Interest paid		(68,229)	(110,911)
Net cash flows from (used in) financing activities		(32,888)	(111,551)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference		66,935	(181,095)
Net increase (decrease) in cash and cash equivalents		66,935	(181,095)
Cash and cash equivalents at beginning of period	1	1,263,823	1,382,876
Cash and cash equivalents at end of period	1	1,330,758	1,201,781

The accompanying notes form an integral part of these Interim Unaudited Consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three-month periods ended as of March 31, 2013 and 2012
(In thousands of US dollars - ThUS$)

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

March 31, 2013	Issued Capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses in defined benefits plans	Other miscellaneous reserves	Total other reserves Note 19	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests Note 19	Total Equity
Initial Balance as of 1/1/2013	2,524,423	1,609	(5,673)	-	3,368,246	3,364,182	4,189,769	10,078,374	2,099,406	12,177,780
Increase (decrease) from changes in accounting policies	-	-	-	(54,687)	-	(54,687)	46,130	(8,557)	-	(8,557)
Opening balance reformulated	2,524,423	1,609	(5,673)	(54,687)	3,368,245	3,309,495	4,235,899	10,069,817	2,099,406	12,169,223
Changes in equity										
Profit for the period							246,594	246,594	10,896	257,490
Other comprehensive income (loss)		233	10,690	-	(379)	10,544		10,544	-	10,544
Comprehensive income								257,138	10,896	268,034
Dividends Paid							-	-		-
Increase (decrease) through transfers and other changes	-	-	-	-	(32,738)	(32,738)	161	(32,577)	(503)	(33,080)
Total increase (decrease) in equity	-	233	10,690	-	(33,117)	(22,194)	246,755	224,561	10,393	234,954
Final Balance as of 3/31/2013	2,524,423	1,842	5,017	(54,687)	3,335,129	3,287,301	4,482,654	10,294,378	2,109,799	12,404,177

The accompanying notes form an integral part of these Interim Unaudited Consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three-month periods ended as of March 31, 2013 and 2012
(In thousands of US dollars - ThUS$)

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

March 31, 2012	Issued Capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses in defined benefits plans	Other miscellaneous reserves	Total other reserves Note 19	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests Note 19	Total Equity
Initial Balance as of 1/1/2012	2,524,423	283	(272,349)	-	2,101,585	1,829,519	1,709,068	6,063,010	2,020	6,065,030
Increase (decrease) from changes in accounting policies	-	-	-	(60,327)	-	(60,327)	(28,174)	(88,501)	-	(88,501)
Opening balance reformulated	2,524,423	283	(272,349)	(60,327)	2,101,585	1,769,192	1,680,894	5,974,509	2,020	5,976,529
Changes in equity										
Profit for the period							482,521	482,521	(199)	482,322
Other comprehensive income (loss)		912	17,717	-	(2,042)	16,587		16,587	-	16,587
Comprehensive income								499,108	(199)	498,909
Dividends Paid							-	-		-
Increase (decrease) through transfers and other changes	-	-	-	-	-	-	(81,299)	(81,299)	505	(80,794)
Total increase (decrease) in equity	-	912	17,717	-	(2,042)	16,587	401,222	417,809	306	418,115
Final Balance as of 3/31/2012	2,524,423	1,195	(254,632)	(60,327)	2,099,543	1,785,779	2,082,116	6,392,318	2,326	6,394,644

The accompanying notes form an integral part of these Interim Unaudited Consolidated financial statements.

I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile, Codelco (hereinafter referred to as "Codelco - Chile", the "Corporation"), is the largest copper producer in the world. Its 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. Codelco also manufactures wire rods in Germany, a semi-manufactured product that uses copper cathodes as raw material through an associated company (discussed in Note 8).

The Corporation trades its products based on a policy with the objective of selling 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 is registered under Securities Registry No. 785 of the Chilean Superintendency of Securities and Insurance (the "SVS") and is subject to the supervision of said SVS. According to Article 10 of Law No. 20,392 (on the new Corporate Governance of Codelco), such supervision will be on the same terms as publicly traded companies, notwithstanding the provisions in Decree Law (D.L.) No. 1,349 of 1976, which created the Comisión Chilena del Cobre ("Chilean Copper Commission").

Codelco's head office is located in Santiago, Chile, at 1270 Huérfanos, telephone number (56 2) 26903000.

Codelco Chile was formed as stipulated by D.L. No. 1,350 of 1976, which is the statutory decree of the Corporation. In accordance with the statutory decree, Codelco is a state-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 divisions Chuquicamata, Radomiro Tomic, Salvador, Andina, El Teniente, Ventanas and Gabriela Mistral. 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. In 2010 the Corporation was authorized by its Board of Directors to invest in the operation of the new division Ministro Hales Mine, whose estimated initial operating date is during the last quarter of 2013. 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. 20,392, Codelco is governed by its organic standards set forth in Decree Law No. 1,350 (D.L. No. 1,350) and that of its statutes, and in matters not covered by them and, insofar as they are compatible and do not go against the provisions of these rules, the rules that govern publicly traded companies and the common laws as applicable to them.

In accordance with D.L. No. 1.350 Section IV related to the Company's Exchange and Budget Regulations, Codelco's financial activities are conducted following a budgeting system that is composed of an Operations Budget, an Investment Budget and a Debt Amortization Budget.

The tax system applicable to Codelco's income is in accordance with Article 26 of D. L. No. 1.350, which refers to Decree Laws No. 824 on Income Tax of 1974 and Decree Law No. 2.398 (Article 2) of 1978, as applicable. The Corporation's income is also subject to a Specific Mining Tax in accordance with Law No. 20.026 of 2005.

The Corporation is subject to Law No. 13,196, which mandates the payment of a 10% tax over the foreign currency return on the sale value (FOB) of copper production, including its by-products.

The subsidiaries whose financial statements are included in these interim consolidated financial statements correspond to companies located in Chile and abroad, which are detailed in Note 2 d of Section II to the Summary of Significant Accounting Policies.

The associates correspond to companies located in Chile and abroad, which are detailed in the Explanatory Notes Section III Note 8.

2. Basis of Presentation of the Interim Consolidated Financial Statements

The Corporation's interim consolidated financial statements are stated in thousands of US dollars and were prepared based on the accounting records maintained by Codelco Chile and its subsidiaries, and have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB").

Responsibility for the Information and Use of Estimates

The Board of Directors of the Corporation has been informed of the information included in these interim financial statements and expressly states its responsibility for the consistent and reliable nature of the information included in the interim consolidated financial statements as of March 31, 2013, for the effects of which IFRS principles issued by the IASB have been applied in full. The March 31, 2013 interim consolidated financial statements were approved by the Board of Directors in the meeting on May 30, 2013.

Accounting Principles

These interim consolidated financial statements reflect the financial position of Codelco Chile and its subsidiaries as of March 31, 2013 and 2012, the results of their operations, the changes in net equity and cash flows for periods ended March 31, 2013 and 2012, and their related notes, all of which have been prepared and presented in accordance with IAS 34 "Presentation of Interim Financial Reporting" which considers the respective regulations of the Chilean Superintendency of Securities and Insurance ("SVS"), and do not conflict with IFRS.

For the convenience of the reader, these interim consolidated financial statements and their accompanying notes have been translated from Spanish to English.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Judgments, Estimates and Assumptions

The preparation of these interim consolidated financial statements in conformity with 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 the Corporation's management to exercise its judgment in the process of applying the Corporation's accounting principles. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim consolidated financial statements 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 assets that are used for calculating the 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 studies consider specific factors related to the use of assets.

b) 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 Corporation regarding the amount of resources that could be exploited and sold at prices exceeding the total cost associated with the extraction and processing.

The Corporation applies judgment in determining the ore reserves, and as such, possible changes in these estimates 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.

The Corporation estimates its reserves and mineral resources based on the information composed by the Competent Persons of the Corporation, defined and regulated by the Chilean Law N° 20.235. The estimates are based on the JORC (Joint Ore Reserves Committee) methodology, taking into consideration the historical information of the cost of goods sold and copper prices in the international market.

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

c) Impairment of 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 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 ("CGU's") 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.

The Corporation 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.

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

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

d) Provisions for Decommissioning and Site Restoration Costs - The Corporation is obligated to incur in decommissioning and site restoration costs when 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.

For these purposes, a defined list of mine sites, installations and other equipment assigned to this process, considered at the engineering level profile, the cubings of assets that will be subject to removal and restoration, weighted by a structure of market prices of goods and services, reflecting the best knowledge at the time to carry out such activities, as well as techniques and more efficient construction procedures to date. In the process of valuation of the activities mentioned, the assumptions of the exchange rate for tradable goods and services must be made, 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 determined 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 either increasing or decreasing the rehabilitation liability and rehabilitation asset if the initial estimate was originally recognized as part of an 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 taken immediately to 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. 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 net income 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.

e) 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.

The Corporation uses 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 the Corporation believes that the assumptions used are appropriate, a change in these assumptions could affect net income.

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 of its provisional invoicing. These adjustments are updated on a monthly basis and the accounting principle on “Revenue recognition” is referred to in letter q) of the section 2 “Significant accounting policies” of the current document.

g) 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. The Corporation applies customary valuation techniques used by other professionals in the industry. 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.

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 favorable outcome will be obtained or when the results are uncertain and the lawsuits are still pending resolution, no provisions are recognized.

Although these above-mentioned estimates have been made based on the best information available as of the date of issuance of these interim consolidated financial statements, it is possible that future developments may force the Corporation to modify these estimates in upcoming periods. Such modifications, if occurred, would be adjusted prospectively, recognizing the effects of the change in estimate on the corresponding future consolidated financial statements, as required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2. Significant accounting policies

a) Period covered - The accompanying interim consolidated financial statements of Corporación Nacional del Cobre de Chile include:

- Statements of Financial Position as of March 31, 2013, December 31, 2012 and January 1st, 2012.
- Statements of Comprehensive Income for the three-month period ending March 31, 2013 and 2012.
- Statements of Changes in Equity for the three-month period ending March 31, 2013 and 2012.
- Statements of Cash Flows for the three-month ending March 31, 2013 and 2012.

b) Basis of Preparation - The interim consolidated financial statements of the Corporation for the period ended as of March 31, 2013 have been prepared in conformity with IFRS, as issued by the IASB.

The interim consolidated statement of financial position as of December 31, 2012 and the statements of comprehensive income, of net equity and of cash flows for the three-month period ended March 31, 2012, included for comparative purposes, have been prepared in conformity with IFRS, on a consistent basis with the criteria used by the Corporation for the three-month period ended March 31, 2013.

These interim 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 US dollar, which is the currency of the primary economic environment in which the Corporation operates and the currency in which it receives its revenues. Transactions other than those in the Corporation's functional currency are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in currencies other than the functional currency are retranslated at closing exchange rates. Gains and losses from foreign currency conversion are included in the period profit or loss within the line item "Foreign Exchange differences".

The presentation currency of the interim consolidated financial statements of Codelco is the US dollar.

The functional currency of subsidiaries, associates and joint ventures, likewise corresponds to the currency of the primary economic environment in which those entities operate and the currency in which they receive their revenues, as established in IAS 21. However, regarding those subsidiaries and associates that correspond only to an extension of the operations of Codelco (entities that are not self-sufficient and whose main transactions are performed with Codelco), the functional currency is also the US dollar, as this is the functional currency of Codelco.

When the indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions under which each entity operates.

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 when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In the consolidation process, all significant balances and transactions between the consolidated companies have been fully eliminated, and the equity share of non-controlling interests has been recognized and presented as “Non-controlling Interests”. The consolidated financial statements take into account the elimination of intercompany balances, transactions and unrealized profit and loss between the consolidated companies, including foreign and local subsidiaries. The companies incorporated in the consolidation are detailed as follows:

Taxpayer Number	Company	Country	Functional Currency	3/31/2013			12/31/2012
				Entity Share Percentage			Entity Share Percentage
				Direct	Indirect	Total	Total
Foreign	Chile Copper Limited	England	GBP	100.00	-	100.00	100.00
Foreign	Codelco Services Limited	England	GBP	-	100.00	100.00	100.00
Foreign	Codelco Group Inc.	United States of America	USD	100.00	-	100.00	100.00
Foreign	Codelco Metals Inc.	United States of America	USD	-	100.00	100.00	100.00
Foreign	Codelco USA Inc.	United States of America	USD	-	100.00	100.00	100.00
Foreign	Codelco International Limited	Bermuda	USD	100.00	-	100.00	100.00
Foreign	Codelco Technologies Ltd.	Bermuda	USD	-	100.00	100.00	100.00
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.00	100.00	100.00
Foreign	Codelco Kupferhandel GmbH	Germany	EURO	100.00	-	100.00	100.00
Foreign	Metall Agentur GmbH	Germany	EURO	-	100.00	100.00	100.00
Foreign	Ecometales Limited	Anglonormandars	USD	-	100.00	100.00	100.00
Foreign	Codelco Shanghai Company Limited	China	USD	100.00		100.00	100.00
78.712.170-5	Compañia Minera Picacho (SCM)	Chile	USD	99.99	0.01	100.00	100.00
78.860.780-6	Compañia Contractual Minera los Andes	Chile	USD	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	Asociacion 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	99.90
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda,	Chile	CLP	-	99.90	99.90	99.90
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	USD	99.99	0.01	100.00	100.00
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	USD	99.99	0.01	100.00	100.00
96.854.500-0	Instituto de Innovación en Minería y Metalurgia S.A.	Chile	USD	99.93	-	99.93	99.93
96.876.140-4	Santiago de Río Grande S.A.	Chile	USD	99.99	0.01	100.00	100.00
96.991.180-9	Biosigma S.A.	Chile	USD	66.67	-	66.67	66.67
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	USD	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	Sociedad de Inversiones Copperfield Ltda.	Chile	USD	99.99	0.01	100.00	100.00
76.883.610-8	Energía Minera S.A.	Chile	USD	99.00	1.00	100.00	100.00
76.043.396-9	Innovaciones en Cobre S.A	Chile	USD	0.10	99.90	100.00	100.00
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	USD	99.90	0.10	100.00	100.00
76.167.903-1	Inversiones Mineras Acrux SpA.	Chile	USD	-	67.80	67.80	67.80
76.173.357-5	Inversiones Gacrux SpA.	Chile	USD	100.00	-	100.00	100.00
76.231.838-5	Inversiones Mineras Nueva Acrux SpA	Chile	USD	-	67.80	67.80	67.80
76.237.866-3	Inversiones Mineras Los Leones SpA	Chile	USD	100.00	-	100.00	100.00
76.173.783-K	Inversiones Mineras Becrux SpA	Chile	USD	-	67.80	67.80	67.80
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	USD	-	100.00	100.00	100.00
76.255.061-k	Central Eléctrica Luz Minera SpA	Chile	USD	100.00	-	100.00	100.00
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	USD	100.00	-	100.00	100.00
76.255.667-7	MCM Equipos S.A.	Chile	USD	100.00	-	100.00	100.00
70.905.700-6	Fusat	Chile	CLP	-	-	-	-
76.334.370-7	Inst. 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
96.796.530-8	Inmobiliaria Centro de Especialidades Torre Médica S.A.	Chile	CLP	-	75.09	75.09	75.09
77.928.390-9	Inmobiliaria e Inversiones Rio Cipreces Ltda.	Chile	CLP	-	99.99	99.99	99.99
77.270.020-2	Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	CLP	-	99.00	99.00	100.00

For the purposes of these interim 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 power to govern its operating and financial policies in order to obtain benefits from its activities under the conditions of IFRS 10. 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. For partially owned subsidiaries, the net assets and net earnings attributable to non-controlling shareholders are presented as “Non-controlling

interests" in the consolidated statements of financial position and consolidated statement of income.

- Associates - An associate is an entity over which Codelco is in the position to exercise significant influence, but not to control or jointly control, through the power to participate in the financial and operating policy decisions of that entity.

  Codelco's share of the net assets of such entities is included in the consolidated financial statements by using the equity method. This requires recording the initial investment at cost and then, in subsequent periods, adjusting the carrying amount of the investment to reflect Codelco's share in the income of associates, less any impairment of goodwill and any other changes in the associate's net assets.

  The Corporation makes adjustments to the proportional gains or losses obtained by the associate after the acquisition, in order to consider the effects that may exist in the depreciation of fair value of the assets according to the date of acquisition.

- Acquisitions and Disposals - The results of businesses acquired are incorporated in the consolidated financial statements from the acquisition date; the results of businesses sold during the period are incorporated into the consolidated financial statements up to the effective date of disposal. Gains or losses from the disposal are calculated as the difference between the sale proceeds (net of expenses) and the net assets attributable to the ownership interest that has been sold.

  Upon the occurrence of operations that generate a loss of control over a subsidiary, the valuation of investment which results from the loss of control in the subsidiary must be based on the fair values of such companies.

  If at the time of acquisition of an investment in an associate, Codelco´s share in the net fair value of identifiable assets and liabilities of the associate is higher than the cost of the investment, the Corporation recognizes revenue in the period in which such purchase was made.

- Joint Ventures - The entities that qualify as joint ventures, in which joint control exists over the operating and financial decisions, are accounted for using the equity method.

e) Foreign currency transactions - Monetary assets and liabilities denominated in foreign currency have been translated into U.S. dollars at the closing exchange rate of the period.

At the reporting period-end, monetary assets and liabilities denominated in currency other than the functional currency, indexed in unidades de fomento (UF or inflation index-linked units of account) (3/31/2013: US$48.48 ; 12/31/2012: US$47.51), are translated into U.S. dollars at the closing exchange rates of each period.

Income and expenses denominated in Chilean pesos have been translated into U.S. dollars at the exchange rate at the date when the transaction was recorded in the accounting records.

Exchange differences are recognized in net income in accordance with IFRS.

The financial statements of subsidiaries, associates and jointly controlled entities, whose functional currency is different from the presentation currency of Codelco, are translated using the following procedures:

- Assets and liabilities for each statement of financial position presented shall be translated at the closing rate at the date of that statement of financial position.

- Income and expenses for each statement of comprehensive income shall be translated at average exchange rates of the reporting period.

- All resulting exchange differences are recognized as a separate component of net equity.

The exchange rates used in each period are as follows:

Rate	Period-end exchange rates	
	3/31/2013	12/31/2012
USD / CLP	0.00212	0.00208
USD / GBP	1.5186	1.61629
USD / BRL	0.49554	0.48957
USD / EURO	1.28254	1.32188

f) Offsetting Balances and Transactions: As a general standard, assets and liabilities, income and expenses, are not offset in the financial statements, except for those cases in which offsetting is required or is allowed by some standard and the presentation is a reflection of the transaction.

Income or expenses arising from transactions which, for contractual or legal reasons, consider the possibility of offsetting and which the Corporation intends to liquidate for their net value or realize the assets and pay the liabilities simultaneously, are stated net in the statement of income.

g) Property, plant and equipment and depreciation - Property, plant and equipment items are initially recognized at cost. After their initial recognition, they are recorded at cost, less any accumulated depreciation and any accumulated impairment losses.

The costs of property, plant and equipment items related to the extension, modernization or improvement representing an increase of the productivity, capacity or efficiency or an increase in the useful life of the assets is capitalized as cost of the corresponding assets.

Furthermore, investments in assets acquired under finance lease contracts are not legally owned by the Corporation until the corresponding purchase option is exercised.

Items included in property, plant and equipment are depreciated in accordance with the straight-line method over their economic useful lives, which are summarized in the following table:

Items	Minimum useful life	Maximum useful life
Buildings	15 years	50 years
Plant and equipment	2 years	35 years
Fixtures and fittings	2 years	15 years
Motor vehicles	5 years	25 years
Mining Operations	20 years	35 years
Construction in progress (Mine development)	1 year	5 years
Land improvements	10 years	35 years
Other	5 years	24 years

The straight-line depreciation method mentioned above does not differ materially from depreciation results based on calculations which detect changes in production units.

The assets maintained under finance leases are depreciated during the estimated period of the lease contract or in accordance with the useful life of the assets, whichever is lower.

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

The profit or loss from disposal or withdrawal of an asset is calculated as the difference between the price obtained in the disposal and the value recorded in the ledgers recognizing the charge or credit to net income for the year.

Work in progress includes the amounts invested in the construction of property, plant and equipment assets and in mining development projects. Works in progress are transferred to assets in operation once the testing period has terminated and when they are available for use, and start to be depreciated as of that moment.

The ore deposits owned by the Corporation are recorded in the accounting records at US$1 (one US dollar).

Without limiting the foregoing, reserves and resources acquired as part of acquisitions of shares in companies where the economic value of such properties differs from the carrying amount are recorded at fair value less any accumulated losses for impairment, and deducting the value associated with the use and/or consumption of such reserves.

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 will be considered as part of the cost of property, plant and equipment items.

h) Impairment of Property, Plant and Equipment and Intangible Assets - Property, plant and equipment items and intangible assets of definite useful life are reviewed for impairment, in order to verify whether there is any indication that the carrying value cannot be recovered. If such an indicator exists, the recoverable amount of the assets is estimated to determine the extent of the impairment loss. Where the asset does not generate cash flows independently from other assets, Codelco estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

For assets with indefinite useful lives, the estimated recoverable amount is performed at the end of each year.

If the 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.

For such purposes, each division of the Corporation has been defined as a cash generating unit.

The measurement of impairment includes subsidiaries and associates.

The recoverable amount of an asset will be the higher of the fair value less costs to sell the asset and its value in use. When evaluating the value in use, the estimated future cash flows are discounted using an interest rate, before taxes, that shows the market evaluations corresponding to the time value of money and the specific risks of the asset, for which the future cash flow estimates have not been adjusted.

If the recoverable value of an asset or cash generating unit is estimated to be less than its carrying amount, an impairment loss is immediately recognized, reducing the carrying amount up to its recoverable amount with a charge to net income. In case of a subsequent reversal of the impairment, the carrying amount increases to the reviewed estimate of the recoverable amount, but only to the point that it does not exceed the carrying amount that would have been determined if no impairment had been recognized previously. A reversal is recognized as a decrease in the charge for depreciation for the year.

For CGUs, future cash flow estimates are based on the estimates of future production levels, future prices of basic products and future production costs. IAS 36 “Impairment of Assets” includes a series of restrictions to the future cash flows that can be recognized regarding the restructurings

and future improvements related to expenses. When calculating the value in use, it is also necessary to base the calculations on the current exchange rates at the moment of the measurement.

i) Exploration, Mine Development and Mining Operations Costs and Expenses - The Corporation has defined an accounting criterion for each of these costs and expenses.

Development expenses for deposits under exploitation whose purpose is to maintain production levels are charged to net income when incurred.

Expenses for exploration and drillings of deposits include the expenses destined to locate mineralized areas to determine their potential for commercial exploitation. The accounting policy for these expenses has been defined by the Corporation in accordance with IFRS 6 paragraph 9, which will mainly be treated as expenses in profit or loss in the period when the expenses occurred.

Pre-operating and mine development expenses (PP&E) 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 extraction of waste material, constructing the mine's infrastructure and other works carried out prior to the production phase.

Finally, the costs for the delimitation of new areas or deposit areas in exploitation and of mining operations (PP&E) are recorded in property, plant and equipment and are charged to net income during the period in which the benefits are obtained.

j) Deferred Stripping – Costs that arise by removing mine waste materials (overburden) to gain access to mineral ore deposits in open pits that are under production, incurred in order to access mineral deposits that are under production, or incurred in order to access mineral deposits are recognized in property, plant and equipment, provided they meet the following criteria set out in IFRIC 20:

- It is probable that the future economic benefits associated with the stripping activity will flow to the entity.
- It is possible to identify the component of an ore body for which access has been improved as a result of the stripping activity.
- The costs relating to the improved access to that component can be measured reliably.

The amounts recognized in property, plan and equipment are depreciated according to production units method extracted from the ore body related to the stripping activity wich generated this amount.

k) Income Taxes and Deferred Taxes - Codelco and its Chilean subsidiaries record Income Tax based on the net taxable income determined as per the standards established in the Income Tax

Law and Article 2 of the D.L. 2,398, as well as the specific tax on mining referred to in Law 20,026 of 2005. Its foreign subsidiaries record income tax according to the taxation standards of each country.

Deferred taxes due to temporary differences and other events that generate difference between the accounting and tax bases for assets and liabilities are recorded in accordance with the standards established in IAS 12 “Income taxes”.

In addition, a deferred tax is recognized for the net income of subsidiaries, associates and special purpose entities, originated by withholding taxes on remittances of dividends paid by such companies to the Corporation.

l) Inventory - Inventory is stated at cost, which does not exceed its net realizable value. The net realizable value represents the estimated sales price less all finishing costs and marketing, sales and distribution expenses. Costs have been determined according to the following methods:

- Finished Products and Products in Process: This inventory is stated at average production cost, according to the absorption costing method, including labor and the depreciation of property, plant and equipment, the amortization of intangible assets and the indirect expenses of each period.

- Materials in Warehouse: This inventory is stated at acquisition cost, and the Corporation determines an allowance for obsolescence considering the permanence in stock of slow moving materials in the warehouse.

- Materials in Transit: This inventory is stated at cost incurred until the period-end date. Any difference, due to the estimate of a lower net realizable value of the inventory, in relation to its accounting value, is adjusted with a charge to net income.

m) Dividends - The payment obligation of net revenues presented in the financial statements, as determined in Article 6 of D.L. 1,350, is recognized based on the accrued payment obligation.

n) Employee Benefits - Codelco recognizes accruals for employee benefits when there is a current obligation as a result of the services provided.

The contract conditions stipulate, subject to compliance with certain conditions, the payment of an employee termination benefit when an employment contract ends. In general, this corresponds to one monthly salary per year of service and considers the components of the final remunerations which are contractually defined as the basis for the indemnity. This benefit has been defined as a long-term benefit.

Codelco has also agreed to post-employment medical care for certain employees, which are paid based on a fixed percentage of the monthly tax base of the employees covered by this agreement. This benefit has been defined as a post-employment medical care benefit.

The employee termination benefit obligation and the post-employment medical plans are calculated in accordance with valuations performed by an independent actuary, using the projected unit credit method, which are updated on a regular basis. The obligation recognized in the statement of financial position represents the net present value of the employee termination benefit obligation and the post-employment medical benefit. Actuarial gains and losses are recognized immediately in the statement of other comprehensive income.

Management uses assumptions to determine the best estimate of these benefits. Such assumptions include an annual discount rate, mortality and morbidity tables, expected increases in compensation and future permanence, among other factors.

In accordance with its operating optimization programs to reduce costs and increase labor productivity by incorporating new current technologies and/or practical management best practices, the Corporation has established employee retirement programs by means of related addenda to employee contracts or collective union agreements with benefits that encourage employees to retire. Accordingly, the required accruals are established based on the accrued obligation at current value. In case of employee retirement programs which involve multiyear periods, the provisioned obligations for these concepts are updated considering a discount rate determined by financial instruments for the same currency used to pay the obligations and similar maturities.

o) Provisions for Dismantling and Restoration Costs - An obligation, legal or constructive, arises when dismantling and restoration costs are incurred as a result of alterations caused by a mining activity (in development or in production). Costs are estimated on the basis of a formal closure plan and are subject to yearly reviews.

The costs arising from the obligation to dismantle the installation of a plant or other project for the preparation of the site, discounted at their net present value, are accrued and capitalized at the beginning of each project, at which time the obligation to incur such costs is arises.

These dismantling costs are recorded in income via the depreciation of the asset that gave rise to this cost, and the provision is used when the dismantling takes place. Subsequent changes in the estimates of liabilities related to dismantling are added to or deducted from the costs of the related assets in the period in which the adjustment is made.

The restoration costs are accrued at their net present value against operating income, and the provision is used in the period during which the restoration works are performed. Changes in measurement of the liability related to the location of the mining activity (discount rate or time) are recorded in operating income and depreciated based on the useful lives of assets which give rise to these changes.

The effects of updating the liability, due to the discount rate and/or time, are recorded as finance costs.

p) Leases – (Codelco as a lessee) – Leases are classified as finance leases when the terms of the lease transfer all risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease costs under operating leases are charged to income over the lease term. Assets acquired under finance leases are recognized as assets at the start of the lease at either the fair value or the present value of minimum lease payments for the discounted lease at the contracted interest rate, whichever is lower. Interest is charged in the finance costs, at a fixed periodic rate, in the same depreciation period of the asset. The lease obligations net of financing costs are included in other current or non-current liabilities, as appropriate.

Under the provisions of International Financial Reporting Interpretations Committee ("IFRIC") 4 (IFRIC 4) titled "Determining whether an Arrangement Contains a Lease", an arrangement is, or contains a lease at the start date, if it uses a specific asset or assets or if it grants the right to use the asset, even if that right is not explicitly specified. For agreements occurring before January 1st, 2005, the start date is considered as January 1st, 2005 in accordance with the transitional requirements of IFRIC 4.

All take-or-pay contracts and any other service and supply contracts that meet the conditions established in IFRIC 4, are reviewed for indicators of an embedded leasing.

q) Revenue Recognition - Revenue is recorded when ownership rights and obligations have been substantially transferred to the purchaser, 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 for which the rights and obligations are substantially transferred based on receipt of the product at the buyer's destination point, and for these contracts revenue is recorded at the moment of transfer.

Sales contracts include a provisional price at the shipment date, whose final price is generally based on the price recorded in the London Metals Exchange ("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 quoted market prices on the LME up to the date of final settlement. The period between provisional invoicing and final settlement can be between one and nine months. Changes in fair value over the quotation period and up until final settlement are estimated by reference to forward market prices for the applicable metals.

Sales in the national market are recorded in conformity with the regulations that govern domestic sales as indicated in Articles 7, 8 and 9 of Law 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.

As indicated in the note related to hedging policies in the metal derivatives market, the Corporation enters into operations in the metal derivatives market. The net results of these contracts are added to or discounted from revenues.

Additionally the Corporation recognizes 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.

r) Derivative Contracts - Codelco uses derivative financial instruments to reduce the risk of fluctuations in the sales prices of its products and of exchange rates.

Derivatives are initially recognized at fair value at the date on which the derivative is entered into and subsequently updated at fair value at each reporting date.

The effective part of the changes in fair value of the derivatives that are allocated as “effective cash flow hedges”, is recognized directly in equity, net of taxes, in the item "Cash flow hedge reserves", while the ineffective part is recorded in the statements of comprehensive income on lines Finance expenses or Finance income depending on the effect generated by the ineffectiveness. The amount recognized in net equity is not transferred to other comprehensive income account until the results of the hedged operations are recorded in the statements of comprehensive income or until the maturity date of such operations.

A hedge is considered highly effective when the changes in fair value or in the cash flows of the underlying item attributable to the hedged risk, are offset with the changes in the fair value or in the cash flows of the hedge instruments, with effectiveness between a range of 80% - 125%. The corresponding unrealized profit or loss is recognized in comprehensive income for the period, only in those cases in which the contracts are liquidated or when they no longer comply with hedging characteristics.

The total fair value of the hedge derivatives is classified as a non-current asset or liability, if the remaining maturity of the hedged item is greater than 12 months, and as a current asset or liability, if the remaining maturity of the hedged item is lower than 12 months.

All derivatives designated as hedge instruments are classified as current or non-current assets or liabilities, respectively, depending on the maturity date of the derivative.

The derivative contracts entered into by the Corporation are originated by the application of the risk hedge policies indicated below, and are recorded as indicated for each case:

- *Hedging Policies for Exchange Rates*

  From time to time the Corporation enters into exchange rate and interest rate hedge transactions to cover exchange rate variations between the US dollar and the other currencies its transactions are conducted in. Pursuant to the policies established by the Board of Directors these operations are only performed when there are recognized assets or liabilities, the forecast of highly probable transactions or firm commitments, and not for investment or speculative reasons.

  The results of foreign exchange insurance operations are recorded at the maturity or liquidation date of the respective contracts.

- *Hedging Policies in the Metal Derivatives Markets*

  In accordance with the policies approved by the Board of Directors the Corporation entered into contracts in order to hedge future metal prices, backed by physical production, in order to minimize the inherent risks in price fluctuations.

  The hedging policies seek to protect expected cash flows from the sale of products by fixing the prices for a portion of future production, while to the extent necessary adjusting physical contracts to its standard commercial policies. When the sales agreements are fulfilled and the derivative contracts are settled, income from sales and derivative operations is offset.

  At each reporting date, these derivative contracts are recorded and adjusted to marked-to-market and recorded at the settlement date of the hedging operations, as a part of the sales revenue of the products.

  Hedging operations carried out by the Corporation are not of a speculative nature.

- *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 if the host contract is not recorded at fair value, the procedure determines whether the characteristics and risks of the embedded derivative are not closely related to the host contract, in which case it requires a separate recording.

  The procedure consists of an initial characterization of each contract that allows for distinguishing of those in which an embedded derivative could exist. In that case, the contract is submitted to a more in-depth analysis. If as a result of this evaluation it is determined that the contract has an embedded derivative that needs to be recorded separately, it is valued and the movements in its fair value are recorded in comprehensive income in the consolidated financial statements.

s) Financial Information by Segment - For the purposes of IFRS 8, *Operating Segments* the segments are defined as Codelco's Divisions, plus the Ministro Hales Division, whose operation is expected to begin at the end of 2013. Income and expenses of the Head Office are distributed in the defined segments.

t) Presentation of Financial Statements - For the purposes of IAS 1, *Presentation of the Financial Statements*, the Corporation establishes the presentation of its statement of financial position classified in "current and non-current" and of its statements of income in conformity with the "by function" method and its cash flows using the direct method.

With respect to the Statements of Other Comprehensive Income (loss) on currency exchange rate cash flow hedges and share of associates and joint ventures accounted for using the equity method, could have an affect of future Statements of Comprehensive Income (loss), while the Statement of Other Comprehensive Income (loss) of actuarial defined benefit plans will no have future effects on the Statement of Comprehensive Income.

u) Current and Non-Current Financial Assets - The Corporation determines the classification of its investments upon initial recognition and reviews these at each closing date. This classification depends on the purpose for which such investments were acquired.

In this section the following categories are observed:

- *Financial Assets at Fair Value through Profit or Loss*:

  This category includes those financial assets acquired for trading or sale in the short term. Their initial and subsequent recognition is performed at fair value, which is obtained as of the observable date in the market. The gains and losses from variations in fair value are included in net income for the period.

- *Loans Granted and Accounts Receivable*:

  These correspond to financial assets with fixed or determined payments, and which are not quoted in an active market. Their initial recognition is at fair value, which includes the transaction costs that are directly attributed to the issuance of it. Subsequent to the initial recognition, these are stated at amortized cost, recognizing in the statements of comprehensive income the accrued interest according to the effective interest rate and the possible losses in value of these assets.

  A loss in value of the financial assets stated at amortized cost is caused when there is objective evidence that the Corporation will not be able to recover all amounts in accordance with the original terms.

The amount of loss in value is the difference between the carrying amount and the net present value of the future cash flows discounted at the effective interest rate, and it is recognized as an expense in the statements of comprehensive income.

If in subsequent periods there is evidence of a recovery in the value of the financial asset stated at amortized cost, the recognized impairment loss will be reversed as long as it does not generate an amount in the financial asset ledgers that exceeds the one recorded prior to the loss. The accounting of the reversal is recognized in net income for the period.

Finally, an account receivable is not considered recoverable when situations arise such as the dissolution of the company, lack of identifiable assets for its execution or a legal pronouncement.

v) Financial Liabilities - Financial liabilities are recognized initially at fair value, net of the incurred transaction costs. As the Corporation does not own any financial liabilities held for trading, subsequent to their initial recognition, the financial liabilities are valued at amortized cost, using the effective interest rate method, recognizing the interest expenses based on the effective profitability.

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 when appropriate, a shorter period when the associated liability has a prepayment option that is considered to be exercised.

Trade accounts payable and other payables are financial liabilities that do not explicitly accrue interest and are recorded at their nominal value.

The financial liabilities are derecognized when the liabilities are paid or expire.

w) Allowance for Doubtful Accounts - The Corporation maintains an allowance for doubtful accounts, based on the experience and analysis of Management regarding the portfolio of trade accounts receivable and the aging of the items.

x) Cash and cash equivalents and Statement of Cash Flows prepared by direct method- Cash equivalents are comprised of highly liquid investments, which have a limited risk in relation to possible changes in value, and maturities of which are less than 90 days from date of purchase.

For the purposes of preparing the statement of cash flows, the Corporation has defined the following:

Cash and cash equivalents in the statement of financial position include cash at banks and on hand, and short term deposits and other highly liquid short term investments with an original

maturity of three months or less. In the statement of financial position, bank overdrafts are classified as external resources in current liabilities.

- Operating Activities: These are the activities that constitute the main source of operating income for the Corporation, as well as other activities that cannot be classified as investment or financing activities.

- Investing Activities: These correspond to acquisition or sale activities or disposal through other methods of long-term assets and other investments not included in cash and cash equivalents.

- Financing Activities: These are activities that cause changes in the size and composition of net equity and of financial liabilities.

y) Law No. 13,196 – According to Law No. 13,196, the return on foreign currency of Codelco´s copper export sales (FOB), including byproducts is taxed at 10%. The amount for this concept is presented in the statement of income in the item Other expenses, by function.

z) Cost of Sales - Cost of sales is determined according to the absorption cost method, including the direct and indirect costs, depreciation, amortization and any other expenses associated with the production process.

aa) 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 key for the wellbeing of its collaborators, care for the environment and success in its operations.

bb) Classification of Current and Non-Current Balances - In the interim consolidated statement of financial position, the balances are classified according to their maturities, that is, as current those with a maturity equal to or less than twelve months and as non-current 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, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

3. New standards and interpretations adopted by the Corporation

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Corporation for the year ended December 31, 2012, except for the adoption of new standards and interpretations effective from January 1st, 2013, which are:

a) IAS 19 Employee Benefits (revised 2011) (IAS 19-R)

The Corporation until December 31, 2012 recognized in profit for the period its actuarial gains and losses. IAS 19-R establishes the recognition of acturarial results as part of the Statement of Other Comprehensive Income and permanently exclude these from the profit and loss for the period. Other modifications include new disclosures, such as quantitative sensitivity of the variables set for the calcularion of the defined benefit giving rise to the liabilities.

IAS 19-R requires retrospective application of the associated effects, implying re-statements of previous years' financial statements.
Considering that the Corporation at December 31, 2012 and 2011, updated the discount rate used as an actuarial assumption in the calculation of some of its employee benefit obligation, the adoption of IAS 19-R, involved reclassifications in actuarial gains and losses from retained earnings to other comprehensive income, modifying statements of financial position as follows:

Effects at January 1st, 2012	Retained earnings ThUS$	Reserve of gains /(losses) on defined benefit plans ThUS$
Balance prior to the application of IAS 19-R	1,709,068	-
Adjustments for application of IAS 19-R	60,327	(60,327)
Balance with application of IAS 19-R	1,769,395	(60,327)

Effects at December 31, 2012	Retained earnings ThUS$	Reserve of gains /(losses) on defined benefit plans ThUS$
Balance prior to the application of IAS 19-R	4,189,769	-
Adjustments for application of IAS 19-R	54,687	(54,687)
Balance with application of IAS 19-R	4,244,456	(54,687)

b) IAS 1 Presentation of items in other comprehensive income – Modifications to IAS 1

The amendments made to the IAS 1 require separation of the items of Other Comprehensive Income which may be reclassified to the Statement of Comprehensive Income in the future (e.g. net results from cash flow hedges or exchange rate of foreign operations) of those items that standards do not allow to be reclassified to Comprehensive Income (e.g. gains and losses from benefits plans).

The amendment affects only the presentation of the Statement of Comprehensive Income and has no impact on the financial position of the Corporation.

c) IAS 1 Comparative reporting requirement – Explanatory amendment

It is required to include comparative information in the notes to the financial statements when there is a voluntary disclosure beyond the minimum comparative period.

IAS 1 also requires the presentation of an additional Statement of Financial Position when a retrospective accounting change is made and that items of the Financial Statements are reclassified, as long as any of those changes have a material effect on the Statement of Financial Position at the beginning of the previous period. The amendment clarifies that the additional Statement of Financial Position is not required to include comparative information in related notes.

d) IFRS 10 Consolidated Financial Statements and IAS 27 Consolidated and Separate Financial Statements.

IFRS 10 replaces IAS 27 “Consolidated and Separate Financial Statements” in sections related to consolidated financial statements and SIC 12 “Consolidation Special Purpose Entities”. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement in the investee and has the potencial to affect those returns through its power over the investee. The application of IFRS 10 had no impact on the determination of control or consolidation of investments held by the Corporation.

e) IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 “Interests in Joint Ventures” and SIC 13 “Jointly-controlled Entities – Non-monetary Contributions by Venturers”. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportional consolidation, leaving as the only option, the equity method. The application of IFRS 11 had no impact on the Consolidated Financial Statements of the Corporation.

f) IFRS 12 Disclosure of Interests in Other Entities

This standard establishes requirements for disclosures related to an entity´s interests in subsidiaries, joint arrengements, associates and structured entities. The additional disclosure requirements are

presented in Note 8 and 9, and are related to summarized financial information of material subsidiaries and associates.

g) IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of fair value measurements. This standard provides guidance on how to measure fair value when it is required or permitted by IFRS. The application of IFRS 13 has not materially affected the fair value measurements of the Corporation.

h) IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 indicates that the costs of waste removal activities in surface mine in a production phase (stripping of production phase), incurred with the purpose of granting access to an ore body, are recognized as part of Property, Plant and Equipment and are amortized based on units of production extracted from the mineralized zone specifically related to the respective removal activity that generates this amount.

The accounting treatment applied by the Corporation before the adoption of IFRIC 20 differed from the requirements of IFRIC 20 and established an amortization criteria based on linear amortization of the capitalized removal costs.

These Interim Unaudited Consolidated Financial Statements were prepared in accordance with IFRIC 20, which applies as of January 1st, 2013. Adopting IFRIC 20 resulted in a change in the accounting policy of the Corporation, as defined by IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

This involved making adjustments based on the criteria of IFRIC 20, so that the existing balances at December 31, 2011 in respect of stripping in the production phase (discussed by other accounting criteria based on IFRIC 20), are assigned as initial balance for purposes of applying IFRIC 20.

The impacts of this standard on the comparative amounts presented in the Interim Consolidated Financial Statements at March 31, 2013, were as follows:

Effects of IFRIC 20 Retained earnings, as of January 1, 2012	ThUS$
The balance of retained earnings, **as of January 1, 2012** under prior accounting policies	1,709,068
Adjustments to the balances prior to applying IFRIC 20, net of deferred taxes	(88,501)
The balance of retained earnings, as of January 1, 2012 adjusted by IFRIC 20	1,620,567

Effects of IFRIC 20 PP&E, net as of December 31, 2012	ThUS$
The balance of PP&E, net as of December 31, 2012 under prior accounting policies	17,044,931
Adjustments to IFRIC 20	(21,390)
Adjusted balance of PP&E as of December 31, 2012	17,023,541

Effects of IFRIC 20 gain (loss), before taxes as of three-months period ended at March 31, 2012	ThUS$
Gain (loss) before taxes under prior accounting policies as of December 31, 2012 before applying IFRIC 20	455,825
Adjustments to IFRIC 20	26,497
Gain (loss) before taxes after applying IFRIC 20 as of December 31, 2012	482,322

4. New accounting pronouncements

As of the issuance date of these interim consolidated financial statements, the following IFRS and IFRIC interpretations have been issued by the IASB. Their application was not mandatory (1):

New IFRS	Date of mandatory application	Summary
IFRS 9, Financial Instruments	Annual periods beginning on or after January 1, 2015	Financial assets must be entirely classified on the basis of the business model of the entity for financial asset management and the characteristics of contractual cash flows of financial assets. Financial assets under this standard are measured either at amortized cost or fair value. Only financial assets classified as measured at amortized cost must be tested for impairment.

Amendments to IFRS	Date of mandatory application	Summary
IFRS 10, Consolidated Financial Statements	Annual periods beginning on or after January 1, 2014	The amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosures of interests in other entities and IAS 27 Separate Financial Statements come from proposals in the Exposure Draft Investment Entities published in August 2011. The amendments define an investment entity and introduce an exception to consolidate certain subsidiaries owned by investment entities. These amendments require that an investment entity record these subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated financial statements and separate. The amendments also introduce new disclosure requirements related to investment entities in IFRS 12 and IAS 27.
IFRS 12, Disclosure of interests in other entities		
IAS 27, Separate Financial Statements		
IAS 32, Financial Instrument Presentation	Annual periods beginning on or after January 1, 2014	Clarifies the requirements regarding the application of compensations between financial entries.

(1) IAS, International Accounting Standard, IFRS, International Financial Reporting Standard, IFRIC, International Financial Reporting Interpretations Committee

Management is currently in the process of evaluating the initial effects of the application of the standards, amendments and interpretations that will be adopted in the consolidated financial statements of the Corporation in the respective years indicated, anticipating that they would not have significant impacts.

III. EXPLANATORY NOTES

1. Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

Items	3/31/2013 ThUS$	12/31/2012 ThUS$
Cash On hand	3,818	4,703
Bank Balances	44,956	33,439
Time deposits	998,625	1,124,459
Mutual Funds – Money Market	17,713	11,137
Resale Agreements	265,646	90,085
Total Cash and Cash Equivalents	1,330,758	1,263,823

Valuation of time deposits is made on an accrual basis with an interest rate associated with each of these instruments.

The Corporation does not maintain any significant amounts of cash and cash equivalents that are not available for use.

2. Trade and other receivables

a) Accrual for open sales invoices

As mentioned in the Article of Summary of Significant Accounting Policies, the Corporation adjusts its revenues and balances from trade accounts receivable, based on future copper prices, by recording an accrual for open sales invoices.

When the future price of copper is lower than the provisional invoice amount, this provision is presented in the Statement of Financial Position as follows:

- Customers that have debt balances with the Corporation are presented in Current Assets, decreasing the amounts owed by these customers.

- Customers that do not have debt balances with the Corporation are presented in the item Trade and other payables under Current Liabilities.

When the future copper price is higher than the provisional invoice price, the provision is presented in current assets, increasing the amounts owed by customers.

Based on the above-mentioned, trade receivables as of March 31, 2013 and of December 31, 2012 include a negative accrual of ThUS$93,291 and a positive accrual of ThUS$36,534, respectively, related to the accrual of open invoices.

b) Trade and other receivables

The following chart shows the amounts of Trade and other receivables, with their corresponding allowances:

Items	Current		Non-current	
	3/31/2013 ThUS$	12/31/2012 ThUS$	3/31/2013 ThUS$	12/31/2012 ThUS$
Trade Receivables (1)	676,811	1,616,493	-	-
Allowance for doubtful accounts (3)	(1,973)	(1,925)	-	-
Subtotal trade receivables, Net	674,838	1,614,568	-	-
Other Receivables (2)	451,386	540,243	169,856	171,699
Allowance for doubtful accounts (3)	(6,023)	(5,708)	-	-
Subtotal other receivables, Net	445,363	534,535	169,856	171,699
Total	1,120,201	2,149,103	169,856	171,699

(1) Trade receivables are generated by sales of the Corporation, which are generally sold for cash or by bank guarantee.

(2) Other receivables include the amounts owed mainly by:

- Personnel of the Corporation, including short-term loans and mortgage loans, payment for which is withheld on a monthly basis from employee paychecks. The mortgage loans are backed by mortgage guarantees.
- Claims from insurance companies.
- Liquidations to the Central Bank as per Law 13,196.
- Advance payments to suppliers and contractors, to be discounted from the corresponding payment statements.
- Accounts receivable for toll services (Ventanas' Smelter).

(3) The Corporation maintains an allowance for doubtful accounts, based on the experience and analysis of Management regarding the portfolio of trade accounts receivable and the aging of the entries.

The movement of the allowance for doubtful accounts in the three-month period ended at March 31, 2012 and for the period 2012 is detailed as follows:

Movements of allowance for doubtful accounts	3/31/2013 ThUS$	12/31/2012 ThUS$
Opening balance	7,633	6,368
Increases	365	1,841
Write-offs/applications	(2)	(576)
Movement, subtotal	363	1,265
Final balance	7,996	7,633

Past due and not impaired balances are detailed as follows:

Maturity	3/31/2013 ThUS$	12/31/2012 ThUS$
Less than 90 days	16,992	22,250
Between 90 days and 1 year	23,975	19,075
More than 1 year	22,331	24,975
Total past-due and not impaired	63,298	66,300

3. Balance and Related Party Disclosures

a) Transactions with the Board of Directors

According to the New Corporate Governance Law, Codelco's Board Members were affected in business with related parties, as described in Title XVI of the Corporations law (regarding transactions with related parties in publically traded companies and their affiliates).

As provided in the final paragraph of Article 147 b) of Title XVI, which contains exceptions regarding the approval process for related party transactions, the Corporation has set a general policy of regularity (reported to the SVS as a material fact), which establishes common transactions ordinarily made with its related parties within their line of business, contributes to their social interest and are necessary for Codelco's normal developmental activities.

In addition, consistent with the legal framework, the Corporation maintains within its internal framework a specific policy about transactions with persons and companies related to Codelco personnel. Codelco Corporate Standard No. 18 (NCC No. 18), whose latest version currently in force was approved by the Executive President and the Board.

Codelco, without the authorization indicated in NCC No. 18 and the Board of Directors, when required by Law or the Corporate Statute, shall not enter into contracts involving one or more Directors, Executive President, members of the Committee of Managing Directors, Vice President, Legal Counsel, General Auditor, General Manager, Senior Management or staff who must make recommendations and/or has the authority to resolve tenders, purchases and assignments and/or purchases of goods and services and the staff that holds management

positions (until the fourth hierarchical level in the organization), including their spouses, children and other relatives up to the 2nd degree of relation, with an interest in itself, directly, or represented by third parties or on behalf of another person. The NCC No. 18 obligates the Corporation's contract to declare all such relationships, as well as remove related job responsibilities from any member within these positions who may be involved.

This prohibition also includes the companies in which such individuals are involved through ownership or management, whether directly or through representation of other natural persons or legal entities, or individuals who have ownership or management interests in those companies.

The Board of Directors has been informed of the transactions covered by Codelco Corporate Standard No. 18, and upon which it must decide, according to this standard.

Among these operations are those indicated in the following chart, for the total amounts indicated, which need to be executed in the periods specified by each contract:

Entity	Taxpayer Number	Country	Nature of the relationship	Description of the transaction	1/1/2013 3/31/2013 Amount ThUS$	1/1/2012 3/31/2012 Amount ThUS$
Sociedad de Procesamiento de Molibdeno Ltda.	76.148.338-2	Chile	Subsidiary	Services	36	-
Cosando Construcción y Montaje Ltda.	77.755.770-K	Chile	Employee´s relative	Services	10,452	-
Fundación Orquesta Sinfónica Infantil de los Andes	65.018.784-9	Chile	Founder	Services	-	279
Kairos Mining S.A.	76.781.030-K	Chile	Other related	Services	-	55,600
Servicios Aridam S.A.	76.033.531-2	Chile	Employee´s relative	Services	-	5,654
Club Deportes Cobresal	70.658.400-5	Chile	Executive club president	Services	-	653
Isapre Chuquicamata Ltda.	79.566.720-2	Chile	Subsidiary	Services	-	3,637
Anglo American Sur S.A.	77.762.940-9	Chile	Investee	Services	20	-
Clínica Río Blanco S.A	99.573.600-4	Chile	Subsidiary	Services	5,352	-
Fundacion Educacional Chuquicamata	77.747.300-9	Chile	Founder	Services	2,650	-
Centro de Especialidades Médicas Río Blanco Ltda.	76.064.682-2	Chile	Subsidiary	Services	6,954	-
Sociedad Contractual Minera El Abra	96.701.340-4	Chile	Investee	Services	10,000	-
Salomón Sack S.A.	90.970.000-0	Chile	Director´s ownership	Supplies	-	1,036

b) Key Personnel of the Corporation

In accordance with the policy established by the Board of Directors and its related regulation, those transactions affecting the Directors, its Executive President, Vice presidents, Corporate Auditor, the members of the Divisional Management Committees and Divisional General Managers should be approved by this Board.

During the first quarter 2013 and 2012, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2013 3/31/2013	1/1/2012 3/31/2012
					Amount ThUS$	Amount ThUS$
Jorge Bande Bruck	5.899.738-2	Chile	Director	Director´s fees	29	27
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	12	13
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Director´s fees	29	20
Gerardo Jofré Miranda	5.672.444-3	Chile	Chairman of the Board	Director´s fees	44	41
Marcos Büchi Buc (1)	7.383.017-6	Chile	Director	Director´s fees	-	-
Fernando Porcile Valenzuela	4.027.183-K	Chile	Director	Director´s fees	29	20
Andrés Tagle Domínguez	5.895.255-9	Chile	Director	Director´s fees	29	20
Marcos Lima Aravena	5.119.963-4	Chile	Director	Director´s fees	36	34
Juan Luis Ossa Bulnes	3.638.915-K	Chile	Director	Director´s fees	29	20
Augusto González Aguirre	6.826.386-7	Chile	Director	Payroll	35	-
Augusto González Aguirre	6.826.386-7	Chile	Director	Director´s fees	29	-

(1) During the periods from January 1st to March 31, 2013 and 2012, the Corporation has not issued any payment instrument for the concept of remunerations to Mr. Marcos Büchi Buc, derived from his participation as Corporation Director, since he has expressly and irrevocably waived those payments, as well as any present or future collection action for that concept.

Through Supreme Decree of the Treasury Department No. 302, dated February 29, 2012, the method for determining the remunerations of the Corporation's directors was actualized. This document details the calculation method of such remunerations, as per the following:

a) The monthly salary of the directors of Codelco for participating in Board meetingss fixed in the amount of Ch$3,282,300 - (three million two hundred and eighty two thousand three hundred Chilean pesos).

b) A unique monthly salary of Ch$6,564,600 - (six million five hundred and sixty four thousand six hundred Chilean pesos) is established for the Chairman of the Board.

c) Directors that shall participate in a Board Committee, whether the one referred to in Article 50 bis) of law No. 18,046 or another established by the by-laws of the Corporation, receive a single additional monthly amount of Ch$1,094,100 - (one million ninety four thousand and one hundred Chilean pesos) for their participation, notwithstanding the number of committees in which they participate. In addition, the director holding the chair of the Directors' Committee shall receive a single monthly remuneration for his participation in committees of Ch$2,188,200 - (two million one hundred eighty eight thousand and two hundred Chilean pesos).

d) The compensation established in this legal document will be valid for a period of two years, starting from March 1, 2012, and was adjusted by 5% as of January 1st, 2013, following the same standards that apply to the employees of the public sector of the Republic of Chile.

The short-term benefits related to the executives of the Corporation, paid during the period January - March 2013, amount to ThUS$ 4,773 (Jan – Mar 2012: ThUS$ 4,205).

The criteria used to determine the remunerations of the executives was established by the Board on January 29, 2003.

During the first quarter 2013, Codelco made severance payments to senior executives in the amount of ThUS$ 1,048.

There were no non-current benefit payments during first quarter 2013 and 2012, different than those mentioned in the previous paragraph.

There are no share-based benefit plans.

c) Operations with Codelco Investees

In addition, the Corporation performs necessary commercial and financial transactions with entities in which it has capital ownership. The financial transactions correspond mainly to loans in checking accounts.

The commercial operations with related companies refer to the purchase and sale of products or services, at market conditions and prices and which do not consider interest or indexation. These companies, for the first quarter 2013 and 2012, are the following: Sociedad GNL Mejillones S.A., Copper Partners Investment Corporation Ltd., Copper for Energy, Sociedad Contractual Minera Purén, Kairos Mining S.A., MI Robotic Solutions S.A., Sociedad Contractual Minera El Abra, Agua de La Falda S.A., Ecosea Farming S.A., Comotech S.A., Deutsche Geissdraht GmbH, Inca de Oro S.A. and Anglo American Sur S.A..

The Corporation does not establish an allowance for doubtful accounts for the main items receivable from their related companies, as these have been registered by including the relevant safeguards in the respective debt contracts.

Accounts receivable from and payable to related companies as of March 31, 2013 and of December 31, 2012, are detailed as follows:

Accounts receivable from related companies

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					3/31/2013	12/31/2012	3/31/2013	12/31/2012
					ThUS$	ThUS$	ThUS$	ThUS$
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	13,060	19,238	21,077	41,022
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	9	3,232	-	-
Foreign	Copper Partners Invest. Company Ltd.	Bermuda	Joint venture	USD	-	6,345	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	USD	-	-	224	224
76.024.442-2	Ecosea Farming S.A.	Chile	Associate	CLP	16	480	55	59
76.781.030-K	Kairos Mining S.A.	Chile	Other investments	CLP	-	147	-	-
Totals					13,085	29,442	21,356	41,305

Accounts payable to related companies

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					3/31/2013	12/31/2012	3/31/2013	12/31/2012
					ThUS$	ThUS$	ThUS$	ThUS$
Foreign	Copper Partners Investment Company Ltd.	Bermuda	Joint venture	USD	33,475	33,610	268,901	275,011
Foreign	Deutsche Geissdraht GmbH	Germany	Associate	EURO	1,710	2,985	-	-
76.869.100-2	Mining Industry Robotic Solutions S.A.	Chile	Associate	CLP	27	93	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	23,324	58,372	-	-
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	5,536	2,686	-	-
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	USD	44,671	45,618	-	-
Totals					108,743	143,364	268,901	275,011

The transactions performed between the Corporation and its related companies during the first quarters ended March 31, 2013 and 2012 are detailed in the next chart together with their corresponding effects on profit or loss:

Taxpayer number	Entity	Nature of the relationship	Country	Indexation currency	1/1/2013 3/31/2013		1/1/2012 3/31/2012	
					Amount	Effects on net income (charges) /credits	Amount	Effects on net income (charges) /credits
					ThUS$	ThUS$	ThUS$	ThUS$
Foreign	Copper Partners Investment Co. Ltd.	Sales of products	Bermuda	USD	21,735	21,735	30,871	30,871
Foreign	Copper Partners Investment Co. Ltd.	Dividends received	Bermuda	USD	38,000	-	34,500	-
77.762.940-9	Anglo American Sur S.A.	Purchase of products	Chile	USD	206,502	-	-	-
77.762.940-9	Anglo American Sur S.A.	Purchase of products	Chile	USD	19,151	(19,151)	-	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Purchase of energy	Chile	USD	7,229	(7,229)	52,410	(52,410)
76.775.710-7	Sociedad GNL Mejillones S.A.	Collection of loans	Chile	USD	26,199	-	16,650	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Loan interests	Chile	USD	-	-	622	622
76.775.710-7	Sociedad GNL Mejillones S.A.	Guaranty fee	Chile	USD	46	46	167	167
96.701.340-4	SCM El Abra	Dividends received	Chile	USD	24,500	-	-	-
96.701.340-4	SCM El Abra	Purchase of products	Chile	USD	113,416	(113,416)	132,050	(132,050)
96.701.340-4	SCM El Abra	Sale of products	Chile	USD	7,417	7,417	9,570	9,570
96.701.340-4	SCM El Abra	Purchase of services	Chile	USD	1,376	(1,376)	3,957	(3,957)
96.701.340-4	SCM El Abra	Commissions received	Chile	USD	36	36	38	38
Foreign	Deutsche Geissdraht GmbH	Dividends received	Germany	EURO	938	-	1,410	-
73.063.022-5	Inca de Oro S.A.	Contribution	Chile	USD	1,547	-	-	-

d) Additional Information

The current and non-current account payable to the company Copper Partners Investment Company Ltd., corresponds to the balance of an advance payment received (US Th$550,000) due to the commercial agreement with the company Minmetals.

The current and non-current receivables balance from Sociedad GNL Mejillones S.A. refers to a loan agreement signed with the company, with a maturity of December 31, 2016 and an interest rate of Libor 90 days +4,5%.

The product purchase transaction with Anglo American Sur S.A., corresponds to the normal operations of both companies made to acquire copper and other products. In addition, certain contracts between the Corporation's subsidiary Inversiones Mineras Nueva Acrux S.p.A. (of which Mitsui is a minority shareholder) and Anglo American Sur S.A., the latter agreed to sell a portion of its annual copper production to the subsidiary.

4. Inventories

Inventories as of March 31, 2013 and December 31, 2012 are detailed as follows:

Items	3/31/2013 ThUS$	12/31/2012 ThUS$
Finished products	1,025,380	736,064
Subtotal finished products, net	1,025,380	736,064
Products in process	1,297,444	1,196,720
Subtotal products in process, net	1,297,444	1,196,720
Material in warehouse and other	597,309	581,128
Obsolescence allowance adjustment	(81,390)	(81,947)
Subtotal material in warehouse and other, net	515,919	499,181
Total	2,838,743	2,431,965

The value of finished products is stated net of unrealized profit corresponding to the purchase and sales operations of associates and subsidiaries, and which need to be discounted from the entries that originated them in an amount of ThUS$ 19,146 for March 31, 2013 and ThUS$ 6,971 for December 31, 2012, respectively.

The inventory recognized as an expense in the cost of sales during first quarter of 2013 and 2012, corresponds to finished products and amounts to ThUS$2,238,688 and ThUS$2,292,379 respectively.

The change in the obsolescence provision is described in the following table:

Movements of obsolescence allowance	ThUS$
Initial Balance 1/1/2013	(81,947)
Additions	(32,005)
Reversals	32,562
Final Balance 3/31/2013	(81,390)

As of March 31, 2013 and 2012 Codelco has not written off inventory that has been recognized in the Statements of Comprehensive Income.

The Corporation performed inventory adjustments on those assets whose book value exceeds their net realizable value. This adjustment, for the first quarter 2013, was ThUS$ 41,481, while the book value of inventories adjusted, to that date, corresponded to ThUS$ 395,881. During the ended period of 3 months, on March 31, 2012, no adjustments were made for this item.

Codelco, along with Sociedad Contractual Minera El Abra, purchase and sell copper. At March 31, 2013, the value of finished goods inventories for this category had an unrealized profit provision of ThUS$ 13,546. At December 31, 2012, an unrealized provision of ThUS$ 6,971 was filed.

The Corporation enters into transactions for the purchase and sale of copper with Anglo American Sur S.A. The value of finished goods inventories for this category has an unrealized profit provision of ThUS$ 5,600. At December 31, 2012, no provision was introduced as unrealized.

5. Deferred taxes and income taxes

This provision is stated in the item Current Tax Assets, in current assets, net of monthly provisional tax payments and other tax credits (Note 6).

For the Specific Tax on Mining Activities, in accordance with Law 20.469, a tax rate of 5% was estimated for this fiscal period.

Deferred tax assets and liabilities are detailed as follows:

Deferred tax assets	3/31/2013 ThUS$	12/31/2012 ThUS$
Provisions	1,105,684	1,046,454
Unrealized gains	43,783	43,783
Finance lease	25,133	28,078
Derivatives – futures	-	9,112
Advances from clients	181,506	185,173
Tax loss	30,436	28,265
Health care plans	14,654	14,654
Other	4,051	7,081
IFRIC 20 first adoption	-	12,833
Total deferred tax assets	1,405,247	1,375,433

Deferred tax liabilities	3/31/2013 ThUS$	12/31/2012 ThUS$
Derivatives - exchange rate	2,669	706
Specific mining tax	45,305	41,236
Price-level restatement of property, plant and equipment, IFRS first time adoption	730,826	752,988
Valuation of employee termination benefit	109,026	109,646
Accelerated depreciation	2,511,613	2,520,323
Anglo American Sur S.A. investment	688,843	695,669
Income from fair value of mining properties	80,382	80,382
Other	70,209	70,745
IFRIC 20 First adoption	5,837	-
Total deferred tax liabilities	4,244,710	4,271,695

The effect of deferred taxes affecting equity is summarized as follows:

Deferred taxes affecting Equity	3/31/2013 ThUS$	12/31/2012 ThUS$
Cash Flow Hedge	(15,933)	(379,740)
Total deferred taxes affecting equity	(15,933)	(379,740)

A reconciliation of taxes considering the legal tax rate and the calculation of the taxes actually paid is detailed as follows:

Items	3/31/2013				
	Taxable base 20%	Taxable base 40%	Tax rate 20%	Additional tax rate 40%	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Profit (losses) before taxes	599,804	599,804	119,961	239,922	359,883
Permanent differences 20%	(108,905)	-	(21,781)	-	(21,781)
Permanent differences 40%	-	(34,502)	-	(13,801)	(13,801)
Income from corporations and other	(42,796)	(12,239)	(8,559)	(4,896)	(13,455)
Income from contractual companies	(44,355)	-	(8,871)	-	(8,871)
Income from Isapres (Private health insurance companies)	61	-	12	-	12
Foreign exchange differences	431	431	86	172	258
Specific mining tax	(30,824)	(30,824)	(6,165)	(12,329)	(18,494)
Others	8,578	8,578	1,716	3,431	5,147
Absorption Minera Gaby SpA	-	(448)	-	(179)	(179)
Effect of subsidiaries	-	-	-	-	18,013
Total tax expense			98,180	226,121	342,314

Items	3/31/2012				
	Taxable base 18.5%	Taxable base 40%	Tax rate 18.5%	Additional tax rate 40%	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Profit (losses) before taxes	1,205,807	1,205,807	223,074	482,323	705,397
Permanent differences 18.5%	(146,870)	-	(27,171)	-	(27,171)
Permanent differences 40%	-	(65,139)	-	(26,056)	(26,056)
Income from corporations and other	(29,875)	(29,875)	(5,527)	(11,950)	(17,477)
Income from contractual companies	(61,440)	-	(11,366)	-	(11,366)
Income from Isapres (Private health insurance companies)	(630)	-	(117)	-	(117)
Foreign exchange differences	(2,086)	2,086	386	834	1,220
Specific mining tax	(64,357)	(64,357)	(11,906)	(25,743)	(37,649)
Other	7,346	27,007	1,359	10,803	12,162
Specific mining tax, net of deferred tax	-	-	-	-	69,541
Reverse of rate change	-	-	-	-	337
Effect of subsidiaries	-	-	-	-	1,437
Total tax expense			195,903	456,267	723,485

6. Current tax assets and liabilities

a) Current tax assets

This item shows the right to collect VAT fiscal credit, income taxes and other taxes receivable, and is detailed as follows:

Current tax assets	3/31/2013 ThUS$	12/31/2012 ThUS$
VAT fiscal credit	163,741	203,883
Other taxes	10,810	23,027
Income tax	127,470	400,660
Total	302,021	627,570

b) Current tax liabilities

This item shows the income tax liabilities, net of monthly provisional payments:

Current tax liabilities	3/31/2013 ThUS$	12/31/2012 ThUS$
Income tax payable	11,742	50,205
Total	11,742	50,205

7. Property, Plant and Equipment

a) The balances of Property, plant and equipment at March 31, 2013 compared with December 31, 2012, are as follows:

Property, Plant and Equipment, gross	3/31/2013 ThUS$	12/31/2012 ThUS$
Work in progress	5,678,544	5,515,165
Land	119,396	119,265
Buildings	3,449,495	3,430,809
Plant and Equipment	11,704,886	11,465,568
Fixtures and fittings	47,513	35,648
Motor vehicles	1,441,429	1,434,168
Land Improvements	3,813,464	3,751,829
Mining Operations	3,380,359	3,564,849
Mine development	1,056,172	986,283
Other Assets	1,147,748	1,223,265
Total Property, Plant and Equipment, gross	31,839,006	31,526,849

Property, Plant and Equipment, accumulated depreciation	3/31/2013 ThUS$	12/31/2012 ThUS$
Work in progress	-	-
Land	-	-
Buildings	2,153,518	2,128,436
Plant and Equipment	6,898,936	6,660,692
Fixtures and fittings	31,386	27,286
Motor vehicles	784,374	806,856
Land Improvements	2,126,108	2,082,906
Mining Operations	1,470,104	1,854,250
Mine development	503,894	475,417
Other Assets	406,703	467,464
Total Property, Plant and Equipment, accumulated depreciation	14,375,023	14,503,307

Property, Plant and Equipment, net	3/31/2013 ThUS$	12/31/2012 ThUS$
Work in progress	5,678,544	5,515,165
Land	119,396	119,265
Buildings	1,295,977	1,302,373
Plant and Equipment	4,805,950	4,804,876
Fixtures and fittings	16,127	8,362
Motor vehicles	657,055	627,312
Land Improvements	1,687,356	1,668,923
Mining Operations	1,910,255	1,710,599
Mine development	552,278	510,866
Other Assets	741,045	755,801
Total Property, Plant and Equipment, net	17,463,983	17,023,542

b) Movement of Property, plant and equipment:

Movements	Work in Progress	Land	Buildings	Plant and Equipment	Fixtures and Fittings	Motor vehicles	Land Improvements	Mining Operations	Mine Development	Other Assets	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening Balance as of 1/1/2013	5,515,165	119,265	1,302,373	4,804,876	8,362	627,312	1,668,923	1,710,599	510,866	755,801	17,023,542
Additions	767,881	-	24	57	11	-	-	110,976	-	4,256	883,205
Disposals	(2)	-	(2)	(1,005)	-	(344)	-	(920)	-	-	(2,273)
Capitalizations	(386,326)	-	6,593	77,016	-	55,365	27,594	152,424	69,889	-	2,555
Depreciation and Amortization	-	-	(27,529)	(159,870)	(799)	(22,843)	(40,831)	(101,347)	(28,477)	(15,350)	(397,046)
Reclassifications	(218,158)	(82)	13,928	84,594	8,547	(2,486)	31,670	85,687	-	(3,702)	(2)
Impairment	-	-	-	-	-	-	-	-	-	-	-
Others	(16)	213	590	282	6	51	-	(47,164)	-	40	(45,998)
Total movements	163,379	131	(6,396)	1,074	7,765	29,743	18,433	199,656	41,412	(14,756)	440,441
Final Balance 3/31/2013	5,678,544	119,396	1,295,977	4,805,950	16,127	657,055	1,687,356	1,910,255	552,278	741,045	17,463,983

Movements	Work in Progress	Land	Buildings	Plant and Equipment	Fixtures and Fittings	Motor vehicles	Land Improvements	Mining Operations	Mine Development	Other Assets	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening Balance as of 1/1/2012	3,320,333	101,057	1,267,656	4,582,960	10,264	539,512	1,341,482	1,305,747	428,326	319,175	13,216,512
Additions	3,921,379	3	16,808	7,446	304	34	-	334,286	-	414,905	4,695,165
Disposals	(20,010)	-	(1,900)	(11,814)	-	(1,087)	(6)	(14,279)	-	(16)	(49,112)
Capitalizations	(1,585,623)	10,992	82,949	506,584	791	200,367	379,438	222,573	195,122	-	13,193
Depreciation and Amortization	-	-	(109,539)	(586,455)	(2,267)	(90,171)	(138,757)	(367,654)	(112,589)	(63,695)	(1,471,127)
Reclassifications	(190,746)	6,202	(433)	(70,723)	(510)	(20,497)	49,027	96,466	7	85,407	(45,800)
Impairment	-	-	-	(8,380)	(335)	-	-	-	-	-	(8,715)
Closure provision	-	-	50,824	441,937	227	12	38,688	-	-	-	531,688
Others	69,832	1,011	(3,992)	(56,679)	(112)	(858)	(949)	133,460	-	25	141,738
Total movements	2,194,832	18,208	34,717	221,916	(1,902)	87,800	327,441	404,852	82,540	436,626	3,807,030
Final Balance 12/31/2012	5,515,165	119,265	1,302,373	4,804,876	8,362	627,312	1,668,923	1,710,599	510,866	755,801	17,023,542

c) The value of construction in progress, is directly associated with the operating activities of the Corporation and its subsidiaries, and relates to the acquisition of equipment and projects in construction.

d) The Corporation has contracted insurance policies to cover the potential risks to which the various elements of property, plant and equipment are subject, and any claims that could arise from their activities during the period, these policies provide adequate coverage of the potential risks.

e) Borrowing costs capitalized for the first quarter of 2013 amounted to ThUS$ 25,000, calculated on an annual capitalization rate of 4.32%. The amount for the same period of 2012 was ThUS$ 11,379 calculated on an annual compounding rate of 4.34%.

f) The item "Other assets" under "Property, plant and equipment" includes:

Other assets, net	3/31/2013 ThUS$	12/31/2012 ThUS$
Leasing assets	80,278	80,745
Mining properties from purchase of Anglo American Sur S.A. shares	402,000	402,000
Others	258,767	273,056
Total other assets, net	741,045	755,801

g) With the exception of assets under lease whose legal title corresponds to the lessor, the Corporation currently has no ownership restrictions relating to assets belonging to Property, plant and equipment.

Codelco has not granted “Property, plant and equipment” assets as collateral to third parties in order to enable the realization of its normal business activities or as a commitment to support payment obligations.

8. Investments accounted for using the equity method

The following table sets forth the carrying amount and the share of profit of the investments accounted for using the equity method:

Items	Equity Method		Accrued Net Income	
	3/31/2013	12/31/2012	1/1/2013 3/31/2013	1/1/2012 3/31/2012
	ThUS$	ThUS$	ThUS$	ThUS$
Investments in associates accounted for using the equity method	7,285,239	7,466,286	73,064	75,886
Joint Ventures	167,360	178,326	26,159	40,243
Total	7,452,599	7,644,612	99,223	116,129

a) Associates

Agua de la Falda S.A.

As of March 31, 2013, Codelco has a 43.28% interest in Agua de la Falda S.A., with the remaining 56.72% owned by Minera Meridian Limitada.

The line of business of this company is to exploit deposits of gold and other minerals, in the third region of the country.

Sociedad Contractual Minera El Abra

Sociedad Contractual Minera El Abra was formed in 1994. As of March 31, 2013, Codelco has a 49% interest in Sociedad Contractual Minera El Abra, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

Company activities involve the extraction, production and marketing of copper cathodes.

Sociedad Contractual Minera Purén

As of March 31, 2013, Codelco has a 35% interest in Sociedad Contractual Minera Purén, with the remaining 65% owned by Compañía Minera Mantos de Oro.

This company's line of business is to explore, identify, survey, investigate, develop and exploit mineral deposits in order to extract, produce and process ore.

Kairos Mining S.A.

Until November 26, 2012 Codelco maintained a 40% interst in Kairos Mining S.A., with the remaining 60% majority owned by Honeywell Chile S.A. Kairos Mining S.A. provides automation and control services for industrial and mining activities and to license technology and software licenses.

On November 21, 2012, the Corporation sold part of its stake to Honeywell Chile S.A.. After the sale, Codelco held a 5% share on March 31, 2013, while the remaining 95% was held by Honeywell Chile S.A, resulting in revenue before tax was ThUS$ 13.

Mining Industry Robotic Solutions S.A.

As of March 31, 2013, Codelco has a 36% interest in Mining Industry Robotic Solutions S.A., with the remainder owned by Support Company Limited with 53%, Nippon Mining & Metals Co. Ltd., 9% and Kuka Roboter GmbH, 2%.

The company's line of business is the research, design, creation, invention, manufacture, installation, supply, maintenance and marketing in any form or type of robot products, technology products of a robotic nature or complementary supplies necessary for the marketing and maintenance of those products that can be used in the mining and metals industry and related services; to produce under license, license and market the licensing of products, processes and technology services of a robotic nature for the mining and metallurgical industry, as well as any other form of use by third parties of products or services based on such technology. In addition, the company can also form all types of companies and participate as a partner or shareholder in any existing company.

Sociedad GNL Mejillones S.A.

As of March 31, 2013, Codelco has a 37% interest in Sociedad GNL Mejillones S.A., with the remaining 63% owned by Suez Energy Andino S.A. These interests were established on November 5, 2010 when the Corporation did not increase the capital agreed upon by the meeting of shareholders of such company. Before the actual increase, both the Corporation and Suez Energy Andino S.A. had a 50% interest each.

This company's line of business 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, singly or in partnership with third parties.

Comotech S.A.

As of March 31, 2013, Codelco has a 48.19% interest in Comotech S.A. through its indirect subsidiary Innovaciones en Cobre S.A.

The company's line of business is to carry out research activities to increase the demand for molybdenum at the national and international level through new and better applications, uses and/or markets.

Inca de Oro S.A.

On June 1, 2009 Codelco's Board authorized the formation of a company destined to developing studies to allow continuity of the Inca de Oro Project.

On February 15, 2011, the association of Codelco and Minera PanAust IDO Ltda. was approved in respect to the Inca de Oro deposit, with 66% of the share of Inca de Oro S.A. held by Minera PanAust IDO Ltda. and Codelco maintains a 34% share. Before the materialization of this association, Codelco owned the 100% of the society.

Copper for Energy S.A.

As of March 31, 2013, Codelco has a 25% interest in the share capital of International Copper Association Ltd., a 25% interest in Fundación Chile and a 25% interest in Universidad de Chile.

Copper for Energy S.A.'s line of business is to develop and commercialize new products and applications for copper, destined to make the most efficient use of energy and/ or to generate and utilize renewable energy; conducting and ordering research, carrying out studies and projects, rendering of training services and activities.

Deutsche Giessdraht GmbH

As of March 31, 2013, Aurubis and Codelco through its affiliate, Codelco Kupferhandel GmbH, have a 60% and 40% interest, respectively.

The company produces wire rods in its Emmerich, Germany facility.

Anglo American Sur S.A.

On August 24, 2012, the company Inversiones Mineras Acrux SpA. (Acrux) and its affiliates (the shares divided between Mitsui & Co. Ltd. (Mitsui) and Codelco, but with Codelco maintaining control), acquired a 29.5% share interest in Anglo American Sur S.A. (AAS), of which, 24.5% corresponds to the indirect ownership of Codelco on AAS.

Subsequently, on November 26, 2012, Codelco sold 44,900 of its shares of Acrux to its partner Mitsui, generating a profit before tax of ThUS$ 7,626.

After the sale, and as of March 31, 2013, Codelco reduced its indirect share interest in AAS to 20%, while Mitsui increased its participation to 9.5%.

At March 31, 2013, the control of AAS belongs to Inversiones Anglo American Sur S.A. with a 50.06% share interest, while the non-controlling interest corresponds to Acrux through its subsidiary Inversiones Mineras Becrux SpA., with a 29.5% and Mitsubishi group with a 20.44%.

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 naturally presented. 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 in which the shareholders agree.

The following table demonstrates the equity value and accrued results of investments in associates:

Associates	Taxpayer Number	Functional Currency	Equity Interest		Equity Method		Accrued Net Income	
			3/31/2013	12/31/2012	3/31/2013	12/31/2012	1/1/2013 3/31/2013	1/1/2012 3/31/2012
			%	%	ThUS$	ThUS$	ThUS$	ThUS$
Deutsche Geissdraht GmbH	Foreign	EURO	40.00%	40.00%	2,668	3,820	203	310
Agua de la Falda S.A.	96.801.450-1	USD	43.28%	43.28%	5,639	5,639	-	(60)
Sociedad Contractual Minera El Abra	96.701.340-4	USD	49.00%	49.00%	825,406	805,973	37,358	62,577
Minera Purén SCM	76.028.880-2	USD	35.00%	35.00%	9,039	9,096	(56)	485
Sociedad GNL Mejillones S.A.	76.775.710-7	USD	37.00%	37.00%	54,881	48,304	6,956	13,096
Kairos Mining S.A.	76.781.030-K	CLP	5.00%	5.00%	-	-	-	20
MI Robotic Solutions S.A.	76.869.100-2	CLP	36.00%	36.00%	1,305	1,615	(270)	(562)
Inca de Oro S.A.	73.063.022-5	USD	34.00%	34.00%	53,539	51,847	46	18
Anglo American Sur S.A.	77.762.940-9	USD	29.50%	29.50%	6,332,762	6,537,503	28,872	-
Others					-	2,489	(45)	2
TOTAL					7,285,239	7,466,286	73,064	75,886

The following tables provide details of the assets, liabilities and major movements in investments in associates accounted for using the equity method and their respective results during the 3 months period ended on March 31, 2013 and December 31, 2012.

Assets and liabilities	3/31/2013 ThUS$	31/12/2012 ThUS$
Current assets	1,996,495	2,404,840
Non-Current assets	6,672,940	6,789,002
Current liabilities	984,573	1,004,201
Non-Current liabilities	1,691,408	1,692,517

Net Income	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Revenue	1,084,421	266,013
Cost of sales	(752,650)	(185,037)
Profit for the period	331,771	80,976

Movements of Investment in Associates	1/1/2013 3/31/2013 ThUS$	1/01/2012 3/31/2012 ThUS$
Opening balances	7,466,286	748,284
Contributions	1,547	-
Dividends	(231,940)	(1,410)
Net income for the period	73,064	75,886
Foreign exchange differences	(40)	(70)
Transfer of negative equity	-	(11,049)
Other comprehensive income	(379)	(2,042)
Other	(23,299)	(66)
Final balance	7,285,239	809,533

b) Joint ventures

At March 31, 2013, the Corporation participates in the Copper Partners Investment Company Limited Joint venture. This partnership dates from March 2006 when Codelco Chile through its subsidiary Codelco International Ltd., executed the agreement with Album Enterprises Limited (a subsidiary of Minmetals) to form the company, in which both companies hold equal interests.

Assets and liabilities	3/31/2013 ThUS$	12/31/2012 ThUS$
Current assets	32,239	54,397
Non-Current assets	302,512	308,621
Current liabilities	32	6,370
Non-Current liabilities	-	-

Net Income	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Revenue	75,116	116,890
Cost of sales	(22,798)	(36,404)
Profit for the period	52,318	80,486

Movements of the investment in joint ventures	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Opening balance	178,326	196,771
Net income for the period	26,159	40,243
Dividends	(38,000)	(35,000)
Other	875	502
Final balance	167,360	202,516

c) Interest in negative equity

The Corporation, at March 31, 2013 and December 31, 2012, has no interest in negative equities.

d) Additional information about unrealized profit

The Corporation has recognized unrealized profit for purchases and sales of products, mining properties, property, plant and equipment and ownership rights. The most significant transactions include the transaction carried out in 1994 for the initial contribution of mining properties to Sociedad Contractual Minera El Abra.

The balance of unrealized profit at March 31, 2013 corresponds to ThUS$ 72,972 (December 31, 2012: ThUS$ 72,972).

Codelco carries out copper purchases and sales with this company. At the end of the first quarter of 2013 the value of finished products in Inventory includes an unrealized profit accrual of ThUS$ 13,546. On December 31, 2012 there was an unrealized profit accrual of ThUS$ 6,971.

Moreover, Codelco carries out copper purchases and sales with this company with Anglo American Sur S.A. The value of finished products in Inventory at March 31, 2013 includes an unrealized profit of ThUS$ 5,600 and there was no accrual of unrealized profit on December 31, 2012.

e) Share in companies acquired at fair value versus carrying amount

The acquisition by Codelco of its participation in Anglo American Sur S.A., on August 24, 2012, was recorded based on the acquisition method, which involved the initial recognition of an investment in the amount of ThUS$ 6,490,000, corresponding to the percentage of the share interest acquired (29.5%) over the fair value of the net assets of the company, while the book value at the acquisition date was ThUS$ 1,699,795.

In determining the fair value of the net assets of the acquired share interest, the Corporation considered both the resources and mineral reserves that can be recovered reliably and the assessment of intangibles and all other considerations about assets and contingent liabilities was performed.

The fair value of the assets acquired and liabilities assumed at the acquisition date are as follows:

	Balance at Fair Value August 24, 2012 (US$ million)
Property, plant and equipments	17,718
Intangibles	-
Mining resources	10,450
Water rights	28
Non-current assets	28,196
Inventories	211
Trade receivable and other receivables	693
Hedging instruments	1
Recoverable taxes	36
Cash and cash equivalents	599
Current assets	1,540
Total Assets	29,736
Capital	1,241
Retained earnings	2,895
Other reserves	18,510
Total Equity	22,646
Trade payables and other payables	1,599
Provision for employees benefits	76
Deferred taxes	4,925
Provisions	220
Non-Current liabilities	6,820
Trade payables and other payables	258
Provisions	12
Current liabilities	270
Total Liabilities	29,736

The allocation of the purchase price to fair value between the identifiable assets and liabilities has been prepared by management using its best estimates and taking into account all relevant information available at the time of the acquisition of Anglo American Sur S.A., and final determination will be completed within the period of 12 months from the date of acquisition.

The transaction has not resulted in the acquisition of control of the acquired company.

The Corporation used the model of discounted cash flows to estimate cash flow projections, based on the life of the mines. These projections are based on estimated production and future prices of minerals, operating costs and capital costs at the date of acquisition, among other

estimates. Additionally, resources and potential resources to explore are not included in the plan because they have been valued separately using a market model. These resources include the concept of "Mineral Resources".

As part of this process and the application of the discounted cash flow model, the fair value of the net assets of Anglo American Sur S.A. valued at US$ 22,646 million in proportion to the ownership by Inversiones Mineras Becrux SpA (29.5%) which amounts to US$ 6,681 million at fair value.

On March 31, 2013 and December 31, 2012 neither the amount recognized for the total consideration transferred, nor the range of estimates or assumptions used to determine reasonable values at the acquisition date have changed.

The earnings before tax, corresponding to the proportion of the gains of Anglo American Sur S.A. recognized between the date of acquisition to March 31,2013 was ThUS$ 66,056, while the adjustment for depreciation and decrease in the fair value of the net assets of the company recognized at the acquisition date, meant an effect of lower profit before tax of ThUS$ 31,585 and is decreasing the item "Equity in earnings (losses) of associates and joint ventures accounted for using the equity method" of the comprehensive income statement.

9. Subsidiaries

The following tables present a detail of the assets, liabilities and results of the Corporation's subsidiaries, prior to consolidation adjustments:

Assets and liabilities	3/31/2013 ThUS$	12/31/2012 ThUS$
Current assets	466,642	509,590
Non-current assets	6.916,930	7,134,568
Current liabilities	248,037	478,875
Non-current liabilities	1,108,932	1,789,191

Net Income	1/1/2013 3/31/2013 ThUS$	1/1/2012 12/31/2012 ThUS$
Revenue	515,294	613,110
Cost of sales	(467,089)	(563,802)
Profit (loss) for the period	48,835	49,308

10. Other non-current non-financial assets

Other non-current non-financial assets included in the interim consolidated statement of financial position as of March 31, 2013 and 2012 is detailed as follows:

Other non-current financial assets	3/31/2013 ThUS$	12/31/2012 ThUS$
Law No. 13,196 asset (1)	30,252	30,862
Other	7,574	6,815
TOTAL	37,826	37,677

(1) Corresponds to the recording of the commitment related to Law No. 13,196, for 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.

11. Current and non-current financial assets

Current and non-current financial assets included in the statement of financial position are detailed as follows:

Classification in the statement of financial position	3/31/2013				
	At fair value though profit and loss	Loans and receivables	Hedging derivatives	Available for sale	Total financial assets ThUS$
Cash and Cash equivalents	17,713	1,313,045	-	-	1,330,758
Trade and other current receivables	(93,291)	1,213,492	-	-	1,120,201
Rights receivables, non - current	-	169,856	-	-	169,856
Due from related companies, current	-	13,085	-	-	13,085
Due from related companies, non - current	-	21,356	-	-	21,356
Other current financial assets	-	12,806	10,902	-	23,708
Other non - current financial assets	-	10,501	130,599	-	141,100
TOTAL	(75,578)	2,754,141	141,501	-	2,820,064

Classification in the statement of financial position	12/31/2012				
	At fair value though profit and loss	Loans and receivables	Hedging derivatives	Available for sale	Total financial assets ThUS$
Cash and Cash equivalents	11,137	1,252,686	-	-	1,263,823
Trade and other current receivables	36,534	2,112,569	-	-	2,149,103
Rights receivables, non - current	-	171,699	-	-	171,699
Due from related companies, current	-	29,442	-	-	29,442
Due from related companies, non - current	-	41,305	-	-	41,305
Other current financial assets	-	7,825	884	-	8,709
Other non - current financial assets	-	11,820	121,179	-	132,999
TOTAL	47,671	3,627,346	122,063	-	3,797,080

- Financial assets designated at fair value through profit or loss: At March 31, 2013, this category mainly includes unfinished product sale invoices and mutual fund investments made by Codelco Chile subsidiaries.

  The effects on results of open invoices are determined by the differences between the provisional price at the date of shipment and the futures price curve of products, as explained under the title Accounting policies (letter p of number 2 of Chapter II), while mutual funds affect the result by the change in fair value of shares.

- Loans granted and receivables: These correspond to financial assets with fixed or determinable payments that are not traded in an active market.

The effects on the period's statements of comprehensive income generated by these assets, come mainly from financial interest gains and from the exchange rate differences related to the balances in currencies other than the functional currency.

No material impairments were recognized in accounts receivable.

- Hedging derivatives: Correspond to the receivable balances for derivative contracts for the exposure generated by existing operations and which affect the period profit and loss from the liquidation of these operations. The detail of derivative transactions is included in Note 27.

- Available-for-sale financial assets: These correspond primarily to non-derivative financial assets that are specifically designated as available for sale or are not classified as: a) loans and receivables, b) investments held to maturity or c) financial assets carried at fair value through profit or loss (IAS 39, paragraph 9).

  Within the period presented, there was no reclassification of financial instruments among the different categories established under IAS 39.

12. Interest-bearing borrowings

Current and non-current interest-bearing borrowings correspond to Borrowings from financial institutions, Bond obligations and Finance leases, which are recorded by the Corporation at amortized cost using the effective interest rate method. The following tables detail the composition of the item "other financial liabilities, current and non-current."

The tables below show the composition of the other financial liabilities, current and non-current.

Items	3/31/2013					
	Current			Non-current		
	Loans and other payables	Hedge derivatives	Total	Loans and other payables	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans from financial entities	267,355	-	267,355	2,580,925	-	2,580,925
Bonds	595,632	-	595,632	6,518,739	-	6,518,739
Financial Lease	32,229	-	32,229	89,781	-	89,781
Hedge obligations	6,047	3,172	9,219	-	7	7
Other financial liabilities	1,447	-	1,447	81,740	-	81,740
Total	902,710	3,172	905,882	9,271,185	7	9,271,192

Items	12/31/2012					
	Current			Non-current		
	Loans and other payables	Hedge derivatives	Total	Loans and other payables	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans from financial entities	219,686	-	219,686	2,577,896	-	2,577,896
Bonds	594,006	-	594,006	6,511,090	-	6,511,090
Financial Lease	35,601	-	35,601	91,306	-	91,306
Hedge obligations	-	14,537	14,537	-	1,533	1,533
Other financial liabilities	949	-	949	80,499	-	80,499
Total	850,242	14,537	864,779	9,260,791	1,533	9,262,324

These items are generated by the following situations:

- *Borrowings from financial institutions:*

  The loans obtained by the Corporation to finance its production operations oriented towards the foreign market.

  On August 23, 2012, the subsidiary Inversiones Gacrux SpA (Gacrux), agreed to funding from Oriente Copper Netherlands BV (a subsidiary of Mitsui & Co. Ltd.) 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 years maturity from the date of disbursement, and an annual rate of Libor + 2.5%. This credit has no personal guarantees ("non-recourse") on Codelco's part.

  Codelco'sndirect subsidiary Codelco Inversiones Mineras Becrux SpA used this funding for the acquisition of 24.5% of the shares of Anglo American Sur S.A. and other related expenses.

On October 31, 2012, new terms of the amended Credit Agreement were agreed, which remains without personal guarantees of Codelco ("non-recourse"), and establish a fixed rate of 3.25% per annum and a duration 20 years, to be payable in 40 semi-annual quotas of principal and interest. Under previous agreements, Mitsui is entitled to additional interest equivalent to one-third of the savings that result to Gacrux from the difference between refinanced credit and the Credit Agreement originally signed. Furthermore, Mitsui (through a subsidiary) held an option to purchase from Gacrux an additional 15.25% of the shares issued by the company Inversiones Mineras Acrux SpA. ("Acrux"), at a fixed price of approximately US$ 998 million to be used in full to prepay Gacrux's debt under the Credit Agreement, reducing it to US$ 875 million.

Subsequently, on November 26, 2012, Mitsui materialized the purchase of additional 15.25% share interest in Acrux, so Codelco reduced its debt with Mitsui, which at March 31, 2013, has a balance of ThUS$ 864,523.

- *Bond obligations:*

On November 18, 2002, the Corporation issued and placed bonds in the domestic market, under the rules of the Superintendency of Securities and Insurance. These bonds were issued for a nominal amount of UF 7,000,000, in a single series denominated Series A, and consist of 70,000 bonds for UF100 each of those with a 4.0% annual interest rate and with bi-annual interest payments. These bonds are payable in a single installment on September 1st, 2012, date on which the instrument was paid. No balance was due at December 31, 2012.

On November 30, 2002, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$435,000. These bonds are payable in a single installment on November 30, 2012, with a 6.375% annual interest rate and with bi-annual interest payments. No balance was due at December 31, 2012

On October 15, 2003, 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 15, 2013, with a 5.5% annual interest rate and with bi-annual interest payments.

On October 15, 2004, 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 15, 2014, with a 4.750% annual interest rate and with bi-annual interest payments.

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF6,900,000, in a single series denominated Series B, and consist of 6,900 bonds for

UF1,000 each. These bonds are payable in a single installment on April 1, 2025, with an 3.96% annual interest rate and with bi-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, with a 5.6250% annual interest rate and with bi-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, with a 6.15% annual interest rate and with bi-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 mature in a single installment on January 15, 2019, at an interest rate of 7.5% per annum with interest paid bi-annually.

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 mature in a single installment on November 4, 2020, at an interest rate of 3.75% per annum with interest paid bi-annually.

On November 3, 2011, the Corporation issued and placed bonds in the U.S. market under Rule 144A and Regulation S, for a nominal amount of ThUS $1,150,000. These bonds mature in a single installment on November 4, 2021, with an interest rate of 3.875% per annum, with interest paid bi-annually.

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 US$ 2,000 million. The ThUS$ 1,250,000 with an interest rate of 3% per annum mature on July 17, 2022 and the Th$750,000 with an interest rate of 4.29% mature on July 17, 2042, and each have interest paid bi-annually.

- *Financial debt commissions and expenses:*

Obtaining financial resources generates, in addition to the interest rate, fees and other expenses charged by the financial institutions, and the Corporation receives the net value of the loans. These expenses are amortized based on the effective interest rate determined using the amortized cost method.

- *Finance leases:*

  Finance lease transactions are generated for service contracts, principally for buildings and machinery.

At March 31, 2013, the detail of Borrowings from financial institutions and Bond obligations is as follows:

3/31/2013													
Taxpayer Number	Country	Loans with financial entities	Instruction	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current balance ThUS$	Non-current balance ThUS$
Foreign	United States of America	Syndicated credit	BBVA Bancomer	09/27/2014	Floating	US$	400,000,000	3 annual installments of principal at maturity	Quarterly	0.48%	0.54%	133,414	133,175
97836000-k	Chile	Bilateral Credit	Banco Santander S.A.	11/30/2015	Floating	US$	75,000,000	Maturity	Quarterly	1.14%	1.26%	15	74,799
Foreign	Bermuda	Bilateral Credit	HSBC Bank Bermuda Limited	12/17/2015	Floating	US$	162,500,000	Maturity	Quarterly	1.13%	1.25%	83	162,063
Foreign	United States of America	Bilateral Credit	Bank of Tokyo-Mitsubishi	12/22/2015	Floating	US$	100,000,000	Maturity	Quarterly	1.03%	1.13%	17	99,763
97836000-k	Chile	Bilateral Credit	Banco Santander S.A.	12/23/2015	Floating	US$	100,000,000	Maturity	Quarterly	1.13%	1.25%	19	99,717
Foreign	United States of America á	Bilateral Credit	Export. Dev. Canada	12/28/2015	Floating	US$	250,000,000	Maturity	Quarterly	1.08%	1.20%	23	249,311
Foreign	United States of America	Bilateral Credit	Sumitomo Mitsui Banking	02/18/2016	Floating	US$	100,000,000	Maturity	Quarterly	1.11%	1.20%	40	99,766
Foreign	United States of America	Bilateral Credit	Mizuho Corporate Bank Ltd	10/13/2016	Floating	US$	100,000,000	Maturity	Quarterly	0.91%	1.18%	191	99,070
Foreign	United States of America	Bilateral Credit	Bank Of Tokyo Mitsubishi Ltd.	10/14/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.81%	1.11%	425	247,392
Foreign	United States of America	Bilateral Credit	HSBC Bank USA. N.A.	10/11/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.91%	1.21%	509	247,438
Foreign	United States of America	Bilateral Credit	Export Dev Canada	11/3/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.80%	1.16%	339	246,904
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V.	11/26/2032	Fixed	US$	874,959,000	Semi annual installments of principal	Semi annual	3.25%	5.43%	56,777	807,746
Foreign	Germany	Credit Line	HSBC Trinkaus & Burkhardt		Floating	Euro				5.27%	5.24%	20,875	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				5.27%	5.24%	11,562	-
			Other institutions									43,066	13,781
TOTAL												267,355	2,580,925

Bonds	Country	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal Rate	Effective interest rate	Current Balance ThUS$	Non-current balance ThUS$
144-A REG.S	United States of America	10/15/2013	Fixed	US$	500,000,000	Maturity	Semi annual	5.50%	5.57%	512,654	-
144-A REG.S	United States of America	10/15/2014	Fixed	US$	500,000,000	Maturity	Semi annual	4.75%	4.99%	11,092	498,234
114-A REG.S	United States of America	1/15/2019	Fixed	US$	600,000,000	Maturity	Semi annual	7.50%	7.79%	9,820	592,073
114-A REG.S	United States of America	11/4/2020	Fixed	US$	1,000,000,000	Maturity	Semi annual	3.75%	3.98%	15,331	984,809
114-A REG.S	United States of America	11/4/2021	Fixed	US$	1,150,000,000	Maturity	Semi annual	3.88%	4.07%	18,219	1,134,174
144-A REG.S	United States of America	7/17/2022	Fixed	US$	1,250,000,000	Maturity	Semi annual	3.00%	3.16%	7,562	1,232,742
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi annual	4.00%	3.24%	36	359,537
144-A REG.S	United States of America	9/21/2035	Fixed	US$	500,000,000	Maturity	Semi annual	5.63%	5.78%	994	490,375
144-A REG.S	United States of America	10/24/2036	Fixed	US$	500,000,000	Maturity	Semi annual	6.15%	6.22%	13,496	495,893
144-A REG.S	United States of America	11/4/2042	Fixed	US$	750,000,000	Maturity	Semi annual	4.25%	4.40%	6,428	730,902
TOTAL										595,632	6,518,739

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

At December 31, 2012, the detail of Borrowings from financial institutions and Bond obligations is as follows:

12/31/2012													
Taxpayer Number	Country	Loans with financial entities	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current Balance ThUS$	Non-current Balance ThUS$
Foreign	United States of America	Syndicated credit	BBVA Bancomer	09/27/2014	Floating	US$	400,000,000	3 annual installments of principal at maturity	Quarterly	0.51%	0.57%	133,350	133,136
97836000-K	Chile	Bilateral Credit	Banco Santander S.A.	11/30/2015	Floating	US$	75,000,000	Maturity	Quarterly	1.16%	1.28%	85	74,781
Foreign	Bermuda	Bilateral Credit	HSBC Bank Bermuda Limited	12/17/2015	Floating	US$	162,500,000	Maturity	Quarterly	1.16%	1.28%	97	162,015
Foreign	United States of America	Bilateral Credit	Bank of Tokyo-Mitsubishi	12/22/2015	Floating	US$	100,000,000	Maturity	Quarterly	1.06%	1.15%	22	99,744
97836000-K	Chile	Bilateral Credit	Banco Santander S.A.	12/23/2015	Floating	US$	100,000,000	Maturity	Quarterly	1.16%	1.28%	27	99,691
Foreign	United States of America	Bilateral Credit	Export. Dev. Canada	12/28/2015	Floating	US$	250,000,000	Maturity	Quarterly	1.11%	1.23%	24	249,234
Foreign	United States of America	Bilateral Credit	Sumitomo Mitsui Banking	02/18/2016	Floating	US$	100,000,000	Maturity	Quarterly	1.14%	1.23%	44	99,746
Foreign	United States of America	Bilateral Credit	Mizuho Corporate Bank Ltd	10/13/2016	Floating	US$	100,000,000	Maturity	Quarterly	0.93%	1.21%	197	99,006
Foreign	United States of America	Bilateral Credit	Bank Of Tokyo Mitsubishi Ltd.	10/14/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.84%	1.15%	468	247,220
Foreign	United States of America	Bilateral Credit	HSBC Bank United States of America. N.A.	10/11/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.95%	1.26%	549	247,258
Foreign	United States of America	Bilateral Credit	Export Dev Canada	11/3/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.81%	1.18%	356	246,695
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V.	11/26/2032	Fixed	US$	874,959,000	Semi annual installments of principal	Semi annual	3.25%	3.60%	44,612	809,035
Foreign	Germany	Credit Line	HSBC Trinkaus & Burkhardt		Floating	Euro				5.52%	5.28%	19,818	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				5.52%	5.28%	17,585	-
			Other institutions									2,452	10,335
TOTAL												219,686	2,577,896

Bonds	Country	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current Balance ThUS$	Non-current Balance ThUS$
144-A REG.S	United States of America	10/15/2013	Fixed	US$	500,000,000	Maturity	Semi annual	5.50%	5.57%	505,771	-
144-A REG.S	United States of America	10/15/2014	Fixed	US$	500,000,000	Maturity	Semi annual	4.75%	4.99%	5,220	497,966
144-A REG.S	United States of America	01/15/2019	Fixed	US$	600,000,000	Maturity	Semi annual	7.50%	7.79%	21,140	591,807
144-A REG.S	United States of America	11/04/2020	Fixed	US$	1,000,000,000	Maturity	Semi annual	3.75%	3.98%	6,008	984,386
144-A REG.S	United States of America	11/04/2021	Fixed	US$	1,150,000,000	Maturity	Semi annual	3.88%	4.07%	7,139	1,133,794
144-A REG.S	United States of America	07/17/2022	Fixed	US$	1,250,000,000	Maturity	Semi annual	3.00%	3.16%	17,027	1,232,384
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi annual	4.00%	3.24%	3,340	353,728
144-A REG.S	United States of America	09/21/2035	Fixed	US$	500,000,000	Maturity	Semi annual	5.63%	5.78%	8,080	490,324
144-A REG.S	United States of America	10/24/2036	Fixed	US$	500,000,000	Maturity	Semi annual	6.15%	6.22%	5,808	495,874
144-A REG.S	United States of America	11/04/2042	Fixed	US$	750,000,000	Maturity	Semi annual	4.25%	4.40%	14,473	730,827
TOTAL										594,006	6,511,090

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

At March 31, 2013, the detail of amounts due undiscounted that the Corporation has with financial institutions is as follows:

3/31/2013					Current			Non-current			
Debtor´s name	Currency	Effective interest rate	Nominal rate	Payment of interest	Less than 90 days	More than 90 days	Current total	One to three years	Three to five years	More than five years	Non-current total
BBVA BANCOMER	US$	0.54%	0.48%	Quartely	329	133,997	134,326	133,663	-	-	133,663
BANCO SANTANDER S.A.	US$	1.26%	1.14%	Quarterly	218	654	872	76,517	-	-	76,517
HSBC BANK BERMUDA LIMITED	US$	1.25%	1.13%	Quarterly	474	1,408	1,882	165,765	-	-	165,765
THE BANK OF TOKYO M.	US$	1.13%	1.03%	Quarterly	261	778	1,039	101,838	-	-	101,838
BANCO SANTANDER S.A.	US$	1.25%	1.13%	Quarterly	287	857	1,144	102,016	-	-	102,016
EXPORT DEVELOP CANADA	US$	1.20%	1.08%	Quarterly	692	2,054	2,746	254,816	-	-	254,816
SUMITOMO MITSUI BANKING	US$	1.20%	1.11%	Quarterly	284	833	1,117	102,254	-	-	102,254
MIZUHO CORPORATE BANK LTD	US$	1.18%	0.91%	Quarterly	229	691	920	1,835	100,689	-	102,524
BANK OF TOKYO-MITSUBISHI LTD.	US$	1.11%	0.81%	Quarterly	509	1,537	2,046	4,081	251,532	-	255,613
HSBC BANK USA, N.A.	US$	1.21%	0.91%	Quarterly	1,138	1,722	2,860	4,022	251,722	-	255,744
EXPORT DEVELOP CANADA	US$	1.16%	0.80%	Quarterly	500	1,529	2,029	4,058	251,523	-	255,581
ORIENTE COPPER NETHERLANDS B.V.	US$	5.43%	3.25%	Semi annual	40,740	40,614	81,354	158,384	152,685	960,949	1,272,018
BONO 144-A REG. 2013	US$	5.57%	5.50%	Semi annual	13,750	513,750	527,500	-	-	-	-
BONO 144-A REG. 2014	US$	4.99%	4.75%	Semi annual	11,875	11,875	23,750	523,750	-	-	523,750
BONO 144-A REG. 2019	US$	7.79%	7.50%	Semi annual	-	45,000	45,000	90,000	90,000	645,000	825,000
BONO 144-A REG. 2020	US$	3.98%	3.75%	Semi annual	18,750	18,750	37,500	75,000	75,000	1,112,500	1,262,500
BONO 144-A REG. 2021	US$	4.07%	3.88%	Semi annual	22,281	22,281	44,562	89,125	89,125	1,328,250	1,506,500
BONO 144-A REG. 2022	US$	3.16%	3.00%	Semi annual	-	37,500	37,500	75,000	75,000	1,418,750	1,568,750
BONO 144-A REG. 2035	US$	5.78%	5.63%	Semi annual	-	28,125	28,125	56,250	42,188	1,006,250	1,104,688
BONO 144-A REG. 2036	US$	6.22%	6.15%	Semi annual	15,375	15,375	30,750	61,500	61,500	1,084,250	1,207,250
BONO 144-A REG. 2042	US$	4.40%	4.25%	Semi annual	-	31,875	31,875	63,750	63,750	1,530,938	1,658,438
				Total ThUS$	127,692	911,205	1,038,897	2,143,624	1,504,714	9,086,887	12,735,225
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi annual	-	276,000	276,000	414,000	552,000	8,970,000	9,936,000
				Total U.F.	-	276,000	276,000	414,000	552,000	8,970,000	9,936,000
				Subtotal ThUS$	-	13,372	13,372	20,058	26,744	434,588	481,389
				Total ThUS$	127,692	924,577	1,052,269	2,163,682	1,531,458	9,521,475	13,216,614

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

At December 31, 2012, the detail of amounts due undiscounted that the Corporation has with financial institutions is as follows:

12/31/2012					Current			Non-current			
Debtor´s Name	Currency	Effective interest rate	Nominal rate	Payment of interest	Less than 90 days	More than 90 days	Current Total	One to three years	Three to five years	More than five years	Non-current Total
BBVA BANCOMER	US$	0.57%	0.51%	Quarterly	340	134,212	134,552	133,851	-	-	133,851
BANCO SANTANDER S.A.	US$	1.28%	1.16%	Quarterly	220	673	893	76,766	-	-	76,766
HSBC BANK BERMUDA LIMITED	US$	1.28%	1.16%	Quarterly	471	1,460	1,931	166,321	-	-	166,321
THE BANK OF TOKYO M.	US$	1.15%	1.06%	Quarterly	268	801	1,069	102,149	-	-	102,149
BANCO SANTANDER S.A.	US$	1.28%	1.16%	Quarterly	293	880	1,173	102,352	-	-	102,352
EXPORT DEVELOP CANADA	US$	1.23%	1.11%	Quarterly	694	2,120	2,814	255,627	-	-	255,627
SUMITOMO MITSUI BANKING	US$	1.23%	1.14%	Quarterly	288	860	1,148	2,308	100,288	-	102,596
MIZUHO CORPORATE BANK LTD	US$	1.21%	0.93%	Quarterly	467	475	942	1,894	100,950	-	102,844
BANK OF TOKYO-MITSUBISHI LTD.	US$	1.15%	0.84%	Quarterly	1,077	1,071	2,148	4,272	252,142	-	256,414
HSBC BANK USA, N.A.	US$	1.26%	0.95%	Quarterly	1,204	1,819	3,023	4,219	252,420	-	256,639
EXPORT DEVELOP CANADA	US$	1.18%	0.81%	Quarterly	520	1,542	2,062	4,123	252,067	-	256,190
ORIENTE COPPER NETHERLANDS B.V.	US$	3.60%	3.25%	Semi annual	-	71,829	71,829	139,392	133,705	821,504	1,094,601
BONO 144-A REG. 2013	US$	5.57%	5.50%	Semi annual	-	527,500	527,500	-	-	-	-
BONO 144-A REG. 2014	US$	4.99%	4.75%	Semi annual	-	23,750	23,750	523,750	-	-	523,750
BONO 144-A REG. 2019	US$	7.79%	7.50%	Semi annual	22,500	22,500	45,000	90,000	90,000	667,500	847,500
BONO 144-A REG. 2020	US$	3.98%	3.75%	Semi annual	-	37,500	37,500	75,000	75,000	1,112,500	1,262,500
BONO 144-A REG. 2021	US$	4.07%	3.88%	Semi annual	-	44,563	44,563	89,125	89,125	1,328,250	1,506,500
BONO 144-A REG. 2022	US$	3.16%	3.00%	Semi annual	18,750	18,750	37,500	75,000	75,000	1,437,500	1,587,500
BONO 144-A REG. 2035	US$	5.78%	5.63%	Semi annual	14,063	14,063	28,126	56,250	56,250	1,006,250	1,118,750
BONO 144-A REG. 2036	US$	6.22%	6.15%	Semi annual	-	30,750	30,750	61,500	61,500	1,084,250	1,207,250
BONO 144-A REG. 2042	US$	4.40%	4.25%	Semi annual	15,938	15,938	31,876	63,750	63,750	1,546,875	1,674,375
				Total ThUS$	77,093	953,056	1,030,149	2,027,649	1,602,197	9,004,629	12,634,475
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi annual	138,000	138,000	276,000	552,000	552,000	8,970,000	10,074,000
				Total U.F.	138,000	138,000	276,000	552,000	552,000	8,970,000	10,074,000
				Subtotal ThUS$	6,567	6,567	13,135	26,269	26,269	426,872	479,410
				Total ThUS$	83,660	959,623	1,043,284	2,053,918	1,628,466	9,431,501	13,113,885

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

Payment commitments for financial leasing transactions are summarized in the following table:

Financial Leasing	3/31/2013			12/31/2012		
	Gross ThUS$	Interest ThUS$	Net ThUS$	Gross ThUS$	Interest ThUS$	Net ThUS$
Less than one year	34,987	(2,758)	32,229	38,785	(3,184)	35,601
Between one and five years	85,400	(33,985)	51,415	76,538	(27,996)	48,542
More than five years	73,161	(34,795)	38,366	84,499	(41,735)	42,764
Total	193,548	(71,538)	122,010	199,822	(72,915)	126,907

Commitment to future payments for operating leases and lease payments recognized in the statements of comprehensive income are summarized in the following table:

Future payments for operating leases	3/31/2013 ThUS$	12/31/2012 ThUS$
Less than one year	814,293	753,718
Between one and five years	516,012	386,619
More than five years	260,888	324,428
TOTAL	1,591,193	1,464,765

Rental fees recognized in the Statement of Comprehensive Income	3/31/2013 ThUS$	12/31/2012 ThUS$
Minimum payments for operating leases	101,240	32,999

13. Fair Value of financial assets and liabilities

As the carrying amount of financial assets and liabilities is a reasonable approximation of their fair value, no incremental disclosures are required in accordance with IFRS 7.

14. Fair value hierarchy

Each of the estimated market values for the Corporation's portfolio of financial instruments is based on a calculation and data input methodology. Each of these methodologies has been analyzed to determine to which of the following levels they can be assigned:

- Level 1 corresponds to Fair Value measurement methodologies through market quotes (unadjusted) in active markets and considering the same valued Assets and Liabilities.

- Level 2 corresponds to Fair Value measurement methodologies using market quote data, not included in Level 1, that are either directly (prices) or indirectly (derived from the prices) observable for the valued Assets and Liabilities.
- Level 3 corresponds to Fair Value measurement methodologies that use valuation techniques that include data on the valued Assets and Liabilities that are not supported by observable market data.

Based on the methodologies, inputs, and previous definitions the following market levels have been established for the financial instruments portfolio held by the Corporation at March 31, 2013:

Financial Assets and liabilities at fair value with an effect in profit and loss statement	3/31/2013			
	Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$	Total ThUS$
Financial Assets:				
Provisionally priced sales contracts	-	(93,291)	-	(93,291)
Cross Currency Swap	-	130,227	-	130,227
Mutual fund units	17,713	-	-	17,713
Metals Futures	11,275	-	-	11,275
Financial Liabilities:				
Metals Futures	3,178	-	-	3,178

No transfers between different levels of market values were observed for the reporting period.

15. Trade and other payables

Total trade and other payables, current and non-current, are detailed as follows:

Items	Current Liabilities	
	3/31/2013 ThUS$	12/31/2012 ThUS$
Trade payables	1,331,086	1,775,773
Payables to employees	31,602	23,611
Withholdings	130,666	116,905
Tax withholdings	59,102	167,146
Other payables	97,875	162,157
Total	1,650,331	2,245,592

16. Other provisions

Other short-term accrued expenses and provisions as of the indicated dates are detailed as follows:

Other provisions	Current		Non-current	
	3/31/2013 ThUS$	12/31/2012 ThUS$	3/31/2013 ThUS$	12/31/2012 ThUS$
Trade (1)	7,865	13,880	-	-
Operating (2)	66,863	36,014	-	-
Law No. 13,196	42,144	112,014	-	-
Sundry	41,443	47,987	5,363	6,869
Closure, decommissioning and restoration (3)	-	-	1,497,270	1,471,157
Contingencies	-	-	61,811	76,141
Total	158,315	209,895	1,564,444	1,554,167

Accrual for employee benefits	Current		Non-current	
	3/31/2013 ThUS$	12/31/2012 ThUS$	3/31/2013 ThUS$	12/31/2012 ThUS$
Employees' collective bargaining agreements	92,567	214,598	-	-
Employee termination benefit	55,525	48,717	770,111	749,358
Bonus	16,406	4,888	-	-
Vacation	141,751	153,925	-	-
Medical care programs (4)	636	576	367,907	373,703
Retirement plans (5)	111,374	113,112	171,375	128,696
Other	6,683	14,159	21,925	71,537
Total	424,942	549,975	1,331,318	1,323,294

(1) Corresponds to a sales-related accrual, 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 future asset retirement provision costs primarily related to tailing dams, closures of mine operations and other assets. The value is calculated in present value discounted at a real annual discount rate before tax of 3.04% in Chilean pesos, (in 2011 cash flows were expressed in Chilean pesos discounted at a rate of 3% in real terms), and reflects the corresponding assessments of the value of money in time, that the market is being affected. The discount rate includes the risks associated to the liability that is being determined, except those that are included in the cash flows. The discount period varies between 11 and 82 years.
The new law on mine and mining facilities closure, published in the Official newspaper on November 11, 2011, will have effects in future periods on this provision, as mentioned in Note 29, "Contingencies and restrictions."
The Company determines and records the liability in accordance with the accounting policies mentioned in note 2, letter o) of the Accounting Policies.

(4) Corresponds to an accrual for contributions to medical care institutions agreed upon with current and former employees.

(5) Corresponds to an accrual for employees who have agreed or expected to agree to retire in accordance with plans in force for personnel retirement.

In respect of these plans, and following the ending of the collective bargaining process that the Codelco - Chuquicamata administration had during the month of December 2012 with the unions of that Division, the Collective Agreement subscribed to by the parties established a scheduled voluntary retirement plan. As a result, the Corporation recognized a provision for this in current and noncurrent liabilities in the amounts of US$73,371 and $128,696, respectively. The values are discounted at a discount rate equivalent to that used for the calculation of provisions for employee benefits that are part of the account balances at December 31, 2012.

Movements of Other provisions were as follows:

Movements	1/1/2013 3/31/2013			
	Provision for mine closure	Contingencies	Other provisions	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	1,471,157	76,141	6,869	1,554,167
Annual cost	-	-	551	551
Adjustment of closure provision	-	-	-	-
Financial expenses	4,633	-	-	4,633
Payment of liabilities	(6,242)	(13,802)	-	(20,044)
Foreign Exchange rate differences	28,103	(528)	(20)	27,555
Other variations	(381)	-	(2,037)	(2,418)
Final Balance	1,497,270	61,811	5,363	1,564,444

17. Employee benefits

a) Provisions for post employment benefits and other long term benefits

Provision for post employment benefits corresponds to medical care plans and is intended to cover the payment obligations that the Corporation has contracted with its employees, according to contracts or collective bargaining agreements, to partially cover the costs of medical services.

Both long term benefits are based on the agreements in the employment contracts or collective bargaining agreements signed between the Corporation and workers.

These accruals are recorded in the statement of financial position, at the present value of estimated future obligations. The discount rate applied is determined on the basis of the rates of financial instruments in the same currency in which the obligations are to be paid and with similar maturities.

The basis for the registration of these obligations are denominated in Chilean pesos, therefore the amount include in the Corporation´s financial statements represents exposure to financial risk of exchange rate.

The results from adjustments and changes in actuarial variables are charged or credited to the statements of other comprehensive income in the period in which they occur.

During January-March 2013 period, there were no significant changes in post-employment benefits plans.

Actuarial assumptions for calculating the employee termination benefit accrual are as follows:

Actuarial assumptions	
Discount rate	5.49% --- 5.76%
Turnover rate - resignation	3.11% Men --- 0.25% Women
(Average) wage increase	1.08% - Annual
Men's retirement age	65
Women's retirement age	60

The mortality tables used for the actuarial calculations correspond to current issued by the Superintendency of Securities and Insurance, corresponding to updating RV 2009.

Reconciliation of post employment benefit and other long term benefits provision:

	1/1/2013 – 3/31/2013	
Movements	Retirement Plan ThUS$	Health Plan ThUS$
Opening balance	798,076	374,279
Cost	20,355	465
Finance expense	5,440	739
Indemnities paid	(13,345)	(8,194)
Subtotal	810,526	367,289
(Gains) Losses from foreign exchange differences	15,110	1,254
Total balance	825,636	368,543

Moreover, the effect on the provision for severance benefit service on March 31, 2013, got a change in the discount rate by one percentage, in conjunction with the same variation in the rate of inflation is linked directly with such discount rate shown in the table below:

Effect of inflation and discount rate	+ 1 percent point	- 1 percent point
Carrying amount on 3/31/2013	825,636	825,636
Actuarial variation	(6,612)	6,729
Balance after actuarial variation	819,024	832,365

b) Provision for termination benefits

The Corporation under its operational optimization programs seeks to reduce costs and increased labor productivity, facilitated by the incorporation of modern technologies and/or best management practices, has established personnel severance programs, using the corresponding addendum to contracts or collective bargaining agreements, with benefits that encourage retirement, for which necessary provisions are made based on the accrued obligation at present value.

At March 31, 2013 and December 31, 2012, shows a current balance on these obligations ThUS$ 111,374 and ThUS$113,112 respectively, while non-current balance is for ThUS$171,375 and ThUS$ 128,696 respectively, the latter associated with the provision related to the finalization of the collective bargaining process that the Administration of Codelco –Chuquicamata division had during the month of December 2012 with workers of the syndicates of the division. These values have been discounted using a discount rate equivalent to that used for the calculation of provisions for employee benefits and are part of the accounting balances at March 31, 2013 and December 31, 2012.

c) Employee benefits expenses by nature of the benefits

The costs associated with employee benefits classified by their nature, are:

Expenses according to the nature of the benefits	1/1/2013 3/31/2013 ThUS$	1/1/2012 12/31/2012 ThUS$
Current benefits	492,116	444,852
Post-employment benefits	465	3,177
Employee termination benefits	10,545	1,761
Benefits for indemnities	20,355	13,269
Total	523,481	463,059

18. Net equity

In accordance with article 6 of Decree Law 1,350 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 previous year, and in order 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 founded 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.

On June 26, 2012, pursuant to Decree Law No. 674 of the Ministries of Mining and Finance the capitalization of reserve funds amounting to US$ 800 million, corresponding to part of the profits generated by Codelco in 2011 was approved. Additionally and according to the provisions of decree law No. 1160 the Ministries of Mining and Finance authorized the retention of profits before tax for the year 2011 in an amount equivalent to US$ 473 million through earnings obtained from the sale of electricity assets.

As of March 31, 2013 and December 31, 2012, no dividends payable were provisioned due to the Corporation's authorized net income withholding policy.

In the financial statement "Statement of Changes in Net Equity" the changes experienced in the Corporation's equity are disclosed.

Due to the bylaws that govern the Corporation, these financial statements do not consider disclosure of information related to earnings per share.

The movement and composition of other equity reserves is presented in the Consolidated Statement of Changes in Net Consolidated Equity.

a) Other reserves

Other equity reserves are listed in the table below, as of the dates indicated in each case.

Other reserves	3/31/2013 ThUS$	12/31/2012 ThUS$
Foreign exchange differences on conversion reserves	1,842	1,609
Cash flow hedge reserves	(5,017)	(5,673)
Capitalization fund and reserves	2,729,556	2,729,556
Reserve of gains (losses) of defined benefit plans	(54,686)	(54,686)
Other reserves	615,606	638,689
Total other reserves	3,287,301	3,309,495

b) Non-controlling equity interests

The details of non-controlling equity interests, included in liabilities and net income, are listed in the table below, as of the dates indicated in each case.

Company	Net Equity		Profit (loss)	
	3/31/2013 ThUS$	12/31/2012 ThUS$	1/1/2013 3/31/2013 ThUS$	1/1/2012 12/31/2012 ThUS$
Asociación Garantizadora de Pensiones	13	21	-	(1)
Biosigma S.A.	884	762	(274)	(179)
Instituto de Innovación en Minería y Metalurgia S.A.	3	3	-	-
Clínica San Lorenzo Ltda.	8	8	(1)	-
Micomo S.A.	-	-	-	(18)
Inversiones Mineras Gacrux SpA	2,108,886	2,098,607	11,171	-
Fundación de Salud El Teniente	5	5	-	(1)
TOTAL	2,109,799	2,099,406	10,896	(199)

The percentage of non-controlling interest over the assets of Inversiones Mineras Acrux SpA is equal to 32.2% and generates a non-controlling interest in the affiliated company Inversiones Gacrux SpA, which had the following figures in its statement of financial position, income statements and cash flow statement:

Assets and Liabilities	3/31/2013 ThUS$	12/31/2012 ThUS$
Current assets	223,087	2,363
Non-current assets	6,363,196	6,567,659
Current liabilities	70,825	44,663
Non-current liabilities	807,746	809,035

Results	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Revenues	19,366	-
Expenses	6,624	-
Profit (loss) of the period	25,990	-

Results	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Net Cash flow from operating activities	534	-
Net Cash flow from investing activities	206,566	-

19. Operating income

The following table shows the sources of the Corporation's consolidated revenue.

Item	1/1/2013 3/31/2013 MUS$	1/1/2012 3/31/2012 MUS$
Revenue from sales of the Corporation's copper	2,662,680	3,366,520
Revenue from sales of copper bought to third parties	384,344	428,906
Revenue from sales of molybdenum	125,485	159,393
Revenue from sales of other products	100,270	211,892
Loss in futures market	4,897	(202,856)
Total	3,277,676	3,963,855

20. Expenses by nature

The Corporation's consolidated expenses by nature are detailed as follows:

Item	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Personnel Expenses	492,116	444,852
Depreciation	252,326	255,669
Amortization	144,710	137,133
Total	889,152	837,654

21. Other revenues and expenses by function

Other revenues and expenses by function are detailed in the following tables:

a) Other income by function

Item	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Penalties to suppliers	2,347	2,400
Delegated Administration	1,216	1,147
Miscellaneous sales (net)	6,023	10,554
Compensation by insurance companies	-	7,122
Other income	22,389	4,345
Total	31,975	25,568

b) Other expenses by function

Item	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Law No. 13,196	(268,006)	(305,059)
Research expenses	(7,046)	(9,112)
Bonus for the end of collective bargaining	(512)	(13,667)
Retirement plan	(10,545)	(1,761)
Penalty fixed assets	(503)	(112)
Medical care plan	(465)	(3,177)
Other Expenses	(14,347)	(19,441)
Total	(301,424)	(352,329)

22. Finance costs

Finance costs are detailed as follows:

Item	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Bond interests	(54,844)	(42,479)
Bank loan interests	(14,643)	(2,170)
Exchange differences on severance indemnity provision	(5,440)	(5,451)
Exchange differences on other non-current provisions	(7,793)	(11,420)
Other	(6,525)	(8,074)
Total	(89,245)	(69,594)

23. Operating segments

In Section II, “Summary of Significant Accounting Policies” it has been indicated that, in conformity with IFRS No. 8, “Operating Segments”, the operating segments are determined according to the Divisions that make up Codelco. The revenues and expenses of the Head Office, are distributed among the defined opening segments.

Mining sites in operation, in which the Corporation carries out its extractive and processing production processes, are managed into the Chuquicamata, Radomiro Tomic, Salvador, Andina and El Teniente and Gabriela Mistral divisions. Additionally the Ventanas division is added even though it is operating only as a smelter and refinery, and Ministro Hales that is estimated to be opened at the end of 2013. Those operations are administered independently and are reporting directly to the Executive President. The details and operations related to each mine are the following:

Chuquicamata
Types of mine sites: open pit mines
Operating: since 1915
Location: Calama – Region II
Products: electrorefined 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: electrorefined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Salvador
Type of mine: underground mine and open pit mine
Operating: since 1926
Location: Salvador – Region III
Products: electrorefined 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

Ministro Hales
In charge of the future development of the open pit mine Ministro Hales whose authorization is dated November 19, 2010,.The estimated date for the start of operations is late 2013.

Gabriela Mistral
Type of mine: open pit mine
Operating: since 2008
Location: Calama – Region II
Products: electrolytic (electro-obtained) cathodes

a) Head Office Distribution

Revenue and expenses controlled by the Head Office are allotted to operating segments based on the criteria detailed as follows.

Main items are allocated according to the following criteria:

Sales and Cost of Sales of Head Office commercial transactions

- Distribution to the operating segments made proportionally to the value of the products and sub-products invoiced by each division.

Other income, by function

- Other income by function, associated and identified with each operating segment, is allotted directly.
- Recognition of realized profits and other income by function of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining other income is distributed in proportion to the addition of balances of “other income” and “finance income” of the respective operating segment.

Distribution costs

- Expenses associated and identified with each operating segment are allotted directly.
- Distribution costs of subsidiaries are allotted in proportion to the operating income of each operating segment.

Administrative Expenses

- Administrative expenses associated and identified with each segment are allotted directly.
- Administrative expenses are recorded in cost centers associated with the sales function. Administrative expenses of subsidiaries are distributed in proportion to the operating income of each operating segment.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in relation to material account balances in each division warehouse
- The remaining administrative expenses are distributed in relation to operating cash expenses of each operating segment.

Other Expenses, by function

- Expenses associated and identified with each operating segment are allotted directly.
- Expenses for pre-investment studies and other expenses of subsidiaries by function are distributed in proportion to the operating income of each operating segment.

Other Earnings

- Other earnings associated and identified with each individual operating segment are allotted directly
- Other earnings of subsidiaries are distributed in proportion to the operating income of each operating segment.

Finance Income

- Finance income associated and identified with each operating segment is allotted directly.
- Finance income of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining finance income is distributed in relation to the operating cash expenses of each operating segment.

Finance costs

- Finance costs associated and identified with each operating segment in particular are allotted directly.
- Finance costs of subsidiaries are distributed in proportion to the operating income of each operating segment.

Share in profit (losses) of Associates and joint ventures, which are accounted for using the equity method

- The share in profit or losses of associates and joint ventures identified for each individual operating segment is allotted directly.

Foreign currency conversion

- Foreign currency conversion identifiable with each individual operating segment is allotted directly.
- Foreign currency conversion of subsidiaries is distributed in proportion to the operating income of each operating segment.

- The remaining foreign currency conversion is distributed in relation to operating cash expenses of each operating segment.

Contribution to the Treasury of Chile Law No. 13,196

- The amount of the contribution is distributed and accounted for in relation to values invoiced and accounted for in the copper and sub-product exports of each operating segment, subject to taxation.

Income tax income (expenses)

- First category income tax (corporate), of D.L. 2,398 and specific mining tax are distributed based on the pre-tax income of each operating segment, considering for this purpose the income and expenses distribution criteria of the Head Office and subsidiaries mentioned above.

- Other tax expenses are distributed in proportion to the first category income tax, specific mining tax and D.L. 2,398 allotted to each operating segment.

b) Transactions between segments

Transactions between segments are made up mainly by products processing services (or maquilas), which are recognized as revenue for the segment that makes maquilas and as the cost of sales for the segment that receives the service. Such recognition is performed in the period in which these services are provided, as well as disposal of both factors on corporate financial statements.

c) Cash flow from segments

The operating segments defined by the Corporation, maintain a cash management which refers mainly to operational activities that need to be covered periodically with fixed funds constituted in each of these segments and whose amounts are not significant in the context of the category Corporate balances cash and cash equivalents.

Conversely, activities such as obtaining financing, investment and payment of relevant duties are mainly based at the Head Office.

d) Impairment

No reversals of impairment were made during the first quarter of 2013 and the year ended December 31, 2012, respectively.

e) Anglo American Sur S.A. participation

The effect of the result of the acquisition of Anglo American Sur S.A. on the assets and liabilities of the Corporation are shown separately.

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

1/1/2013 - 3/31/2013											
Segments	Chuquicamata	R. Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Total Segments	Subsidiaries, associates and Head office, net	Consolidated Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Revenue from sales of the Corporation´s cooper	496,671	632,579	147,709	424,793	669,134	110,762	152,302	-	2,633,950	28,730	2,662,680
Revenue from sales of cooper bought from third parties	-	-	-	-	-	13,198	-	-	13,198	371,146	384,344
Revenue from sales of molybdenum	35,171	8,439	6,925	34,018	40,932	-	-	-	125,485	-	125,485
Revenue from sales of other products	25,416	-	21,021	1,106	13,416	40,778	(1,467)	-	100,270	-	100,270
Revenue from futures market	(463)	3,024	1,153	(137)	382	-	783	-	4,742	155	4,897
Revenue between segments	27,045	-	4,822	147	235	10,969	-	-	43,218	(43,218)	-
Revenue from regular activities	583,840	644,042	181,630	459,927	724,099	175,707	151,618	-	2,920,863	356,813	3,277,676
Cost of sales of the Corporation´s cooper	(455,508)	(272,689)	(144,111)	(250,656)	(391,733)	(116,390)	(118,914)	-	(1,750,001)	1,030	(1,748,971)
Cost of sales of cooper bought from third parties	-	-	-	-	-	(10,404)	-	-	(10,404)	(364,479)	(374,883)
Cost of sales of molybdenum	(14,409)	(6,582)	(4,285)	(7,399)	(8,199)	-	-	-	(40,874)	-	(40,874)
Cost of sales of other products	(5,508)	-	(9,610)	(96)	(21,560)	(48,601)	-	-	(85,375)	-	(85,375)
Cost of sales between segments	(72,729)	-	(12,913)	(277)	(883)	(27,442)	-	-	(114,244)	114,244	-
Cost of sales	(548,154)	(279,271)	(170,919)	(258,428)	(422,375)	(202,837)	(118,914)	-	(2,000,898)	(249,205)	(2,250,103)
Gross Profit	35,686	364,771	10,711	201,499	301,724	(27,130)	32,704	-	919,965	107,608	1,027,573
Other revenue per function	21,793	933	2,859	1,348	628	206	255	24	28,046	3,929	31,975
Distribution costs	(46)	(13)	(13)	(47)	(57)	-	-	-	(176)	(3,197)	(3,373)
Administrative expenses	(12,418)	(6,797)	(4,253)	(5,933)	(21,495)	(2,831)	(13,737)	31	(67,433)	(59,850)	(127,283)
Other expenses per function	(13,425)	(298)	1,087	(2,033)	(8,621)	(37)	(461)	(35)	(23,823)	(277,601)	(301,424)
Other gains (losses)	-	-	-	-	-	-	-	-	-	10,759	10,759
Finance income	706	226	209	183	931	157	73	6	2,491	9,266	11,757
Finance costs	(22,717)	(5,449)	(1,713)	(27,695)	(12,064)	(755)	(13,400)	(43)	(83,836)	(5,409)	(89,245)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	35	-	(104)	115	-	-	-	-	46	99,177	99,223
Exchange differences	(30,666)	(5,453)	(3,843)	(6,442)	(11,224)	(2,404)	(3,168)	602	(62,598)	2,440	(60,158)
Profit (loss) before taxes	(21,052)	347,920	4,940	160,995	249,822	(32,794)	2,266	585	712,682	(112,878)	599,804
Income tax expenses	51,615	(221,025)	5,442	(88,544)	(135,531)	23,873	16,186	(1,321)	(349,305)	6,991	(342,314)
Profit (loss)	30,563	126,895	10,382	72,451	114,291	(8,921)	18,452	(736)	363,377	(105,887)	257,490

1/1/2012 - 3/31/2012											
Segments	Chuquicamata	R. Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Total Segments	Subsidiaries, associates and Head office, net	Consolidated Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Revenue from sales of the Corporation´s cooper	625,234	771,326	169,404	509,423	849,976	163,731	268,880	-	3,357,974	8,546	3,366,520
Revenue from sales of cooper bought from third parties	-	-	-	-	-	23,085	-	-	23,085	405,821	428,906
Revenue from sales of molybdenum	68,250	16,644	6,551	21,326	46,622	-	-	-	159,393	-	159,393
Revenue from sales of other products	55,485	-	20,003	492	63,697	72,465	-	-	212,142	(250)	211,892
Revenue from futures market	(28,878)	(51,876)	(10,779)	(41,687)	(53,540)	-	(16,102)	-	(202,862)	6	(202,856)
Revenue between segments	25,636	-	14,253	398	432	13,605	-	-	54,324	(54,324)	-
Revenue from regular activities	745,727	736,094	199,432	489,952	907,187	272,886	252,778	-	3,604,056	359,799	3,963,855
Cost of sales of the Corporation´s cooper	(422,125)	(291,377)	(167,520)	(206,277)	(319,479)	(168,236)	(124,061)	-	(1,699,075)	(3,929)	(1,703,004)
Cost of sales of cooper bought from third parties	-	-	-	-	-	(28,540)	-	-	(28,540)	(402,490)	(431,030)
Cost of sales of molybdenum	(15,986)	(8,563)	(4,831)	(5,093)	(13,107)	-	-	-	(47,580)	-	(47,580)
Cost of sales of other products	(9,021)	-	(9,643)	(5)	(30,205)	(77,360)	-	-	(126,234)	-	(126,234)
Cost of sales between segments	22,086	97,953	2,393	11,950	39,067	4,052	-	-	177,501	(177,501)	-
Cost of sales	(425,046)	(201,987)	(179,601)	(199,425)	(323,724)	(270,084)	(124,061)	-	(1,723,928)	(583,920)	(2,307,848)
Gross Profit	320,681	534,107	19,831	290,527	583,463	2,802	128,717	-	1,880,128	(224,121)	1,656,007
Other revenue per function	3,330	1,474	2,264	1,441	13,234	276	-	-	22,019	3,549	25,568
Distribution costs	(29)	(12)	(12)	(48)	(81)	-	-	-	(182)	(3,351)	(3,533)
Administrative expenses	(18,834)	(13,667)	(6,288)	(7,593)	(15,317)	(3,616)	(6,515)	44	(71,786)	(40,317)	(112,103)
Other expenses per function	(7,038)	(2,236)	(3,398)	(16,573)	(6,875)	(314)	-	(4)	(36,438)	(315,891)	(352,329)
Other gains (losses)	-	-	-	-	-	-	-	-	-	8,504	8,504
Finance income	1,129	561	188	485	1,800	291	226	4	4,684	5,445	10,129
Finance costs	(23,035)	(4,092)	(1,525)	(16,565)	(11,492)	(674)	(9,870)	(3)	(67,256)	(2,338)	(69,594)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	360	-	57	343	-	-	(6,348)	-	(5,588)	121,717	116,129
Exchange differences	(34,919)	(3,700)	(7,313)	(13,309)	(16,848)	(3,284)	108	1,766	(77,499)	4,528	(72,971)
Profit (loss) before taxes	241,645	512,435	3,804	238,708	547,884	(4,519)	106,318	1,807	1,648,082	(442,275)	1,205,807
Income tax expenses	(54,287)	(244,248)	22,740	(123,477)	(290,583)	23,436	(52,873)	(1,014)	(720,306)	(3,179)	(723,485)
Profit (loss)	187,358	268,187	26,544	115,231	257,301	18,917	53,445	793	927,776	(445,454)	482,322

The assets and liabilities related to each operating segment, including the Corporation's corporate center (head office) as of March 31, 2013 and of December 31, 2012 are detailed in the following tables:

3/31/2013											
Balance Sheet Item	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries, associates and Head office, net	Participation Anglo American Sur	Consolidated Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current asset	1,023,784	729,735	424,000	306,034	832,929	264,353	336,622	97,098	1,443,137	223,087	5,680,779
Non-current asset	3,374,243	1,515,897	604,727	3,544,102	3,817,558	257,385	1,099,782	2,520,914	2,226,202	6,363,196	25,324,006
Current liabilities	576,868	188,768	120,292	197,572	429,732	139,780	127,058	167,208	1,300,675	70,825	3,318,778
Non-current liabilities	1,282,369	265,867	163,664	243,758	824,041	40,811	87,641	-	11,565,933	807,746	15,281,830

12/31/2012											
Balance Sheet Item	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries, associates and Head office, net	Participation Anglo American Sur	Consolidated Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current asset	1,348,606	850,741	449,560	309,229	854,587	206,191	550,637	120,102	1,841,693	3,281	6,534,627
Non-current asset	3,304,986	1,535,565	637,243	3,507,881	3,716,190	252,403	1,049,336	2,222,911	2,024,770	6,837,731	25,089,016
Current liabilities	849,472	232,009	164,586	219,207	510,923	156,769	219,483	249,908	1,491,943	44,672	4,138,972
Non-current liabilities	1,252,439	260,746	160,320	253,355	829,236	39,255	93,336	-	10,963,155	1,463,606	15,315,448

Revenue classified by geographical area is detailed as follows:

Revenue per geographical areas	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Total revenue from local customers	171,595	291,796
Total revenue from foreign customers	3,106,081	3,672,059
Total	3,277,676	3,963,855

Revenue per geographical areas	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
China	808,385	898,733
Rest of Asia	528,234	81,568
Europe	419,866	621,173
Other	1,521,191	2,362,381
Total	3,277,676	3,963,855

Sales are allocated to different geographical areas depending on the residence of the clients that have signed sales contracts with Codelco.

Non-current assets other than financial instruments, deferred tax assets, Post-employment benefit assets, and rights arising under insurance contracts, are located mainly in Chile, with no significant exceptions, located in foreign subsidiaries, and which do not exceed more than 1% of such assets.

24. Foreign exchange differences

According to Decree Law 1,350, the Corporation maintains its accounting records in United States dollars (US$), recording transactions in currencies other than U.S. dollars at the exchange rate current at the date of each transaction and subsequently updating them, when necessary, according to the exchange rate determined by the Superintendency of Securities and Insurance as of closing reporting for each of the financial statements.

The following table summarizes the foreign exchange differences in Codelco Chile and subsidiaries interim consolidated statements of income:

Gain (loss) from foreign exchange differences recognized in income	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Gain from foreign exchange differences	25,969	106,548
Loss from foreign exchange differences	(86,127)	(179,519)
Total foreign exchange differences, net	(60,158)	(72,971)

25. Statement of cash flows

The following table shows the items that comprise other collections and payments from operating activities in the Statement of Cash Flows:

Other collections from operating activities	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
VAT Refund	516,381	399,639
Other	78,081	113,255
Total	594,462	512,894

Other payments for operating activities	1/1/2013 3/31/2013 ThUS$	1/1/2012 3/31/2012 ThUS$
Contribution to the Chilean Treasury (Law No. 13,196)	(322,995)	(318,982)
Finance hedges and sales	(59,123)	(217,246)
VAT and other similar taxes paid	(353,289)	(391,658)
Total	(735,407)	(927,886)

26. Financial risk management, objectives and policies

Codelco has created committees within its organization to generate strategies with which to minimize the financial risks to which it may be exposed.

The risks to which Codelco is exposed are detailed as follows, along with a brief description of the management procedures that are carried out in each case.

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 (U.S. 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.

Taking the assets and financial liabilities as of March 31, 2013 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 by + / - US$61 million. This result is obtained by identifying the principle areas affected by exchange rate, including assets and financial liabilities, in order to measure the impact on income that a variation of +/- 10 Chilean pesos would have to US$, with respect to the real exchange rate as of the date of this financial statement.

Codelco has signed deposits in national currency to cover the effects of exchange rate fluctuations between the dollar and the Chilean peso due to the obligations of the Corporation held in Chilean pesos.

As of March 31, 2013, the balance of these deposits is US$ 433 million and US$ 539 million as of December 31, 2012.

- Interest rate risk:

This risk is generated by 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 as of March 31, 2013, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US$5 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 March 31, 2013, amount to ThUS$ 7,114,371 and ThUS$ 2,848,280 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. The host contract is the sale of metals contained in the concentrate or cathode at the provisional invoice price, and the embedded derivative is the forward contract for which the provisional sale is subsequently adjusted. 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 statements

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 assets futures market.

As of March 31, 2013, if the future price of copper were to vary by + / - 5% (with the other variables constant), net income would vary by + / - US$141 million as a result of the mark to market adjustment of sales revenue at provisional prices current at March 31, 2013 (ThTMF 365). For the indicated estimate, all physical sales contracts were identified that will be valued according to the average of the month immediately prior to the closing date of the financial statements, after which the definitive liquidation price will be estimated if there is a difference of +/- 5% with respect to the known future price on that date for the given period.

In order to protect its cash flows and, if necessary, adjust its sales contracts to its commercial policy, the Corporation performs transactions in the metal derivative market. At the reporting date, the contracts are adjusted to their fair value, registering that effect, at the maturity of the hedge operations, being recorded in revenues of product sales.

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 assets derivative market.

As of March 31, 2013, a US¢ 1 variation in the price per pound of copper, because of the effect on derivative instrument contracts entered into by the Corporation, would result in a variation in revenue or payments for existing contracts (exposure) of ThUS$ 184, before taxes. This calculation is obtained from a simulation of the change of future copper prices, which are used to value all derivative instruments entered into by the Corporation. Estimates will vary if there is an increase / decrease of U.S. ¢ 1 in the price of the pound of copper.

No hedging contracts have been entered into for the specific purpose of mitigating the price risk caused by fluctuations in the price of production supplies.

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 room 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:

Maturities of financial liabilities at March 31, 2013	Less than a year ThUS$	Between one and five years ThUS$	More than five years ThUS$
Loans from financial institutions	267,355	1,773,179	807,746
Bonds	595,632	498,234	6,020,505
Finance leases	32,229	51,415	38,366
Derivatives	9,219	7	-
Other financial liabilities	1,447	81,740	-
Total	905,882	2,404,575	6,866,617

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 uncollectibility 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.

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 credit risk exposure as of March 31, 2013 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.

The client items include allowances, which are not significant, designed to cover possible insolvencies. These provisions are determined based on review of the debt balances and the clients' characteristics, to cover possible insolvencies.

Explanatory note 2 in "Trade and other receivables" presents overdue 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 March 31, 2013 and March 31, 2012, 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 periods ended March 31, 2013 and 2012, no assets have been obtained as a result of the execution of guarantees contracted to insure the collection of third party debt.

Personnel loans are mainly generated by mortgage loans, according to programs included in collective agreements, which are guaranteed by housing mortgages which are paid for through payroll discounts.

27. Derivatives contracts

As stated in the Board of Directors' policy, ratified on March 27, 2009, the Corporation has operations to hedge cash flows, to minimize the risk of foreign exchange rate variations and sales price variations, detailed as follows:

a. Exchange rate hedges

The Corporation has protection operations from exchange rate variations, whose net deferred tax positive exposure amounts to ThUS$ 1,779, which will expire in April 2025.

The following table summarizes the exposure of the financial hedges contracted by the Corporation, dated on March 31, 2013:

Hedge Item	Bank	Type of derivative contract	Maturity	Currency	Amount of the hedge item ThUS$	Swap value ThUS$	Exposure ThUS$
Bond UF Maturity 2025	Credit Suisse (USA)	Swap	4/1/2025	US$	334,298	208,519	130,227
Total					334,298	208,519	130,277

The current methodology for valuing the currency swap, using the bootstrapping technique from the Mid and Mid Swap rates build curves (zero) in UF and USD respectively, from market information.

b. Cash flows and commercial policy adjustment hedging contracts

The Corporation performs transactions in the metal derivatives market, recording their results at maturity. These results are added to or deduced from sales revenue. This addition or deduction is made because sales revenue incorporates the positive or negative effect of market prices. At March 31, 2013, these operations generated a higher net realized income of ThUS$ 5,165 (plus an effect of higher net income equivalents to ThUS$ 155 in subsidiaries), which is detailed below:

b.1. Commercial operations of current 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 March 31, 2013, the Corporation performed derivative market transactions of copper that represent 454,900 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

The current contracts as of March 31, 2013 presenting a ThUS$ 6,124 positive exposure, 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 completed between January 1st and March 31, 2013 generated a net positive effect on net income of ThUS$ 3,490, which is deducted from the amounts paid for purchase contracts and added to the values received for sales contracts of the products affected by these pricing transactions.

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

As of March 31, 2013 the Corporation maintains contracts for derivatives the sale of gold for ThTOZ 43 and silver for ThTOZ 1,495.

The contracts outstanding at March 31, 2013 show a positive exposure of ThUS $ 1,972. 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.

The transactions completed between January 1st and March 31, 2013 generated a positive effect on net income of ThUS$ 1,675, which is added to the amounts received for the sales contracts of the products affected by these pricing transactions. These hedging transactions mature in July 2013.

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

The Corporation does not hold actual transactions at March 31, 2013, resulting from these operations, which allowed protecting future cash flows, by way of ensuring the sales prices levels of production.

The following table summarizes the exposure of the metal hedges contracted by the Corporation, indicated in letter b above:

3/31/2013	Maturity Date						
ThUS$	2013	2014	2015	2016	2017	Following	Total
Flex Com Copper (Asset)	8,119	1,136	121	-	-	-	9,376
Flex Com Copper (Liability)	(2,941)	(311)	-	-	-	-	(3,252)
Flex Com Gold/Silver	1,972	-	-	-	-	-	1,972
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	7,150	825	121	-	-	-	8,096

12/31/2012	Maturity Date						
ThUS$	2012	2013	2014	2015	2016	Following	Total
Flex Com Copper (Asset)	685	-	-	-	-	-	685
Flex Com Copper (Liability)	(13,012)	(3,032)	-	-	-	-	(16,044)
Flex Com Gold/Silver	-	-	-	-	-	-	-
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	(12,327)	(3,032)	-	-	-	-	(15,359)

3/31/2013	Maturity Date						
Th TM/Ounces	2013	2014	2015	2016	2017	Following	Total
Copper Futures [TM]	319.2	124.2	11.0	0.5	-	-	454.9
Gold/Silver Futures [MOZ]	1,538.0	-	-	-	-	-	1,538.0
Copper price setting [TM]	-	-	-	-	-	-	-
Copper Options [TM]	-	-	-	-	-	-	-

12/31/2012	Maturity Date						
Th TM/Ounces	2013	2014	2015	2016	2017	Following	Total
Copper Futures [TM]	323.0	51.0	-	0.5	-	-	374.5
Gold/Silver Futures [MOZ]	-	-	-	-	-	-	-
Copper price setting [TM]	-	-	-	-	-	-	-
Copper Options [TM]	-	-	-	-	-	-	-

28. Contingencies and restrictions

a) Litigations and contingencies

There are various lawsuits and legal actions initiated by or against the Corporation, which derive from its operations and the industry in which it operates. In general, these are civil, tax, labor and mining litigations, all related to the Corporation's activities.

In the opinion of Management and its legal advisors, the lawsuits in which 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 Lawsuits: There are several tax lawsuits due to Internal Revenue Service tax assessments, for which the Corporation has filed the corresponding opposition.

- Labor Lawsuits: Labor lawsuits filed by workers of the Andina Division against the Corporation, relating to occupational illness (silicosis).

- Mining and Other Lawsuits derived from operations: The Corporation has been participating and will probably continue to participate as a claimant and defendant in certain lawsuits relating to its operations and mining activities, through which it seeks to exercise or oppose certain actions or exceptions with regard to certain mining concessions that have been established or are pending constitution, and its other activities. These processes do not currently have a fixed amount and not essentially affect the development of Codelco.

A case by case analysis of these lawsuits has shown that there are a total of 255 cases that have a clearly estimated value. It is estimated that 186 of these, which represent 72.94% of the total and which amount to ThUS$ 56,429, could have a negative impact on the Corporation. There are also 59 lawsuits, representing 23.14% of the total and which amount to ThUS$ 1,176, about which there is no certainty that the outcome would be unfavorable for Codelco. For the 10 remaining cases, amounting to ThUS$ 294, the Corporation's legal advisors believe that an unfavorable outcome is unlikely. In addition, there are 110 lawsuits for undetermined amounts. It is believed that the result of 32 of these could be unfavorable to Codelco.

The Corporation received liquidations No. 45, 46 and 47, issued dated June 29, 2012 by the Large Taxpayers Internal Tax Service (Servicio de Impuestos Internos, or SII, in Spanish), all relating to the audit of the transactions that the Company has with investee Copper Partners Investment Company Limited, for which Codelco has asked the Review of the Performance Audit

(RAF in Spanish), joining similar audit request by the Liquidations No. 1 and No. 2 and SDF Ex. Resolution No. 1, issued dated July 30, 2010 by the Division of Enforcement of SII, in relation to transactions of the same types mentioned above. The SII, to March 31, 2013, has not made any pronouncements concerning these performance reviews audit made by the Corporation.

The necessary provisions have been made for the lawsuits with probable losses and their legal costs. These provisions are recorded as contingency provisions.

As is public knowledge, the Corporation has submitted Appeals for Protection before the respective Courts of Appeals, challenging the findings reported by the Labor Department, deriving from inspections performed under the framework of Law No.20,123, which regulates subcontracted work schemes and temporary service firms. Five of these appeals were accepted and one was rejected, the latter of which has been appealed by the Corporation. All appeals are currently pending in the Supreme Court.

b) Other Commitments

i. On February 29, 2010, the Board agreed to continue mining operations of the Salvador Division until 2016, and if market and operating conditions are maintained, until 2021, both extensions are subject to the condition that management improvements and cost reduction commitments made by the Division are met, these commitments were filed at the Board of Directors in August 2010, and the extension was approved.

ii. On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, Copper Partners Investment Company Ltd., 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 the latter for the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid 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 Copper Partners Investment Company Ltd. to make the US$550 million advance payment to Codelco in March 2006.

As of March 31, 2013, the contract is operational, and monthly shipments began in June 2006.

With regard to financial obligations incurred by the associate Copper Partners Investment Company Ltd. 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 Copper Partners Investment Company Limited as a guarantee to the China Development Bank.

Subsequently, on March 14, 2012, Copper Partners Investment Company Ltd. paid off his debt to the abovementioned bank. As of December 31, 2012, Codelco does not hold any indirect guarantee regarding its participation in this associated company.

iii. 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, includes a pledge 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.

iv. The Corporation has signed gas supply contracts with its associate GNL Mejillones S.A., which began operations in October 2010, and through this contract, the associate agrees to sell part of a minimum equivalent to 27 Terra BTU's (British Thermal Units) per year during the 2010 - 2012 period. Additionally, the Corporation has signed an option contract together with other participating mining companies that includes the option to:

- Acquire the right to the long-term use of the terminal's capacity from the end of the contract, or

- To acquire the company's shares; the companies are committed to choosing one or other of these two alternatives.

On March 31, 2013, the Corporation has guarantees for 37% of the total exposure of the derivative transactions made by GNL Mejillones S.A., up to a maximum of ThUS$ 229,400.

v. Law 19,993 dated December 17, 2004, which authorized the purchase of the Fundición y Refinería Las Ventanas assets from ENAMI, established 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 mode or another form agreed upon by the parties.

vi. 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, during the first quarter of 2013 and the year 2012, has met these conditions.

vii. On January 20, 2010, the Corporation signed two energy supply contracts with Colbún S.A., which includes energy and power purchases for a total of 351 MW. The contract provides a discount for that energy consumption due to lower demand 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.

In addition, through a supplementary agreement, Codelco has ensured the supply by Colbún of 159 MW, adapted to Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

This contract is based on energy production from Colbún's Santa María thermal power station, which is currently under construction. 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.

Through these contracts, which operate through take or pay, the Corporation agrees to pay for the contracted energy and Colbún undertakes to return at market price the energy not consumed by Codelco.

These contracts have maturity date in 2027 and 2045.

viii. On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA S.A.(associate until January 2011), with a maturity in 2017:

- This Contract replaces the one signed on November 22, 1995, for the supply of electricity to the Chuquicamata work center, for a 15-year term beginning in January 2010 for between 200 and 280 MW in power and all associated electric energy. The approximate cost of the contract is US$1,380 million for the whole period.

- Modification of the contract dated December 21, 1995 for the Radomiro Tomic work center, for a maximum power of 110 MW, in which new prices are established, for the

power and energy contemplated in the contract as well as their new adjustment formulas from January 2010.

ix. The Corporation entered into business relations with JP Morgan Chase Bank, a bilateral funding commitment by US$400 million current at March 31, 2013.The agreement was signed with the aim of Codelco, when so required and within the limits laid down in the contract, to have the necessary funds to finance investments and refinance liabilities.

x. On November 11, 2011, Law No. 20,551 was published in the Official Journal, which regulates the tasks and closure of mining facilities. Additionally, on November 22, 2012, the Decreto Supremo No. 41 of the Ministerio de Minería, which appoves 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, must provide to SERNAGEOMIN the Mine Closure Plan in October 2014, while in April 2015 it must submit a proposal for the creation of guaranties. In the month of June 2015, Codelco should create guarantees for the initial 20% of the obligation under the regulations of this Code. The remaining 80% should be adjusted proportionately each year over the remaining period of fourteen years. The guarantee will be determined in present value of all actions and measures within the mine closure plan.

The Corporation is in the process of updating its mine closure plan and the process of valuation, which must comply with the requirements of Law No. 20,551, considering that the accounting liability record 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 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 and described in Note 2, letter o) of Main Accounting Policies.

xi. On May 24, 2012, the Corporation signed a financing agreement with Japan Bank for International Cooperation and Bank of Tokyo-Mitsubishi UFJ Ltd., for a financing for up to US$ 320 million for the development, construction and operation of a plant metal processing in the second region of Chile.

On March 31, 2013, actual disbursements of this funding have not been materialized.

xii. On August 24, 2012, Codelco through its subsidiary Inversiones Mineras Nueva Acrux (Nueva Acrux)SpA (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, Nueva Acrux agrees to sell to Mitsui, the products purchased under the agreement described in the preceding paragraphs.

The term of the contract 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.

29. Guarantees

The Corporation as a result of its activities has received and given guarantees.

The following tables list the main guarantees given to financial institutions:

Direct Guarantees provided to Financial Institutions				
Creditor of the Guarantee	Type of guarantee	3/31/2013		12/31/2012
		Maturity	ThUS$	ThUS$
Oriente Copper Netherlands B.V.	Pledge on shares	Nov - 2032	877,813	877,813
Total			877,813	877,813

Indirect Guarantees given to Financial Institutions					
Creditor of the Guarantee	Debtor guaranteed	Relationship	Type of guarantee	3/31/2013 ThUS$	12/31/2012 ThUS$
Barclays Bank PLC	Sociedad GNL Mejillones S.A.	Associate	Guarantee	37,000	37,000
Morgan Stanley Capital Group INC.	Sociedad GNL Mejillones S.A.	Associate	Guarantee	148,000	148,000
Koch Supply & Trading LP	Sociedad GNL Mejillones S.A.	Associate	Guarantee	44,400	44,400
Total				229,400	229,400

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	3/31/2013 ThUS$	12/31/2012 ThUS$
Andina	28,676	23,469
Chuquicamata	42,933	51,784
Head Office	561,008	483,711
Radomiro Tomic	15,403	19,164
Salvador	42,251	42,149
Ministro Hales	7,281	7,925
El Teniente	64,452	74,274
Ventanas	3,761	4,184
Gabriela Mistral	986	21,075
Total	766,751	727,735

30. Balances in foreign currency

a) Assets by Type of Currency

Item	3/31/2013 ThUS$	12/31/2012 ThUS$
Liquid Assets	1,354,466	1,272,532
US Dollars	684,402	702,901
Euros	583	1,626
Other currencies	381,489	6,208
Non-indexed Ch$	278,056	560,976
U.F.	9,936	821
Cash and Cash Equivalents	1,330,758	1,263,823
US Dollars	673,592	699,317
Euros	208	1,168
Other currencies	380,042	4,761
Non-indexed Ch$	276,095	557,756
U.F.	821	821
Other current financial assets	23,708	8,709
US Dollars	10,810	3,584
Euros	375	458
Other currencies	1,447	1,447
Non-indexed Ch$	1,961	3,220
U.F.	9,115	-

Item	3/31/2013 ThUS$	12/31/2012 ThUS$
Short and long terms receivables	1,324,498	2,391,548
US Dollars	869,521	1,668,745
Euros	102,233	114,457
Other currencies	5,754	21,104
Non-indexed Ch$	341,532	568,044
U.F.	5,458	19,198
Trade and other receivables	1,120,201	2,149,103
US Dollars	667,920	1,610,536
Euros	99,915	113,241
Other currencies	5,560	20,920
Non-indexed Ch$	341,348	397,628
U.F.	5,458	6,778
Rights receivables, non-current	169,856	171,699
US Dollars	167,231	2
Euros	2,318	1,216
Other currencies	194	65
Non-indexed Ch$	113	170,416
U.F.	-	-
Due from related companies, current	13,085	29,442
US Dollars	13,069	16,903
Euros	-	-
Other currencies	-	119
Non-indexed Ch$	16	-
U.F.	-	12,420
Due from related companies, non-current	21,356	41,305
US Dollars	21,301	41,305
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	55	-
U.F.	-	-
Rest of assets	28,325,821	27,959,562
US Dollars	25,279,467	24,921,135
Euros	383,413	431,024
Other currencies	32,893	32,335
Non-indexed Ch$	2,215,534	2,166,828
U.F.	414,514	408,240
Total Assets	31,004,785	31,623,643
US Dollars	26,833,390	27,292,782
Euros	486,229	547,107
Other currencies	420,136	59,647
Non-indexed Ch$	2,835,122	3,295,848
U.F.	429,908	428,259

b) Liability by type of currency:

Current liability by currency	3/31/2013		12/31/2012	
	Up to 90 days ThUS$	90 days to 1 year ThUS$	Up to 90 days ThUS$	90 days to 1 year ThUS$
Current liabilities	2,449,550	869,228	3,325,680	813,292
US Dollars	1,629,673	854,360	1,980,142	775,889
Euros	46,022	-	5,520	37,403
Other currencies	1,487	-	1,184	-
Non-indexed Ch$	763,396	8,538	1,330,388	-
U.F.	8,972	6,330	8,446	-
Other current financial liabilities	59,926	845,956	51,487	813,292
US Dollars	24,357	840,313	45,409	775,889
Euros	32,437	-	-	37,403
Other currencies	-	-	-	-
Non-indexed Ch$	372	47	1,009	-
U.F.	2,760	5,596	5,069	-
Bank loans	47,968	219,387	400	219,286
US Dollars	15,112	219,387	-	181,883
Euros	32,437	-	-	37,403
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	419	-	400	-
Obligations	-	595,632	-	594,006
US Dollars	-	595,596	-	594,006
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	36	-	-
Finance lease	1,292	30,937	35,601	-
US Dollars	26	25,330	30,715	-
Euros	-	-	-	-
Other currency	-	-	-	-
Non-indexed Ch$	372	47	217	-
U.F.	894	5,560	4,669	-
Others	10,666	-	15,486	-
US Dollars	9,219	-	14,694	-
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	792	-
U.F.	1,447	-	-	-
Other current liabilities	2,389,624	23,272	3,274,193	-
US Dollars	1,605,316	14,047	1,934,733	-
Euros	13,585	-	5,520	-
Other currencies	1,487	-	1,184	-
Non-indexed Ch$	763,024	8,491	1,329,379	-
U.F.	6,212	734	3,377	-

Non- Current liability by currency	3/31/2013				12/31/2012			
	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$
Non-Current liabilities	7,612,775	840,804	3,943,798	2,884,453	7,518,622	974,667	3,942,371	2,879,788
US Dollars	6,517,875	840,804	,943,798	2,524,916	5,943,787	974,667	3,942,371	2,526,060
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	1,035,749	-	-	-	1,515,446	-	-	-
U.F.	59,151	-	-	359,537	59,389	-	-	353,728
Other non-current financial liabilities	1,602,137	840,804	3,943,798	2,884,453	1,465,498	974,667	3,942,371	2,879,788
US Dollars	1,540,161	840,804	3,943,798	2,524,916	1,441,452	974,667	3,942,371	2,526,060
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	38,108	-	-	-	-	-	-	-
U.F.	23,868	-	-	359,537	24,046	-	-	353,728
Bank loans	932,375	840,804	-	807,746	828,936	939,925	-	809,035
US Dollars	930,644	840,804	-	807,746	827,164	939,925	-	809,035
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	1,731	-	-	-	1,772	-	-	-
Obligations	498,234	-	3,943,798	2,076,707	497,966	-	3,942,371	2,070,753
US Dollars	498,234	-	3,943,798	1,717,170	497,966	-	3,942,371	1,717,025
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	-	359,537	-	-	-	353,728
Finance Lease	89,781	-	-	-	56,564	34,742	-	-
US Dollars	29,536	-	-	-	34,290	34,742	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	38,108	-	-	-	-	-	-	-
U.F.	22,137	-	-	-	22,274	-	-	-
Others	81,747	-	-	-	82,032	-	-	-
US Dollars	81,747	-	-	-	82,032	-	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other liabilities non current	6,010,638	-	-	-	6,053,124	-	-	-
US Dollars	4,977,714	-	-	-	4,502,335	-	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	997,641	-	-	-	1,515,446	-	-	-
U.F.	35,283	-	-	-	35,343	-	-	-

31. Sanctions

As of March 31, 2013 and December 31, 2012, neither Codelco Chile nor its Directors and Managers have been sanctioned by the Superintendency of Securities and Insurance or any other administrative authorities.

33. Subsequent events

- On April 1, 2013, an essential event was reported that Mr. Francisco Palacios Carvajal's resignation from the position of General Manager of division Radomiro Tomic was accepted.

  Mr. Aranis Julio Vargas, in his capacity as Vice President of Operations in North, replaced Mr. Carvajal and temporarily assumed the duties of General Manager of the Radomiro Tomic division. He holds both positions simultaneously.

  On this same date, April 1, 2013, the Radomiro Tomic division announced that its production and operations would continue normally.

- On April 9, 2013, was reported as an essential fact that the Copper Workers Federation called an illegal work stoppage for 24 hours. Its effects on production and results were estimated to be U.S. $ 35 million a day in lower operating income.

- On April 9, 2013, it was reported that Codelco's Board decided to convene a meeting on Friday, April 26, 2013, at 11:30 am at the offices of the Company located at Huérfanos 1270, 1st floor, Santiago, to discuss matters pertaining to ordinary shareholders.

- On April 16, 2013, the following designations were reported and became effective:

  1. Mr. Juan Medel Fernández was appointed General Manager of the Radomiro Tomic division.

  2. Mr. Claudio Valdivia Olguín was appointed General Manager of the Ministro Hales division.

  3. Mr. Oscar Jiménez Medina was appointed General Manager of the Gabriela Mistral division.

  The designations indicated above will govern from that date.

- On April 26, 2013, as essential fact is reported that the ordinary shareholders of Codelco held a meeting on April 26, 2013 and, with the assistance of the Ministers of Finance and Mining, as delegates from S.E. the President of the Republic, adopted the following resolutions:

  1. The annual report, Balance Sheet and other financial statements for the year ended December 31, 2012, and report of the external auditors, were approved.

  2. The Company appointed Ernst & Young as External Auditors for the year of 2013.

  3. Feller Rate, Fitch Ratings, Moody's and Standard & Poor's risk classification agencies were appointed for the year of 2013.

  4. The newspaper Diario Financiero was appointed as the official source for publications relating to Codelco, as regulated in the law of corporations and instructions of the SVS.

  5. The transactions with related parties were approved as required by the Article 44 of Law No. 18,046.

  6. The expenses incurred by the Board of Directors and the Audit Committee during 2012 were declared.

- On May 23, 2013, an essential event was reported that the President appointed, effective as of the same date, as members of the Board of Directors of Codelco Mr. Blas Tomic Errázuriz Miranda and Mr. Gerardo Jofré. The latter was appointed by the President as Chairman of the Board.

  It was also reported that the new Board members would form part of the Committee of Directors of Codelco Chile.

  From January 1, 2013 to the date of the issuance of these financial statements (May 30, 2013), the Company's management is not aware of other significant financial facts or of any other nature that would affect these statements and future cash flows.

33. Environmental Expenditures

Each of Codelco's operations is subject to national, regional and local regulations related to protection of the environment and natural resources, including standards relating to water, air, noise and disposal and transportation of dangerous residues, among others. Chile has adopted environmental regulations that have obligated the companies that operate in the country, 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, operation, verification and activities review elements. As of March 31, 2013, they have received ISO 14001 certification for the environmental management of the Chuquicamata, Radomiro Tomic, Andina, Salvador, El Teniente and Ventanas Division, Gabriela Mistral and the Head Office.

To comply with the Circular N°1.901 of 2008 of the Chilean Superintendency of Securities and Insurance, below are the details of the Corporation's main expenditures related to the environment during the first quarter of 2013 and 2012 respectively, and the projected future expenses.

		Disbursements made up to 3/31/2013				3/31/2012	Expenditures	
Corporation	Project	Project Status	Amount ThUS$	Asset/ Expenditure	Asset Item / Expenditure	Amount ThUS$	Amount ThUS$	Estimated Date
	Chuquicamata		23,732			37,376	113,923	
Codelco Chile	Talambre dam extension, 7th stage	In process	4,883	Asset	Property, plant and equipment	3,973	62,333	2014
Codelco Chile	Expansion capacity Talabre dam, 8th stage	Finished	-	Asset	Property, plant and equipment	198	-	2012
Codelco Chile	Emergency restoration system dust control crushing plant 2 ° / 3 °	In process	1,824	Asset	Property, plant and equipment	-	11,985	2014
Codelco Chile	Acid plants	In process	15,383	Expenditure	Administrative expenses	27,374	33,626	2013
Codelco Chile	Solid waste	In process	916	Expenditure	Administrative expenses	2,624	2,535	2013
Codelco Chile	Water treatment plant	In process	726	Expenditure	Administrative expenses	3,207	3,444	2013
	Salvador		384			1,456	10,297	
Codelco Chile	Dust collection improvement	In process	384	Asset	Property, plant and equipment	138	6,852	2014
Codelco Chile	Trench construction of hazardous waste	Finished	-	Asset	Property, plant and equipment	510	-	-
Codelco Chile	Construction V stage of tailing treatment	In process	-	Asset	Property, plant and equipment	544	3,445	2013
Codelco Chile	Acid plants	In process	-	Expenditure	Administrative expenses	-	-	2013
Codelco Chile	Solid waste	In process	-	Expenditure	Administrative expenses	230	-	2013
Codelco Chile	Water treatment plant	In process	-	Expenditure	Administrative expenses	34	-	2013
	Andina		23,000			4,138	203,591	
Codelco Chile	Construction of water trap for east ballast deposit	In process	431	Asset	Property, plant and equipment	1,749	8,507	2014
Codelco Chile	District warehouse installation	Finished	-	Asset	Property, plant and equipment	317	-	-
Codelco Chile	Drains expansion stage 5	In process	245	Asset	Property, plant and equipment	974	901	2013
Codelco Chile	Drain water treatment	In process	44	Asset	Property, plant and equipment	-	1,692	2013
Codelco Chile	Drain internal water treatment E1	In process	587	Asset	Property, plant and equipment	-	9,272	2013
Codelco Chile	Drainage water treatment	In process	18,383	Asset	Property, plant and equipment	346	113,991	2014
Codelco Chile	Standard Water Phase 2	In process	1,489	Asset	Property, plant and equipment	-	36,887	2015
Codelco Chile	Building evacuation and capturing towers Ovejería	In process	441	Asset	Property, plant and equipment	-	27,291	2014
Codelco Chile	Construction Ovejería tailings canal	In process	1,066	Asset	Property, plant and equipment	-	2,152	2013
Codelco Chile	Improved interception infiltrates Ovejería	In process	277	Asset	Property, plant and equipment	72	508	2013
Codelco Chile	Solid waste	In process	577	Expenditure	Administrative expenses	394	1,572	2013
Codelco Chile	Water treatment plant	In process	342	Expenditure	Administrative expenses	286	818	2013
Subtotal			47,116			42,970	327,811	

			Disbursements made up to 3/31/2013			3/31/2012	Expenditures	
Corporation	Project	Project Status	Amount ThUS$	Asset/ Expenditure	Asset Item / Expenditure	Amount ThUS$	Amount ThUS$	Estimated Date
	El Teniente		24,389			4,875	78,051	
Codelco Chile	Construction of 5th phase of Carén	Finished	-	Asset	Property, plant and equipment	3,201	-	-
Codelco Chile	Monitoring online of tailings	Finished	-	Asset	Property, plant and equipment	548	-	-
Codelco Chile	Apliation of tailing 4	Finished	-	Asset	Property, plant and equipment	359	-	-
Codelco Chile	Apliation of tailing Route 5	In process	7	Asset	Property, plant and equipment	743	-	-
Codelco Chile	Construction of 6th phase of Carén	In process	5,998	Asset	Property, plant and equipment	-	3,830	2013
Codelco Chile	Acid plants	In process	15,197	Expenditure	Administrative expenses	20	63,093	2013
Codelco Chile	Solid waste	In process	387	Expenditure	Administrative expenses	1	1,932	2013
Codelco Chile	Effluent treatment plant	In process	2,800	Expenditure	Administrative expenses	3	9,196	2013
	Minera Gaby		11			18	916	
Minera Gaby S.p A.	Installation of gravel dump phase IV	Finished	-	Asset	Property, plant and equipment	18	-	-
Minera Gaby S.p A.	Implementation waste treatment system	Finished	11	Asset	Property, plant and equipment	-	916	2013
	Ventanas		9,910			13,985	21,745	
Codelco Chile	Mitigation of environmental concentrator stock	In process	-	Asset	Property, plant and equipment	1963	-	-
Codelco Chile	Standization of rainwater pools	In process	-	Asset	Property, plant and equipment	314	-	-
Codelco Chile	Cold load system Cps N 2	In process	-	Asset	Property, plant and equipment	691	-	-
Codelco Chile	Arsenic supply in electric oven	In process	33	Asset	Property, plant and equipment	-	236	2013
Codelco Chile	Increase uptake Mat.	In process	-	Asset	Property, plant and equipment	-	-	-
Codelco Chile	Increase uptake Mp He	In process	18	Asset	Property, plant and equipment	4,010	-	-
Codelco Chile	Cold load mechanical system Cps N°1 y 3	In process	616	Asset	Property, plant and equipment	-	611	2013
Codelco Chile	Acid plants	In process	6,435	Expenditure	Administrative expenses	5,579	11,876	2013
Codelco Chile	Solid waste	In process	1,100	Expenditure	Administrative expenses	183	2,191	2013
Codelco Chile	Water treatment plant	In process	1,708	Expenditure	Administrative expenses	1,245	6,831	2013
	Radomiro Tomic		440			440	-	
Codelco Chile	Solid waste	In process	380	Expenditure	Administrative expenses	380	-	2013
Codelco Chile	Effluent treatment plant	In process	60	Expenditure	Administrative expenses	60	-	2013
Subtotal			34,750			19,318	100,712	

Total			81,866			62,288	428,523	

CODELCO – CHILE

Consolidated Financial Statements as of December 31, 2012

(Translation to English of consolidated financial statements originally issued in Spanish – see Note I.2)

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Report of Independent Auditors

(A free translation of the original report issued in Spanish)

To the Shareholders of
Corporación Nacional del Cobre de Chile

We have audited the accompanying consolidated statements of financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2012 and 2011 and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with International Financial Reporting Standards; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Corporación Nacional del Cobre de Chile and its subsidiaries as of December 31, 2012 and 2011, and the consolidated results of its operations, and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of a matter, Anglo American Sur S.A.

As a result of the negotiation with Anglo American, in which Corporación Nacional del Cobre de Chile acquired certain mining concessions as well as 29.5% of Anglo American Sur S.A., through its subsidiary Inversiones Mineras Becrux SpA., the conditions that precluded remeasurement of the purchase option over the interest in Anglo American Sur S.A. to fair value were removed. The results of these measurements to fair value generated a non-cash gain of US$ 3,920 million for the year ended as of December 31, 2012, less tax effects of US$ 776 million, which are disclosed in Notes 26 and Note 5.

As indicated in Note 9, the purchase price allocation based on the fair value of the identifiable assets and liabilities has been prepared by the Management using its best estimates while considering all relevant information available as of the acquisition date of Anglo American Sur S.A., however, is subject to adjustments for up to one year from the date of acquisition.

Our opinion is not modified with respect to these matters.

Charles A. Bunce

ERNST & YOUNG LTDA.

Santiago, March 28, 2013

A member firm of Ernst & Young Global Limited

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2012 and 2011
(In thousands of US dollars - ThUS$)

(Translation to English of consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	12/31/2012	12/31/2011
Assets			
Current Assets			
Cash and cash equivalents	1	1,263,823	1,382,876
Other current financial assets	12	8,709	193,237
Other current non-financial assets		24,015	36,413
Trade and other current receivables	2	2,149,103	1,968,269
Accounts receivables due from related companies, current	3	29,442	56,357
Inventory	4	2,431,965	2,014,838
Current tax assets	6.a	627,570	254,930
Total current assets		6,534,627	5,906,920
Non-current assets			
Other non-current financial assets	12	133,000	102,593
Other non-current non-financial assets	11	37,677	203,950
Non-current receivables	2	171,699	132,721
Accounts receivables due from related companies, non-current	3	41,305	75,860
Investment accounted for using the equity method	9	7,644,612	945,055
Intangible assets other than goodwill		19,178	12,292
Property, Plant and Equipment, net	8	17,044,931	13,437,764
Investment property		18,004	17,789
Total non-current assets		25,110,406	14,928,024
Total assets		31,645,033	20,834,944

The accompanying notes form an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2012 and 2011
(In thousands of US dollars - ThUS$)

(Translation to English of consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	12/31/2012	12/31/2011
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	13	864,779	1,643,424
Trade and other current payables	16	2,245,592	1,782,459
Accounts payables to related companies, current	3	143,364	126,850
Other current provisions	17	209,895	210,514
Current tax liabilities	6.b	50,205	137,267
Current employee benefit accruals	17	549,975	459,251
Other current non- financial liabilities		75,162	56,317
Total current liabilities		4,138,972	4,416,082
Non-current liabilities			
Other non-current financial liabilities	13	9,262,324	6,395,154
Other non-current payables		-	319
Accounts payables to related companies, non-current	3	275,011	308,616
Other non-current provisions and accrued expenses	17	1,554,167	1,013,441
Deferred tax liabilities	5	2,909,095	1,540,242
Non-current employee benefit accruals	17	1,323,294	1,092,966
Other non-current non-financial liabilities		4,390	3,094
Total non-current liabilities		15,328,281	10,353,832
Total liabilities		19,467,253	14,769,914
Equity			
Issued Capital		2,524,423	2,524,423
Retained earnings		4,189,769	1,709,068
Other Reserves	19	3,364,182	1,829,519
Equity attributable to owners of the parent		10,078,374	6,063,010
Non-controlling interests	19	2,099,406	2,020
Total equity		12,177,780	6,065,030
Total liabilities and equity		31,645,033	20,834,944

The accompanying notes form an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended as of December 31, 2012 and 2011
(In thousands of US dollars - ThUS$)

(Translation to English of consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2012 12/31/2012	1/1/2011 12/31/2011
Profit (loss)			
Revenue	20	15,860,432	17,515,296
Cost of sales		(10,851,680)	(10,283,026)
Gross profit		5,008,752	7,232,270
Other Income, by function	22.a	4,092,339	726,185
Distribution costs		(12,654)	(11,114)
Administrative expenses		(543,531)	(452,217)
Other expenses	22.b	(2,275,954)	(2,307,326)
Other gains (losses)		35,400	38,709
Profit (losses) from operating activities		6,304,352	5,226,507
Finance income		59,023	44,701
Finance costs	23	(406,278)	(294,496)
Share of profit of associates and joint ventures accounted for using the equity method	9	457,230	353,440
Foreign exchange differences	25	(165,801)	216,998
Profit for the period before tax		6,248,526	5,547,150
Income tax expense	5	(2,373,206)	(3,491,798)
Profit for the period		3,875,320	2,055,352
Profit (loss) attributable to:			
Profit attributable to owners of the parent		3,867,960	2,056,414
Loss attributable to non-controlling interests	19.b	7,360	(1,062)
Profit for the period		3,875,320	2,055,352

The accompanying notes form an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUATION)

For the years ended as of December 31, 2012 and 2011
(In thousands of US dollars - ThUS$)

(Translation to English of consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2012 12/31/2012	1/1/2011 12/31/2011
Profit for the period		3,875,320	2,055,352
Components of other comprehensive income (loss), before tax:			
Exchange differences on conversion			
Gain (loss) on exchange differences on conversion, before tax		1,326	(2,633)
Other comprehensive income, before tax, exchange differences on conversion		1,326	(2,633)
Cash flow hedges			
Gain (loss) on cash flow hedges, before tax		646,416	1,594,322
Other comprehensive income before tax, exchange differences on conversion		646,416	1,594,322
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method		(6,418)	81,376
Other comprehensive income (loss) before tax		641,324	1,673,065
Income tax related to components of other comprehensive income:			
Income tax related to cash flow hedges of other comprehensive income	5	(379,740)	(897,100)
Aggregated income tax related to components of other comprehensive income		(379,740)	(897,100)
Other comprehensive income (loss)		261,584	775,965
Total comprehensive income		4,136,904	2,831,317
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent		4,129,544	2,832,379
Comprehensive income attributable to non-controlling interests	19.b	7,360	(1,062)
Total comprehensive income		4,136,904	2,831,317

The accompanying notes form 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 as of December 31, 2012 and 2011
(In thousands of US dollars - ThUS$)

(Translation to English of consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2012 12/31/2012	1/1/2011 12/31/2011
Cash flows provided by (used in) operating activities:			
Cash receipts provided by operating activities			
Cash flows provided by sales of goods and rendering of services		16,932,810	19,702,113
Other cash flows provided by operating activities	26	2,161,658	1,843,793
Types of cash payments			
Payments to suppliers for goods and services		(9,880,753)	(8,741,815)
Payments to and on behalf of employees		(2,100,391)	(2,196,072)
Other cash flows used in operating activities	26	(3,562,099)	(4,191,069)
Dividends received		276,672	85,750
Income taxes paid		(1,892,661)	(3,852,469)
Net cash flows provided by operating activities		1,935,236	2,650,231
Cash flows provided by (used in) investing activities:			
Net cash used for the purchase of associate	26	(2,799,795)	-
Other payments to acquire equity or debt instruments of other entities		(31,408)	-
Other collections from the sale of interests in joint ventures and associates	26	-	1,088,351
Borrowings to related companies		(8,405)	-
Purchases of property plant and equipment		(3,687,182)	(2,251,630)
Collections from related companies		61,050	40,700
Interest received		43,137	26,912
Other inflows (outflows) of cash		91,576	36,543
Net cash flows from (used in) investing activities		(6,331,027)	(1,059,124)
Cash flows provided by (used in) financing activities:			
Proceeds from the issue of shares		1,100,000	-
Proceeds from current borrowings		5,481,146	1,232,049
Repayments of borrowings		(1,505,414)	(517,534)
Dividends paid		(106,000)	(1,472,048)
Interest paid		(541,988)	(324,737)
Other inflows (outflows) of cash		(151,006)	-
Net cash flows from (used in) financing activities		4,276,738	(1,082,270)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference		(119,053)	508,837
Net increase (decrease) in cash and cash equivalents		(119,053)	508,837
Cash and cash equivalents at beginning of period	1	1,382,876	874,039
Cash and cash equivalents at end of period	1	1,263,823	1,382,876

The accompanying notes form an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended as of December 31, 2012 and 2011
(In thousands of US dollars - ThUS$)

(Translation to English of consolidated financial statements originally issued in Spanish – see Note I.2)

December 31, 2012	Issued Capital	Foreign currency conversion reserve	Cash flow hedge reserve	Other miscellaneous reserves	Total other reserves Note 19	Accumulated retained earnings	Equity attributable to owners of the parent	Non-controlling interests Note 19	Total Equity
Initial Balance as of 1/1/2012	2,524,423	283	(272,349)	2,101,585	1,829,519	1,709,068	6,063,010	2,020	6,065,030
Changes in equity									
Profit for the period						3,867,960	3,867,960	7,360	3,875,320
Other comprehensive income (loss)		1,326	266,676	(6,418)	261,584		261,584	-	261,584
Comprehensive income							4,129,544	7,360	4,136,904
Dividends Paid						(106,000)	(106,000)		(106,000)
Increase (decrease) through transfers and other changes	-	-	-	1,273,079	1,273,079	(1,281,259)	(8,180)	2,090,026	2,081,846
Increase (decrease) in equity	-	1,326	266,676	1,266,661	1,534,663	2,480,701	4,015,364	2,097,386	6,112,750
Final Balance as of 12/31/2012	2,524,423	1,609	(5,673)	3,368,246	3,364,182	4,189,769	10,078,374	2,099,406	12,177,780

The accompanying notes form an integral part of these consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended as of December 31, 2012 and 2011
(In thousands of US dollars - ThUS$)

(Translation to English of consolidated financial statements originally issued in Spanish – see Note I.2)

December 31, 2011	Issued Capital	Foreign currency conversion reserve	Cash flow hedge reserve	Other miscellaneous reserves	Total other reserves Note 19	Accumulated retained earnings	Equity attributable to owners of the parent	Non-controlling interests Note 19	Total Equity
Initial Balance as of 1/1/2011	2,524,423	2,916	(969,571)	1,642,058	675,403	1,329,392	4,529,218	1,994	4,531,212
Changes in equity									
Profit for the period						2,056,414	2,056,414	(1,062)	2,055,352
Other comprehensive income (loss)		(2,633)	697,222	81,376	775,965		775,965	-	775,965
Comprehensive income							2,832,379	(1,062)	2,831,317
Dividends Paid						(1,674,916)	(1,674,916)		(1,674,916)
Increase (decrease) through transfers and other changes	-	-	-	378,151	378,151	(1,822)	376,329	1,088	377,417
Increase (decrease) in equity	-	(2,633)	697,222	459,527	1,154,116	379,676	1,533,792	26	1,533,818
Final Balance as of 12/31/2011	2,524,423	283	(272,349)	2,101,585	1,829,519	1,709,068	6,063,010	2,020	6,065,030

The accompanying notes form an integral part of these consolidated financial statements.

I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile, Codelco (hereinafter referred to as "Codelco - Chile", the "Corporation"), is the largest copper producer in the world. Its 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. Codelco also manufactures wire rods in Germany, a semi-manufactured product that uses copper cathodes as raw material, through an associated company that is disclosed in Note 9. The Corporation trades its products based on a policy with the objective of selling 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 is registered under Securities Registry No. 785 of the Chilean Superintendency of Securities and Insurance (the "SVS") and is subject to the supervision of said SVS. According to Article 10 of Law No. 20,392 (on the new Corporate Governance of Codelco), such supervision will be on the same terms as publicly traded companies, notwithstanding the provisions in Decree Law (D.L.) No. 1,349 of 1976, which created the Comisión Chilena del Cobre ("Chilean Copper Commission").

Codelco's Head Office is located in Santiago, Chile, at 1270 Huérfanos, telephone number (56 2) 6903000.

Codelco Chile was formed as stipulated by D.L. No. 1,350 of 1976, which is the statutory decree of the Corporation. In accordance with the statutory decree, Codelco is a state-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 divisions Chuquicamata, Radomiro Tomic, Salvador, Andina, El Teniente and Ventanas and Gabriela Mistral. 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 and on that date was absorbed by Codelco. Also, in 2010 the Corporation was authorized by the Board of Directors of the Corporation to invest in the operation of the new division Ministro Hales Mine, whose estimated initial operating date is at the last quarter of 2013. 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. 20,392, Codelco is governed by its organic standards set forth in Decree Law No. 1,350 (D.L. No. 1,350) and that of its statutes, and in matters not covered by them and, insofar as they are compatible and do not go against the provisions of these rules, the rules that govern publicly traded companies and the common laws as applicable to them.

In accordance with D.L. No. 1,350 Section IV related to the Company's Exchange and Budget Regulations, Codelco's financial activities are conducted following a budgeting system that is composed of an Operations Budget, an Investment Budget and a Debt Amortization Budget.

The tax system applicable to Codelco's income is in accordance with Article 26 of D. L. No. 1,350, which refers to Decree Laws No. 824 on Income Tax of 1974 and Decree Law No. 2,398 (Article 2) of 1978, as applicable. The Corporation's income is also subject to a tax in accordance with Law No. 20,026 of 2005 (Specific Mining Tax).

The Corporation is subject to Law No. 13,196, which mandates the payment of a 10% tax over the foreign currency return on the export value of copper production, including its by-products.

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 2 d of Section II to the Summary of Significant Accounting Policies.

The associates correspond to companies located in Chile and abroad, which are detailed in the Explanatory Notes Section III Note 9.

2. Basis of Presentation of the Consolidated Financial Statements

The Corporation's consolidated financial statements are stated in thousands of US dollars and were prepared based on the accounting records maintained by Codelco - Chile and its subsidiaries, and have been prepared in accordance with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board (hereinafter "IASB").

Responsibility for the Information and Use of Estimates

The Board of Directors of the Corporation has been informed of the information included in these financial statements and expressly states its responsibility for the consistent and reliable nature of the information included in the consolidated financial statements as of December 31, 2012, for the effects of which IFRS principles issued by the IASB have been applied in full. The December 31, 2012 consolidated financial statements were approved by the Board of Directors in the meeting on March 28, 2013.

Accounting Principles

These consolidated financial statements and the related notes reflect the financial position of Codelco Chile and its subsidiaries as of December 31, 2012 and 2011, the results of their operations, the changes in net equity and cash flows for periods ended December 31, 2012 and 2011, and their related notes, all of which have been prepared and presented in accordance with IAS 1 "Presentation

of Financial Statements" which considers the respective regulations of the Chilean Superintendency of Securities and Insurance ("SVS"), and do not conflict with IFRS.

For the convenience of the reader, these consolidated financial statements and their accompanying notes have been translated from Spanish to English.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Judgments, Estimates and Assumptions

The preparation of these consolidated financial statements in conformity with 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 the Corporation's management to exercise its judgment in the process of applying the Corporation'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 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 assets that are used for calculating the 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 studies consider specific factors related to the use of assets.

b) 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 Corporation regarding the amount of resources that could be exploited and sold at prices exceeding the total cost associated with the extraction and processing.

The Corporation applies judgment in determining the ore reserves, and as such, possible changes in these estimates 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.

The Corporation estimates its reserves and mineral resources based on the information compiled by the Competent Persons of the Corporation, defined and regulated by the Chilean Law N° 20.235. The estimations are based on the JORC (Joint Ore Reserves Committee) methodology, taking into consideration the historical information of the cost of goods sold and copper prices at an international market.

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

c) Impairment of 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 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 ("CGU's") to which the assets belong. The recoverable amount of these assets or CGU's 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.

The Corporation 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.

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

The review for impairment includes subsidiaries and associates.

d) Provisions for Decommissioning and Site Restoration Costs - An obligation to incur in decommissioning and site restoration costs when 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.

For these purposes, a defined list of mine sites, installations and other equipment assigned to this process, considered at the engineering level profile, the cubings of assets that will be subject to removal and restoration, weighted by a structure of market prices of goods and services, reflecting the best knowledge at the time to carry out such activities, as well as techniques and more efficient construction procedures to date. In the process of valuation of the activities mentioned, the assumptions of the exchange rate for tradable goods and services must be made, 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 determined 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 either increasing or decreasing the

rehabilitation liability and rehabilitation asset if the initial estimate was originally recognized as part of an 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 taken immediately to 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. 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 net income 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.

e) 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.

The Corporation uses 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 the Corporation believes that the assumptions used are appropriate, a change in these assumptions could affect net income.

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 of its provisional invoicing. These adjustments are updated on a monthly basis and the accounting principle on “Revenue recognition” is referred to in letter q) of the section 2 “Significant accounting policies” of the current document.

g) 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. The Corporation applies customary valuation techniques used by other professionals in the industry. 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.

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 favorable outcome will be obtained or when the results are uncertain and the lawsuits are still pending resolution, no provisions are recognized.

Although these above-mentioned 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 future developments may force the Corporation to modify these estimates in upcoming periods. Such modifications, if occurred, would be adjusted prospectively, recognizing the effects of the change in estimate on the corresponding future consolidated financial statements, 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:

- Statements of Financial Position as of December 31, 2012 and 2011.
- Statements of Comprehensive Income for the years ending December 31, 2012 and 2011, respectively
- Statements of Changes in Equity for the years ending December 31, 2012 and 2011.
- Statements of Cash Flows for the years ending December 31, 2012 and 2011.

b) Basis of Preparation - The consolidated financial statements of the Corporation for the period ended as of December 31, 2012 have been prepared in conformity with IFRS, as issued by the IASB.

The consolidated statement of financial position as of December 31, 2011 and the statements of comprehensive income, of net equity and of cash flows for the year ended December 31, 2011, included for comparative purposes, have been prepared in conformity with IFRS, on a consistent basis with the criteria used by the Corporation for the same period ended December 31, 2012.

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 US dollar, which is the currency of the primary economic environment in which the Corporation operates and the currency in

which it receives its revenues. Transactions other than those in the Corporation's functional currency are translated at the exchange rate prevailing at the date of the transactions. Monetary

assets and liabilities denominated in currencies other than the functional currency are retranslated at closing exchange rates. Gains and losses from foreign currency conversion are included in the period profit or loss within the line item "Foreign Exchange differences".

The presentation currency of the consolidated financial statements of Codelco is the US dollar.

The functional currency of subsidiaries, associates and joint ventures, likewise corresponds to the currency of the primary economic environment in which those entities operate and the currency in which they receive their revenues, as established in IAS 21. However, regarding those subsidiaries and associates that correspond only to an extension of the operations of Codelco (entities that are not self-sufficient and whose main transactions are performed with Codelco), the functional currency is also the US dollar, as this is the functional currency of Codelco.

When the indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions under which each entity operates.

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 when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In the consolidation process, all significant balances and transactions between the consolidated companies have been fully eliminated, and the equity share of non-controlling interests has been recognized and presented as "Non-controlling Interests". The consolidated financial statements take into account the elimination of intercompany balances, transactions and unrealized profit and loss between the consolidated companies, including foreign and local subsidiaries. The companies incorporated in the consolidation are detailed as follows:

Taxpayer Number	Company	Country	Functional Currency	12/31/2012			12/31/2011
				Entity Share Percentage			Entity Share Percentage
				Direct	Indirect	Total	Total
Foreign	Chile Copper Limited	England	GBP	100.000	-	100.000	100.000
Foreign	Codelco Services Limited	England	GBP	-	100.000	100.000	100.000
Foreign	Codelco Group Inc.	United States of America	USD	100.000	-	100.000	100.000
Foreign	Codelco Metals Inc.	United States of America	USD	-	100.000	100.000	100.000
Foreign	Codelco USA Inc.	United States of America	USD	-	100.000	100.000	100.000
Foreign	Codelco International Limited	Bermuda	USD	100.000	-	100.000	100.000
Foreign	Codelco Technologies Ltd.	Bermuda	USD	-	100.000	100.000	100.000
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.000	100.000	100.000
Foreign	Codelco Kupferhandel GmbH	Germany	EURO	100.000	-	100.000	100.000
Foreign	Metall Agentur GmbH	Germany	EURO	-	100.000	100.000	100.000
Foreign	Ecometales Limited	Anglonormandars	USD	-	100.000	100.000	100.000
Foreign	Codelco Shanghai Company Limited	China	USD	100.000		100.000	100.000
76.561.210-1	Mining Information Communications and Monitoring S.A.	Chile	USD	-	-	-	66.000
78.712.170-5	Compañia Minera Picacho (SCM)	Chile	USD	99.990	0.010	100.000	100.000
78.860.780-6	Compañia Contractual Minera los Andes	Chile	USD	99.970	0.030	100.000	100.000
79.566.720-2	Isapre Chuquicamata Ltda.	Chile	CLP	98.300	1.700	100.000	100.000
81.767.200-0	Asociacion Garantizadora de Pensiones	Chile	CLP	96.690	-	96.690	96.690
88.497.100-4	Clínica San Lorenzo Limitada	Chile	CLP	99.900	0.100	100.000	99.900
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda,	Chile	CLP	-	99.900	99.900	99.900
89.441.300-K	Isapre Río Blanco Ltda.	Chile	CLP	99.990	0.010	100.000	100.000
96.817.780-K	Ejecutora Hospital del Cobre Calama S.A.	Chile	USD	99.990	0.010	100.000	100.000
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	USD	99.990	0.010	100.000	100.000
96.854.500-0	Instituto de Innovación en Minería y Metalurgia S.A.	Chile	USD	99.930	0.070	100.000	99.930
96.876.140-4	Santiago de Río Grande S.A.	Chile	USD	99.990	0.010	100.000	100.000
96.991.180-9	Biosigma S.A.	Chile	USD	66.670	-	66.670	66.670
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	USD	99.900	0.100	100.000	100.000
99.573.600-4	Clinica Río Blanco S.A.	Chile	CLP	99.000	1.000	100.000	100.000
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.000	1.000	100.000	100.000
76.152.363-5	Minera Gaby SpA	Chile	USD	-	-	-	100.000
77.773.260-9	Sociedad de Inversiones Copperfield Ltda.	Chile	USD	99.990	0.010	100.000	100.000
76.883.610-8	Energía Minera S.A.	Chile	USD	99.000	1.000	100.000	100.000
76.043.396-9	Innovaciones en Cobre S.A	Chile	USD	0.100	99.900	100.000	100.000
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	USD	99.900	0.100	100.000	100.000
76.167.903-1	Inversiones Mineras Acrux SpA.	Chile	USD	-	67.800	67.800	100.000
76.173.357-5	Inversiones Gacrux SpA.	Chile	USD	100.000	-	100.000	100.000
76.231.838-5	Inversiones Mineras Nueva Acrux SpA	Chile	USD	-	67.800	67.800	-
76.237.866-3	Inversiones Mineras Los Leones SpA	Chile	USD	100.000	-	100.000	-
76.173.783-K	Inversiones Mineras Becrux SpA	Chile	USD	-	67.800	67.800	100.000
76.082.774-6	Inversiones Tocopilla 2B S.A.	Chile	USD	-	-	-	100.000
76.082.158-6	Inversiones Mejillones 2 S.A.	Chile	USD	-	-	-	100.000
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	USD	-	100.000	100.000	100.000
76.255.061-K	Central Eléctrica Luz Minera SpA	Chile	USD	100.000	-	100.000	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	USD	100.000	-	100.000	-
76.255.667-7	MCM Equipos S.A.	Chile	USD	100.000	-	100.000	-
70.905.700-6	Fusat (Special Purpose Entity)	Chile	CLP	-	-	-	-

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 power to govern its operating and financial policies in order to obtain benefits from its activities. 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. For partially owned subsidiaries, the net assets and net earnings attributable to non-controlling shareholders are presented as "Non-controlling interests" in the consolidated statements of financial position and consolidated statement of income.

Likewise, on consolidation, the Corporation incorporates those entities in which it does not hold any direct or indirect ownership interest but instead represent special purpose entities, in accordance with the criteria established in SIC Interpretation 12, Consolidation - Special Purpose Entities.

- Associates - An associate is an entity over which Codelco is in the position to exercise significant influence, but not to control or jointly control, through the power to participate in the financial and operating policy decisions of that entity.

  Codelco's share of the net assets of such entities is included in the consolidated financial statements by using the equity method. This requires recording the initial investment at cost and then, in subsequent periods, adjusting the carrying amount of the investment to reflect Codelco's share in the income of associates, less any impairment of goodwill and any other changes in the associate's net assets.

  The Corporation makes adjustments to the proportional gains or losses obtained by the associate after the acquisition, in order to consider the effects that may exist in the depreciation of fair value of the assets according to the date of acquisition.

- Acquisitions and Disposals - The results of businesses acquired are incorporated in the consolidated financial statements from the acquisition date; the results of businesses sold during the period are incorporated into the consolidated financial statements up to the effective date of disposal. Gains or losses from the disposal are calculated as the difference between the sale proceeds (net of expenses) and the net assets attributable to the ownership interest that has been sold.

  Upon the occurrence of operations that generate a loss of control over a subsidiary, the valuation of investment which results from the loss of control in the subsidiary must be based on the fair values of such companies.

  If at the time of acquisition of an investment in an associate, Codelco´s share in the net fair value of identifiaable assets and liabilities of the associate is higher than the cost of the investment, the Corporation recognizes revenue in the period in which such purchase was made.

- Joint Ventures - The entities that qualify as joint ventures, in which joint control exists over the operating and financial decisions, are accounted for using the equity method.

- Special Purpose Entities (SPE's) - The substance of the relationship between Codelco and Fundación de Salud El Teniente (FUSAT), indicate that this entity is controlled by Codelco. As such, the consolidated financial statements of FUSAT are incorporated into the consolidation of Codelco, according to IAS 27. The consolidated financial statements of FUSAT include the following entities:

Entity	Country	Equity share percentage	
		12/31/2012	12/31/2011
Centro de Servicios Médicos Porvenir Ltda.	Chile	99.00%	99.00%
Inmobiliaria Centro de Especialidades Torre Médica S.A.	Chile	75.09%	75.09%
Inmobiliaria e Inversiones Río Cipreces Ltda.	Chile	99.99%	100.00%
Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	99.00%	100.00%
Institución de Salud Previsional Fusat Ltda.	Chile	99.69%	100.00%

e) Foreign currency transactions - Monetary assets and liabilities denominated in foreign currency have been translated into U.S. dollars at the closing exchange rate of the period.

At the reporting period-end, monetary assets and liabilities denominated in currency other than the functional currency, indexed in unidades de fomento (UF or inflation index-linked units of account) (12/31/2012: US$ 47.51 ; 12/31/2011: US$ 43.03), are translated into U.S. dollars at the closing exchange rates of each period.

Income and expenses denominated in Chilean pesos have been translated into U.S. dollars at the exchange rate at the date when the transaction was recorded in the accounting records.

Exchange differences are recognized in net income in accordance with IFRS.

The financial statements of subsidiaries, associates and jointly controlled entities, whose functional currency is different from the presentation currency of Codelco, are translated using the following procedures:

- Assets and liabilities for each statement of financial position presented shall be translated at the closing rate at the date of that statement of financial position.

- Income and expenses for each statement of comprehensive income shall be translated at average exchange rates of the reporting period.

All resulting exchange differences are recognized as a separate component of net equity.

The exchange rates used in each period are as follows:

Rate	Period-end exchange rates	
	12/31/2012	12/31/2011
USD / CLP	0.00208	0.00193
USD / GBP	1.61629	1.55087
USD / BRL	0.48957	0.53588
USD / EURO	1.32188	1.29618

f) Offsetting Balances and Transactions: As a general standard, assets and liabilities, income and expenses, are not offset in the financial statements, except for those cases in which offsetting is required or is allowed by some standard and the presentation is a reflection of the transaction.

Income or expenses arising from transactions which, for contractual or legal reasons, consider the possibility of offsetting and which the Corporation intends to liquidate for their net value or realize the assets and pay the liabilities simultaneously, are stated net in the statement of income.

g) Property, plant and equipment and depreciation - Property, plant and equipment items are initially recognized at cost. After their initial recognition, they are recorded at cost, less any accumulated depreciation and any accumulated impairment losses.

The costs of property, plant and equipment items related to the extension, modernization or improvement representing an increase of the productivity, capacity or efficiency or an increase in the useful life of the assets is capitalized as cost of the corresponding assets.

Furthermore, investments in assets acquired under finance lease contractsare not legally owned by the Corporation until the corresponding purchase option is exercised.

Items included in property, plant and equipment are depreciated in accordance with the straight-line method over their economic useful lives, which are summarized in the following table:

Items	Minimum useful life	Maximum useful life
Buildings	15 years	50 years
Plant and equipment	2 years	35 years
Fixtures and fittings	2 years	15 years
Motor vehicles	5 years	25 years
Mining Operations	20 years	35 years
Construction in progress (Mine development)	1 year	5 years
Land improvements	10 years	35 years
Other	5 years	24 years

The straight-line depreciation method mentioned above does not differ materially from depreciation results based on calculations which detect changes in production units.

The assets maintained under finance leases are depreciated during the estimated period of the lease contract or in accordance with the useful life of the assets, whichever is lower.

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

The profit or loss from disposal or withdrawal of an asset is calculated as the difference between the price obtained in the disposal and the value recorded in the ledgers recognizing the charge or credit to net income for the year.

Work in progress includes the amounts invested in the construction of property, plant and equipment assets and in mining development projects. Works in progress are transferred to assets in operation once the testing period has terminated and when they are available for use, and start to be depreciated as of that moment.

The ore deposits owned by the Corporation are recorded in the accounting records at US$1 (one US dollar).

Without limiting the foregoing, reserves and resources acquired as part of acquisitions of shares in companies where the economic value of such properties differs from the carrying amount are recorded at fair value less any accumulated losses for impairment, and deducting the value associated with the use and/or consumption of such reserves.

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 will be considered as part of the cost of property, plant and equipment items.

h) Impairment of Property, Plant and Equipment and Intangible Assets - Property, plant and equipment items and intangible assets of definite useful life are reviewed for impairment, in order to verify whether there is any indication that the carrying value cannot be recovered. If such an indicator exists, the recoverable amount of the assets is estimated to determine the extent of the impairment loss. Where the asset does not generate cash flows independently from other assets, Codelco estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

For assets with indefinite useful lives, the estimated recoverable amount is performed at the end of each year.

If the 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.

For such purposes, each division of the Corporation has been defined as a cash generating unit.

The measurement of impairment includes subsidiaries and associates.

The recoverable amount of an asset will be the higher of the fair value less costs to sell the asset and its value in use. When evaluating the value in use, the estimated future cash flows are discounted using an interest rate, before taxes, that shows the market evaluations corresponding to the time value of money and the specific risks of the asset, for which the future cash flow estimates have not been adjusted.

If the recoverable value of an asset or cash generating unit is estimated to be less than its carrying amount, an impairment loss is immediately recognized, reducing the carrying amount up to its recoverable amount with a charge to net income. In case of a subsequent reversal of the impairment, the carrying amount increases to the reviewed estimate of the recoverable amount, but only to the point that it does not exceed the carrying amount that would have been determined if no impairment had been recognized previously. A reversal is recognized as a decrease in the charge for depreciation for the year.

For CGU's, future cash flow estimates are based on the estimates of future production levels, future prices of basic products and future production costs. IAS 36 "Impairment of Assets" includes a series of restrictions to the future cash flows that can be recognized regarding the restructurings and future improvements related to expenses. When calculating the value in use, it is also necessary to base the calculations on the current exchange rates at the moment of the measurement.

i) Exploration, Mine Development and Mining Operations Costs and Expenses - The Corporation has defined an accounting criterion for each of these costs and expenses.

Development expenses for deposits under exploitation whose purpose is to maintain production levels are charged to net income when incurred.

Expenses for exploration and drillings of deposits include the expenses destined to locate mineralized areas to determine their potential for commercial exploitation. The accounting policy for these expenses has been defined by the Corporation in accordance with IFRS 6 paragraph 9, which will mainly be treated as expenses in profit or loss in the period when the expenses occurred.

Pre-operating and mine development expenses (PP&E) 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 extraction of waste material, constructing the mine's infrastructure and other works carried out prior to the production phase.

Finally, the costs for the delimitation of new areas or deposit areas in exploitation and of mining operations (PP&E) are recorded in property, plant and equipment and are charged to net income during the period in which the benefits are obtained.

j) Income Taxes and Deferred Taxes - Codelco and its Chilean subsidiaries record Income Tax based on the net taxable income determined as per the standards established in the Income Tax Law and Article 2 of the D.L. 2,398, as well as the specific tax on mining referred to in Law 20,026 of 2005. Its foreign subsidiaries record income tax according to the taxation standards of each country.

Deferred taxes due to temporary differences and other events that generate difference between the accounting and tax bases for assets and liabilities are recorded in accordance with the standards established in IAS 12 "Income taxes".

In addition, a deferred tax is recognized for the net income of subsidiaries, associates and special purpose entities, originated by withholding taxes on remittances of dividends paid by such companies to the Corporation.

k) Inventory - Inventory is stated at cost, which does not exceed its net realizable value. The net realizable value represents the estimated sales price less all finishing costs and marketing, sales and distribution expenses. Costs have been determined according to the following methods:

- Finished Products and Products in Process: This inventory is stated at average production cost, according to the absorption costing method, including labor and the depreciation of

property, plant and equipment, the amortization of intangible assets and the indirect expenses of each period.

- Materials in Warehouse: This inventory is stated at acquisition cost, and the Corporation determines an allowance for obsolescence considering the permanence in stock of slow moving materials in the warehouse.

- Materials in Transit: This inventory is stated at cost incurred until the period-end date. Any difference, due to the estimate of a lower net realizable value of the inventory, in relation to its accounting value, is adjusted with a charge to net income.

l) Non-current assets classified as held for sale - These assets are valued at the lower of its carrying amount and fair value less costs to sell.

m) Dividends - The payment obligation of net revenues presented in the financial statements, as determined in Article 6 of D.L. 1,350, is recognized based on the accrued payment obligation.

n) Employee Benefits - Codelco recognizes accruals for employee benefits when there is a current obligation as a result of the services provided.

The contract conditions stipulate, subject to compliance with certain conditions, the payment of an employee termination benefit when an employment contract ends. In general, this corresponds to one monthly salary per year of service and considers the components of the final remunerations which are contractually defined as the basis for the indemnity. This benefit has been defined as a long-term benefit.

Codelco has also agreed to post-employment medical care for certain employees, which are paid based on a fixed percentage of the monthly tax base of the employees covered by this agreement. This benefit has been defined as a post-employment medical care benefit.

The employee termination benefit obligation and the post-employment medical plans are calculated in accordance with valuations performed by an independent actuary, using the projected unit credit method, which are updated on a regular basis. The obligation recognized in the statement of financial position represents the net present value of the employee termination benefit obligation and the post-employment medical benefit. Actuarial gains and losses are recognized immediately in the statement of comprehensive income.

Management uses assumptions to determine the best estimate of these benefits. Such assumptions include an annual discount rate, mortality and morbidity tables, expected increases in compensation and future permanence, among other factors.

In accordance with its operating optimization programs to reduce costs and increase labor productivity by incorporating new current technologies and/or practical management best practices, the Corporation has established employee retirement programs by means of related addenda to employee contracts or collective union agreements with benefits that encourage employees to retire. Accordingly, the required accruals are established based on the accrued obligation at current value. In case of employee retirement programs which involve multiyear periods, the provisioned obligations for these concepts, are updated considering a discount rate determined by financial instruments for the same currency used to pay the obligations and similar maturities.

o) Provisions for Dismantling and Restoration Costs - An obligation, legal or constructive, arises when dismantling and restoration costs are incurred as a result of alterations caused by a mining activity (in development or in production). Costs are estimated on the basis of a formal closure plan and are subject to yearly reviews.

The costs arising from the obligation to dismantle the installation of a plant or other project for the preparation of the site, discounted at their net present value, are accrued and capitalized at the beginning of each project, at which time the obligation to incur such costs is arises.

These dismantling costs are recorded in income via the depreciation of the asset that gave rise to this cost, and the provision is used when the dismantling takes place. Subsequent changes in the estimates of liabilities related to dismantling are added to or deducted from the costs of the related assets in the period in which the adjustment is made.

The restoration costs are accrued at their net present value against operating income, and the provision is used in the period during which the restoration works are performed. Changes in measurement of the liability related to the location of the mining activity (discount rate or time) are recorded in operating income and depreciated based on the useful lives of assets which give rise to these changes.

The effects of updating the liability, due to the discount rate and/or time, are recorded as finance costs.

p) Leases – (Codelco as a lessee) – Leases are classified as finance leases when the terms of the lease transfer all risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease costs under operating leases are charged to income over the lease term. Assets acquired under finance leases are recognized as assets at the start of the lease at either the fair value or the present value of minimum lease payments for the discounted lease at the contracted interest rate, whichever is lower. Interest is charged in the finance costs, at a fixed periodic rate, in the same depreciation period of the asset. The lease obligations net of financing costs are included in other current or non-current liabilities, as appropriate.

Under the provisions of International Financial Reporting Interpretations Committee ("IFRIC") 4 (IFRIC 4) titled "Determining whether an Arrangement Contains a Lease", an arrangement is, or contains a lease at the start date, if it uses a specific asset or assets or if it grants the right to use the asset, even if that right is not explicitly specified. For agreements occurring before January 1, 2005, the start date is considered as January 1, 2005 in accordance with the transitional requirements of IFRIC 4.

All take-or-pay contracts and any other service and supply contracts that meet the conditions established in IFRIC 4, are reviewed for indicators of a lease on inception.

q) Revenue Recognition - Revenue is recorded when ownership rights and obligations have been substantially transferred to the purchaser, 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 for which the rights and obligations are substantially transferred based on receipt of the product at the buyer's destination point, and for these contracts revenue is recorded at the moment of transfer.

Sales contracts include a provisional price at the shipment date, whose final price is generally based on the price recorded in the London Metals Exchange ("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 quoted market prices on the LME up to the date of final settlement. The period between provisional invoicing and final settlement can be between one and nine months. Changes in fair value over the quotation period and up until final settlement are estimated by reference to forward market prices for the applicable metals.

Sales in the national market are recorded in conformity with the regulations that govern domestic sales as indicated in Articles 7, 8 and 9 of Law 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.

As indicated in the note related to hedging policies in the metal futures market, the Corporation enters into operations in the futures market. The net results of these contracts are added to or discounted from the revenues.

Additionally the Corporation recognizes 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.

r) Derivative Contracts - Codelco uses derivative financial instruments to reduce the risk of fluctuations in the sales prices of its products and of exchange rates.

Derivatives are initially recognized at fair value at the date on which the derivative is entered into and subsequently updated at fair value at each reporting date.

The effective part of the changes in fair value of the derivatives that are allocated as “effective cash flow hedges”, is recognized directly in equity, net of taxes, in the item "Cash flow hedge reserves", while the ineffective part is recorded in the statements of comprehensive income, on lines Finance expenses or Finance income depending on the effect generated by the ineffectiveness. The amount recognized in net equity is not transferred to other comprehensive income account until the results of the hedged operations are recorded in the statements of comprehensive income or until the maturity date of such operations.

A hedge is considered highly effective when the changes in fair value or in the cash flows of the underlying item attributable to the hedged risk are offset with the changes in the fair value or in the cash flows of the hedge instruments, with effectiveness between a range of 80% - 125%. The corresponding unrealized profit or loss is recognized in comprehensive income for the period, only in those cases in which the contracts are liquidated or when they no longer comply with hedging characteristics.

The total fair value of the hedge derivatives is classified as a non-current asset or liability, if the remaining maturity of the hedged item is greater than 12 months, and as a current asset or liability, if the remaining maturity of the hedged item is lower than 12 months.

All derivatives designated as hedge instruments are classified as current or non-current assets or liabilities, respectively, depending on the maturity date of the derivative.

The derivative contracts entered into by the Corporation are originated by the application of the risk hedge policies indicated below, and are recorded as indicated for each case:

- *Hedging Policies for Exchange Rates*

  From time to time the Corporation enters into exchange rate and interest rate hedge transactions to cover exchange rate variations between the US dollar and the other currencies its transactions are conducted in. Pursuant to the policies established by the Board of Directors these operations are only performed when there are a recognized assets or

liabilities, the forecast of highly probable transactions or firm commitments, and not for investment or speculative reasons.

The results of foreign exchange insurance operations are recorded at the maturity or liquidation date of the respective contracts.

- *Hedging Policies in the Metal Futures Markets*

In accordance with the policies approved by the Board of Directors the Corporation entered into contracts in order to hedge future metal prices, backed by physical production, in order to minimize the inherent risks in price fluctuations.

The hedging policies seek to protect expected cash flows from the sale of products by fixing the prices for a portion of future production, while to the extent necessary adjusting physical contracts to its standard commercial policies. When the sales agreements are fulfilled and the future contracts are settled, income from sales and futures operations is offset.

At each reporting date, these futures contracts are recorded and adjusted to marked-to-market and recorded at the settlement date of the hedging operations, as a part of the sales revenue of the products.

Hedging operations carried out by the Corporation are not of a speculative nature.

- *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 if the host contract is not recorded at fair value, the procedure determines whether the characteristics and risks of the embedded derivative are not closely related to the host contract, in which case it requires a separate recording.

The procedure consists of an initial characterization of each contract that allows for distinguishing of those in which an embedded derivative could exist. In that case, the contract is submitted to a more in-depth analysis. If as a result of this evaluation it is determined that the contract has an embedded derivative that needs to be recorded separately, it is valued and the movements in its fair value are recorded in comprehensive income in the consolidated financial statements.

s) Financial Information by Segment - For the purposes of IFRS 8, *Operating Segments* the segments are defined as Codelco's Divisions, plus the Ministro Hales Division, whose operation is expected to begin at the end of 2013. Income and expenses of the parent company are distributed in the defined segments.

t) Presentation of Financial Statements - For the purposes of IAS 1, *Presentation of the Financial Statements*, the Corporation establishes the presentation of its statement of financial position classified in "current and non-current" and of its statements of income in conformity with the "by function" method and its cash flows using the direct method.

u) Current and Non-Current Financial Assets - The Corporation determines the classification of its investments upon initial recognition and reviews these at each closing date. This classification depends on the purpose for which such investments were acquired.

In this section the following categories are observed:

- *Financial Assets at Fair Value through Profit or Loss*:

  This category includes those financial assets acquired for trading or sale in the short term. Their initial and subsequent recognition is performed at fair value, which is obtained as of the observable date in the market. The gains and losses from variations in fair value are included in net income for the period.

- *Loans Granted and Accounts Receivable*:

  These correspond to financial assets with fixed or determined payments, and which are not quoted in an active market. Their initial recognition is at fair value, which includes the transaction costs that are directly attributed to the issuance of it. Subsequent to the initial recognition, these are stated at amortized cost, recognizing in the statements of comprehensive income the accrued interest according to the effective interest rate and the possible losses in value of these assets.

  A loss in value of the financial assets stated at amortized cost is caused when there is objective evidence that the Corporation will not be able to recover all amounts in accordance with the original terms.

  The amount of loss in value is the difference between the carrying amount and the net present value of the future cash flows discounted at the effective interest rate, and it is recognized as an expense in the statements of comprehensive income.

  If in subsequent periods there is evidence of a recovery in the value of the financial asset stated at amortized cost, the recognized impairment loss will be reversed as long as it does not generate an amount in the financial asset ledgers that exceeds the one recorded prior to the loss. The accounting of the reversal is recognized in net income for the period.

Finally, an account receivable is not considered recoverable when situations arise such as the dissolution of the company, lack of identifiable assets for its execution or a legal pronouncement.

v) Financial Liabilities - Financial liabilities are recognized initially at fair value, net of the incurred transaction costs. As the Corporation does not own any financial liabilities held for trading, subsequent to their initial recognition, the financial liabilities are valued at amortized cost, using the effective interest rate method, recognizing the interest expenses based on the effective profitability.

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 when appropriate, a shorter period when the associated liability has a prepayment option that is considered to be exercised.

Trade accounts payable and other payables are financial liabilities that do not explicitly accrue interest and are recorded at their nominal value.

The financial liabilities are derecognized when the liabilities are paid or expire.

w) Allowance for Doubtful Accounts - The Corporation maintains an allowance for doubtful accounts, based on the experience and analysis of Management regarding the portfolio of trade accounts receivable and the aging of the items.

x) Cash and cash equivalents and Statement of Cash Flows prepared by direct method- Cash equivalents are comprised of highly liquid investments, which have a limited risk in relation to possible changes in value, and maturities of which are less than 90 days from date of purchase.

For the purposes of preparing the statement of cash flows, the Corporation has defined the following:

Cash and cash equivalents in the statement of financial position include cash at banks and on hand, and short term deposits and other highly liquid short term investments with an original maturity of three months or less. In the statement of financial position, bank overdrafts are classified as external resources in current liabilities.

- Operating Activities: These are the activities that constitute the main source of operating income for the Corporation, as well as other activities that cannot be classified as investment or financing activities.

- Investing Activities: These correspond to acquisition or sale activities or disposal through other methods of long-term assets and other investments not included in cash and cash equivalents.

- Financing Activities: These are activities that cause changes in the size and composition of net equity and of financial liabilities.

y) Law No. 13,196 – According to Law No. 13,196, the return on foreign currency of Codelco´s copper export sales (FOB), including byproducts is taxed at 10%. The amount for this concept is presented in the statement of income in the item Other expenses, by function.

z) Cost of Sales - Cost of sales is determined according to the absorption cost method, including the direct and indirect costs, depreciation, amortization and any other expenses associated with the production process.

aa) 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 key for the wellbeing of its collaborators, care for the environment and success in its operations.

bb) 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 those with a maturity equal to or less than twelve months and as non-current 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, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

3. New accounting pronouncements not yet effective

As of the issuance date of these consolidated financial statements, the following IFRS and IFRIC interpretations have been issued by the IASB. Their application was not mandatory[1]:

New IFRS	Date of mandatory application	Summary
IFRS 9, Financial Instruments	Annual periods beginning on or after January 1, 2015	Financial assets must be entirely classified on the basis of the business model of the entity for financial asset management and the characteristics of contractual cash flows of financial assets. Financial assets under this standard are measured either at amortized cost or fair value. Only financial assets classified as measured at amortized cost must be tested for impairment.
IFRS 10, Consolidated Financial Statements	Annual periods beginning on or after January 1, 2013	Establishes a single control model that applies to all entities (including special purpose entities). In addition, this standard requires that management exercise professional judgment in determining which entity is controlled and must be consolidated.
IFRS 11, Joint Agreements	Annual periods beginning on or after January 1, 2013	Establishes only two forms of joint agreements (joint ventures and joint operations). This standard uses the principle of control of IFRS 10 to determine whether there is joint control. There is no option for accounting for joint control entities (JCEs) using proportional consolidation. In the case of joint ventures, these must be accounted for using the equity method. For joint operations, which include jointly controlled assets, initial joint operations and initial joint control entities (JCEs) their assets, liabilities, income and expenses are recognized.
IFRS 12, Disclosure of interests in other entities	Annual periods beginning on or after January 1, 2013	Establishes the disclosures of IAS 27, IAS 31 and IAS 28. A number of new disclosures are included in this standard.
IFRS 13, Fair Value	Annual periods beginning on or after January 1, 2013	Establishes a single source to measure fair value. Does not change when an entity must use fair value. The standard changes the definition of fair value. Additionally incorporates certain new disclosures.

IFRIC 20, Accounting for waste removal costs	Annual periods beginning on or after January 1, 2013	Establishes criteria for the recognition and measurement of assets for costs of removal (stripping cost) under production.
IFRS Amendments	Date of mandatory application	Summary
IAS 19, Employee Benefits	Annual periods beginning on or after January 1, 2013	Changes the accounting for defined benefit plans the termination benefits. For modification of defined benefits and plan assets, the focus of the broker is eliminated, recognizing past service costs in an accelerated manner. Changes in the defined benefits obligation and plan assets are broken down into three components: service costs, net interest on defined benefit, net liabilities (assets). Net interest is calculated using the rate of return for government issued bonds. This could be lower than the rate currently used to calculate expected return on plan assets, resulting in a decrease in net income for the period.
IAS 32, Financial Instrument Presentation	Annual periods beginning on or after January 1, 2014	Clarifies the requirements regarding the application of compensations between financial entries.
IFRS 7, Financial Instruments: Disclosures	Annual periods beginning on or after January 1, 2013	Establishes new requirements related to disclosures in order to improve the comparison between financial statements prepared under IFRS and US GAAP.
IAS 27, Separate Financial Statements (former IAS 27 - Consolidated and Separate Financial Statements)	Annual periods beginning on or after January 1, 2013	The name and content of this rule changed as a result of the publication of the new IFRS 10 - Consolidated Financial Statements. IAS 27 refers only to separate financial statements.
IAS 28, Investments in associate entities and joint ventures (former IAS 28 - Investments in Associates)	Annual periods beginning on or after January 1, 2013	The name and content of this rule changed as a result of the publication of the new IFRS 11 - Joint Arrangements.
IFRS 1, First time adoption of the International Financial Reporting Standards	Annual periods beginning on or after January 1, 2013	An exception is aggregated to record government granted loans on an interest rate lower than the market.

1 IAS, International Accounting Standards; IFRS, International Financial Reporting Standards, IFRIC, International Financial Reporting Standards Interpretations Committee

Management is currently in the process of evaluating the initial effects of the application of the standards, amendments and interpretations that will be adopted in the consolidated financial statements of the Corporation in the respective years indicated.

a) Estimated impacts of IFRIC 20

The effects of the application of this standard will be presented in the following consolidated interimfinancial statements of Codelco published after January 1, 2013.

The interpretation requires for comparative purposes the appliance of the interpretation since January 1, 2012. If there should exist balances of stripping costs as of December 31, 2011 that were being treated using a different accounting policy than IFRIC 20 requires, those balances could be assigned to the stripping activity asset only and if those are related to the same mineral that creates benefits to the Corporation.

The current accounting policy applied by the Corporation recognizing stripping costs in the production phase is to capitalize stripping costs in line with the period when the future benefits are expected to be obtained by the extraction or new areas or levels to be explored by the Corporation.

The effects on the income statement are reflected based on the installments of depreciation based on the useful lives of the mineral being extracted so that at the end of the period all the remaining balance is being depreciated completely.

It is estimated that the impact of this standard on the financial statements at December 31, 2012 would be as follows (1):

Effects of IFRIC 20 on Retained earnings, as of January 1, 2012	ThUS$
The balance of retained earnings, **as of January 1, 2012** according to the prior accounting policies prior to applying IFRIC 20	1,709,068
Adjustments to the balances prior to applying IFRIC 20, net of deferred taxes	(22,923)
The balance of retained earnings, as of January 1, 2012 adjusted by IFRIC 20	1,686,145

Effects of IFRIC 20 on PP&E, net as of December 31, 2012	ThUS$
The balance of PP&E, net as of December 31, 2012 under prior accounting policies	484,900
Adjustments to IFRIC 20	(60,174)
Booking under IFRIC 20	160,440
Adjusted balance of PP&E as of December 31, 2012	585,166

Effects of IFRIC 20 on gain (loss), before taxes as of December 31, 2012	ThUS$
Gain (loss) before taxes under prior accounting policies as of December 31, 2012 before applying IFRIC 20	3,875,320
Reverse of amounts recorded in the books before applying IFRIC 20	256,881
Booking under IFRIC 20	(157,110)
Gain (loss) before taxes after applying IFRIC 20 as of December 31, 2012	3,975,091

(1) These impacts will be reflected in the comparative financial statements for those submitted from January 1, 2012.

The Corporation anticipates no significant impacts with respect to other regulatory pronouncements.

III. EXPLANATORY NOTES

1. Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

Items	12/31/2012 ThUS$	12/31/2011 ThUS$
Cash On hand	4,703	11,738
Bank Balances	33,439	24,650
Time deposits	1,124,459	1,331,904
Mutual Funds – Money Market	11,137	7,240
Resale Agreements	90,085	7,344
Total Cash and Cash Equivalents	1,263,823	1,382,876

Valuation of time deposits is made on an accrual basis with an interest rate associated with each of these instruments.

The Corporation does not maintain any significant amounts of cash and cash equivalents that are not available for use.

2. Trade and other receivables

a) Accrual for open sales invoices

As mentioned in the Article of Summary of Significant Accounting Policies, the Corporation adjusts its revenues and balances from trade accounts receivable, based on future copper prices, by recording an accrual for open sales invoices.

When the future price of copper is lower than the provisional invoice amount, this provision is presented in the Statement of Financial Position as follows:

- Customers that have debt balances with the Corporation are presented in Current Assets, decreasing the amounts owed by these customers.

- Customers that do not have debt balances with the Corporation are presented in the item Trade and other payables under Current Liabilities.

When the future copper price is higher than the provisional invoice price, the provision is presented in current assets, increasing the amounts owed by customers.

Based on the above-mentioned, trade receivables as of December 31, 2012 and 2011 include an accrual of ThUS$ 36,534 and ThUS$ (47,781), respectively, related to the accrual of open invoices.

b) Trade and other receivables

The following chart shows the amounts of Trade and other receivables, with their corresponding allowances:

Items	Current		Non-current	
	12/31/2012 ThUS$	12/31/2011 ThUS$	12/31/2012 ThUS$	12/31/2011 ThUS$
Trade Receivables (1)	1,616,493	1,551,444	-	-
Allowance for doubtful accounts (3)	(1,925)	(2,027)	-	-
Subtotal trade receivables, Net	1,614,568	1,549,417	-	-
Other Receivables (2)	540,243	423,193	171,698	132,721
Allowance for doubtful accounts (3)	(5,708)	(4,341)	-	-
Subtotal other receivables, Net	534,535	418,852	171,698	132,721
Total	2,149,103	1,968,269	171,698	132,721

(1) Trade receivables are generated by sales of the Corporation, which are generally sold for cash or by bank guarantee.

(2) Other receivables include the amounts owed mainly by:

- Personnel of the Corporation, including short-term loans and mortgage loans, payment for which is withheld on a monthly basis from employee paychecks. The mortgage loans are backed by mortgage guarantees.
- Claims from insurance companies.
- Liquidations to the Central Bank as per Law 13,196.
- Advance payments to suppliers and contractors, to be discounted from the corresponding payment statements.
- Accounts receivable for toll services (Ventanas' Smelter).

(3) The Corporation maintains an allowance for doubtful accounts, based on the experience and analysis of Management regarding the portfolio of trade accounts receivable and the aging of the entries.

The movement of the allowance for doubtful accounts in the periods ended at December 31, 2012 and 2011 are detailed as follows:

Movements of allowance for doubtful accounts	12/31/2012 ThUS$	12/31/2011 ThUS$
Opening balance	6,368	6,557
Increases	1,841	279
Write-offs/applications	(576)	(468)
Movement, subtotal	1,265	(189)
Final balance	7,633	6,368

Past due and not impaired balances are detailed as follows:

Past-due and not impaired	12/31/2012 ThUS$	12/31/2011 ThUS$
Less than 90 days	22,250	33,908
Between 90 days and 1 year	19,075	2,197
More than 1 year	24,975	7,181
Total past-due and not impaired	66,300	43,286

3. Balance and Related Party Disclosures

a) Transactions with the Board of Directors

According to the New Corporate Governance Law, Codelco's Board Members were affected in business with related parties, as described in Title XVI of the Corporations law (regarding transactions with related parties in publically traded companies and their affiliates).

As provided in the final paragraph of Article 147 b) of Title XVI, which contains exceptions regarding the approval process for related party transactions, the Corporation has set a general policy of regularity (reported to the SVS as a material fact), which establishes common transactions ordinarily made with its related parties within their line of business, contributes to their social interest and are necessary for Codelco's normal developmental activities.

In addition, consistent with the legal framework, the Corporation maintains within its internal framework a specific policy about transactions with persons and companies related to Codelco personnel. Codelco Corporate Standard No. 18 (NCC No. 18), whose latest version currently in force was approved by the Executive President and the Board.

Codelco, without the authorization indicated in NCC No. 18 and the Board of Directors, when required by Law or the Corporate Statute, shall not enter into contracts involving one or more Directors, Executive President, members of the Committee of Managing Directors, Vice President, Legal Counsel, General Auditor, General Manager, Senior Management or staff who must make recommendations and/or has the authority to resolve tenders, purchases and assignments and/or purchases of goods and services and the staff thar holds management positions (until the fourth hierarchical level in the organization), including their spouses, children and other relatives up to the 2nd degree of relation, with an interest in itself, directly, or represented by third parties or on behalf of another person. The NCC No. 18 obligates the Corporation's contract to declare all such relationships, as well as remove related job responsibilities from any member within these positions who may be involved.

This prohibition also includes the companies in which such individuals are involved through ownership or management, whether directly or through representation of other natural persons or legal entities, or individuals who have ownership or management interests in those companies.

The Board of Directors has been informed of the transactions covered by Codelco Corporate Standard No. 18, and upon which it must decide, according to this standard.

Among these operations are those indicated in the following chart, for the total amounts indicated, which need to be executed in the periods specified by each contract:

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2012 12/31/2012 Amount ThUS$	1/1/2011 12/31/2011 Amount ThUS$
Domingo Iraola Vera	2.320.212-3	Chile	Employee´s relative	Services	-	8,550
Inmobiliaria e Inversiones Rio Cipreses	77.928.890-9	Chile	Special Purpose Entity	Services	216	-
Hatch Ingenieros y Consultores Ltda.	78.784.480-4	Chile	Employee´s relative	Services	973	-
Centro de Capacitación y Recreación Radomiro Tomic	75.985.550-7	Chile	Other related	Services	700	-
Codelco Shanghai Company Limited	Foreign	China	Subsidiary	Services	400	-
Cosando Construcción y Montaje Ltda.	77.755.770-K	Chile	Employee´s relative	Services	4,228	7,938
Fundación Orquesta Sinfónica Infantil de los Andes	65.018.784-9	Chile	Founder	Services	279	-
Kairos Mining S.A.	76.781.030-K	Chile	Other related	Services	56,065	-
Mining Information Comunications and Monitoring S.A.	76.561.210-1	Chile	Ex associate	Services	-	181
Servicios Aridam S.A.	76.033.531-2	Chile	Employee´s relative	Services	9,306	12,022
Nucleo Educativo S.A.	96.940.740-K	Chile	Director´s ownership	Services	175	-
Ecometales Ltd.	59.097.530-9	Chile	Subsidiary	Services	10,713	23,255
Fundación de Salud El Teniente	70.905.700-6	Chile	Special Purpose Entity	Services	11,094	5,606
Biosigma S.A.	96.991.180-9	Chile	Subsidiary	Services	17	-
Minera Gaby S.p.A.	76.685.790-6	Chile	Ex associate	Services	561	-
Club Deportes Cobresal	70.658.400-5	Chile	Executive club president	Services	653	-
Consultora Jannet Troncoso C.E.I.R.L.	76.174.237-K	Chile	Employee´s relative	Services	41	-
Exploraciones Mineras Andinas	99.569.520-0	Chile	Subsidiary	Services	-	83,000
CAID S.A.	76.069.751-6	Chile	Executive´s relative	Services	-	-
ANMAR S.A.	76.134.358-0	Chile	Employee´s relative	Services	1,525	438
B. BOSCH. S.A.	84.716.400-K	Chile	Executive´s relative	Services	-	20,244
CIS Ingenieros Asociados Ltda.	88.422.600-7	Chile	Director´s ownership	Services	24	26
E-CL S.A.	88.006.900-4	Chile	Associate	Services	-	900
Centro de Investigación Minera y Metalúrgica (Fundación sin fines de lucro)	70.001.300-6	Chile	Founder	Services	-	116
Isapre Chuquicamata Ltda.	79.566.720-2	Chile	Subsidiary	Services	3,637	123,479
Sinclair Knight Merz (Chile) Ltda	76.334.600-5	Chile	Executive´s relative	Services	21	-
Clínica Río Blanco S.A	99.573.600-4	Chile	Subsidiary	Services	9,633	11,027
Instituto Innovación en Minería y Metalúrgica	96.854.500-0	Chile	Subsidiary	Services	40,200	10,300
Centro de Especialidades Médicas Río Blanco Ltda.	76.064.682-2	Chile	Subsidiary	Services	11,390	10,990
S & S Ingenieros Consultores Ltda.	84.146.100-2	Chile	Employee´s relative	Services	85	-
Salomón Sack S.A.	90.970.000-0	Chile	Director´s ownership	Supplies	1,036	1,627

b) Key Personnel of the Corporation

In accordance with the policy established by the Board of Directors and its related regulation, those transactions affecting the Directors, its Executive President, Vice presidents, Corporate Auditor, the members of the Divisional Management Committees and Divisional General Managers should be approved by this Board.

During 2012 and 2011, 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	1/1/2012 12/31/2012 Amount ThUS$	1/1/2011 12/31/2011 Amount ThUS$
Jorge Bande Bruck	5.899.738-2	Chile	Director	Director´s fees	108	109
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	47	44
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Director´s fees	95	78
Jaime Gutiérrez Castillo	6.772.588-3	Chile	Director	Payroll	-	30
Jaime Gutiérrez Castillo	6.772.588-3	Chile	Director	Director´s fees	-	26
Gerardo Jofré Miranda	5.672.444-3	Chile	Chairman of the Board	Director´s fees	162	156
Marcos Büchi Buc (1)	7.383.017-6	Chile	Director	Director´s fees	-	-
Fernando Porcile Valenzuela	4.027.183-K	Chile	Director	Director´s fees	95	78
Andrés Tagle Domínguez	5.895.255-9	Chile	Director	Director´s fees	95	78
Marcos Lima Aravena	5.119.963-4	Chile	Director	Director´s fees	135	130
Juan Luis Ossa Bulnes	3.638.915-K	Chile	Director	Director´s fees	95	71
Augusto González Aguirre	6.826.386-7	Chile	Director	Payroll	44	-
Augusto González Aguirre	6.826.386-7	Chile	Director	Director´s fees	27	-

(1) During the periods from January 1 to December 31, 2012 and 2011, the Corporation has not issued any payment instrument for the concept of remunerations to Mr. Marcos Büchi Buc, derived from his participation as Corporation Director, since he has expressly and irrevocably waived those payments, as well as any present or future collection action for such payments.

Through Supreme Decree of the Treasury Department No. 302, dated February 29, 2012, the method for determining the remunerations of the Corporation's directors was actualized. This document details the calculation method of such remunerations, as per the following:

a) The monthly salary of the directors of Codelco for participating in the Board meetings is fixed in the amount of Ch$3,282,300 - (three million two hundred and eighty two thousand three hundred Chilean pesos).

b) A unique monthly salary of Ch$6,564,600 - (six million five hundred and sixty four thousand six hundred Chilean pesos) is established for the Chairman of the Board.

c) Directors that shall participate in a Board Committee, whether the one referred to in Article 50 bis) of law No. 18,046 or another established by the by-laws of the Corporation, receive a single additional monthly amount of Ch$1,094,100 - (one million ninety four thousand and one hundred Chilean pesos) for their participation, notwithstanding the number of committees in which they participate. In addition, the director holding the chair of the Directors' Committee shall receive a single monthly remuneration for his participation in committees of Ch$2,188,200 - (two million one hundred eighty eight thousand and two hundred Chilean pesos).

d) The compensation established in this legal document will be valid for a period of two years, starting from March 1, 2012, and will be adjusted as of January 1, 2013, following the same standards that apply to the employees of the public sector of the Republic of Chile.

The short-term benefits related to the executives of the Corporation, paid during the period January - December 2012, amount to ThUS$ 10,773 (2011: ThUS$ 7,180).

The criteria used to determine the remunerations of the executives were established by the Board on January 29, 2003.

Codelco made severance payments to senior executives in the amount US$ 502, 000.

There were no non-current benefit payments during 2012 and 2011, different than those mentioned in the previous paragraph.

There are no share-based benefit plans.

c) Operations with Codelco Investees

In addition, the Corporation performs necessary commercial and financial transactions with entities in which it has capital ownership. The financial transactions correspond mainly to loans in checking accounts.

The commercial operations with related companies refer to the purchase and sale of products or services, at market conditions and prices and which do not consider interest or indexation. These companies, for 2012 and 2011, are the following: Sociedad GNL Mejillones S.A., Copper

Partners Investment Corporation Ltd., Copper for Energy, Sociedad Contractual Minera Purén, Kairos Mining S.A., MI Robotic Solutions S.A., Sociedad Contractual Minera El Abra, Electroandina S.A., Agua de La Falda S.A., Ecosea Farming S.A., Comotech S.A., E-CL S.A., Deutsche Geissdraht GmbH, Inca de Oro S.A. and Anglo American Sur S.A..

The Corporation does not establish an allowance for doubtful accounts for the main items receivable from their related companies, as these have been registered by including the relevant safeguards in the respective debt contracts.

Accounts receivable from and payable to related companies as of December 31, 2012 and 2011, are detailed as follows:

Accounts receivable from related companies

Taxpayer Number	Company	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12/31/2012 ThUS$	12/31/2011 ThUS$	12/31/2012 ThUS$	12/31/2011 ThUS$
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	19,238	46,065	41,022	75,602
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	3,232	50	-	-
Foreign	Copper Partners Invest. Company Ltd.	Bermuda	Joint venture	USD	6,345	10,226	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	USD	-	-	224	224
76.024.442-2	Ecosea Farming S.A.	Chile	Associate	CLP	480	-	59	34
76.781.030-K	Kairos Mining S.A.	Chile	Other investments	CLP	147	16	-	-
Total					29,442	56,357	41,305	75,860

Accounts payable to related companies

Taxpayer Number	Company	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12/31/2012 ThUS$	12/31/2011 ThUS$	12/31/2012 ThUS$	12/31/2011 ThUS$
Extranjera	Copper Partners Investment Company Ltd.	Bermuda	Joint venture	USD	33,610	36,666	275,011	308,616
Extranjera	Deutsche Geissdraht GmbH	Germany	Associate	EURO	2,985	4,065	-	-
76.781.030-K	Kairos Mining S.A.	Chile	Other investments	CLP	-	20,138	-	-
76.869.100-2	Mining Industry Robotic Solutions S.A.	Chile	Associate	CLP	93	251	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	58,372	49,720	-	-
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	2,686	16,010	-	-
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	USD	45,618	-	-	-
Total					143,364	126,850	275,011	308,616

The transactions performed between the Corporation and its related companies during the years ended December 31, 2012 and 2011 are detailed in the next chart together with their corresponding effects on profit or loss:

Taxpayer number	Company	Nature of the relationship	Country	Indexation currency	1/1/2012 12/31/2012		1/1/2011 12/31/2011	
					Amount	Effects on net income (charges)/credits	Amount	Effects on net income (charges)/credits
					ThUS$	ThUS$	ThUS$	ThUS$
Foreign	Copper Partners Investment Co. Ltd.	Sales of products	Bermuda	USD	131,950	131,950	125,012	125,012
Foreign	Copper Partners Investment Co. Ltd.	Dividends received	Bermuda	USD	175,500	-	-	-
77.762.940-9	Anglo American Sur S.A.	Purchase of products	Chile	USD	142,384	(142,384)	-	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Purchase of energy	Chile	USD	152,086	(152,086)	178,026	(178,026)
76.775.710-7	Sociedad GNL Mejillones S.A.	Collection of loan	Chile	USD	61,417	-	35,655	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Loan interests	Chile	USD	1,295	1,295	5,047	5,047
76.775.710-7	Sociedad GNL Mejillones S.A.	Guarantee fee	Chile	USD	753	753	666	666
76.133.034-9	Copper for Energy S.A.	Contribution	Chile	CLP	-	-	203	-
76.781.030-K	Kairos Mining S.A.	Purchase of services	Chile	CLP	14,248	(14,248)	20,406	(20,406)
76.781.030-K	Kairos Mining S.A.	Dividends received	Chile	CLP	96	-	-	-
76.869.100-2	Mining Industry Robotic Solutions S.A	Purchase of services	Chile	CLP	523	(523)	1,292	(1,292)
96.701.340-4	SCM El Abra	Dividends received	Chile	USD	63,700	-	85,750	-
96.701.340-4	SCM El Abra	Purchase of products	Chile	USD	499,742	(499,742)	432,345	(432,345)
96.701.340-4	SCM El Abra	Sales of products	Chile	USD	65,857	65,857	58,143	58,143
96.701.340-4	SCM El Abra	Purchase of services	Chile	USD	1,732	(1,732)	5,815	(5,815)
96.701.340-4	SCM El Abra	Commissions received	Chile	USD	156	156	123	123
Foreign	Deutsche Geissdraht GmbH	Dividends received	Germany	EURO	1,381	-	1,384	-
73.063.022-5	Inca de Oro S.A.	Contribution	Chile	USD	6,764	-	-	-
76.028.880-2	Minera Purén SCM	Dividends received	Chile	USD	14,000	-	-	-

d) Additional Information

On August 24, 2012, the Corporation, with the approval of its Board of Directors, purchased shares in Anglo American Sur SA, from Inversiones Anglo American Sur SA, Taxpayer number: 77,762,890-9, whose operation meant a disbursement of ThUS $ 2,799,795 through the Corporation's subsidiary Inversiones Mineras Becrux SpA. That amount included ThUS $ 1.1 million for the stake acquired by Mitsui.

The current and non-current account payable to the company Copper Partners Investment Company Ltd., corresponds to the balance of an advance payment received (US$550 million) due to the commercial agreement with the company Minmetals.

The current and non-current receivables balance from Sociedad GNL Mejillones S.A. refers to a loan agreement signed with the company, with a maturity of December 31, 2016 and accrues an interest of Libor 180 days+3% until June 30, 2010. From July 1, 2010 to December 31, 2012 the interest rate is Libor 90 days+3% and afterwards the rate is being fixed at Libor 90 days +4.5% until the full payment by Sociedad GNL Mejillones S.A.

Products purchase transactions with Anglo American Sur S.A. correspond to both companies' normal operations to acquire copper and other products.

4. Inventories

Inventories as of December 31, 2012 and 2011 are detailed as follows:

Items	12/31/2012 ThUS$	12/31/2011 ThUS$
Finished products	736,064	459,795
Subtotal finished products, net	736,064	459,795
Products in process	1,196,720	1,142,531
Subtotal products in process, net	1,196,720	1,142,531
Material in warehouse and other	581,128	485,012
Obsolescence allowance adjustment	(81,947)	(72,500)
Subtotal material in warehouse and other, net	499,181	412,512
Total	2,431,965	2,014,838

The value of finished products is stated net of unrealized profit corresponding to the purchase and sales operations of associates and subsidiaries, and which according to accounting standards need to be discounted from the entries that originated them.

The inventory recognized as an expense in the cost of sales during period the ended December 31, 2012 and 2011, corresponds to finished products and amounts to ThUS$10,781,926 and ThUS$9,712,011, respectively.

The change in the obsolescence provision is described in the following table:

Movements of obsolescence allowance	ThUS$
Initial Balance 1/1/2012	(72,500)
Additions	(39,130)
Reversals	29,683
Final Balance 12/31/2012	(81,947)

As of December 31, 2012 and 2011 Codelco has not written off inventory that has been recognized in the Statements of Compreheinsive Income.

The Corporation performed inventory adjustments on those assets whose book value exceeds their net realizable value. This adjustment, for the year ended December 31, 2012, was ThUS$ 48,937, while the book value of inventories adjusted, to December 31, 2012, corresponded to ThUS$ 262,773. During the year ended December 31, 2011, no adjustments were made for this item.

5. Deferred taxes and income taxes

This provision is stated in the item Current Tax Liabilities, in current liabilities, net of monthly provisional tax payments and other tax credits (Note 6).

For the Specific Tax on Mining Activities, in accordance with Law 20,469, a tax rate of 5.7% was estimated for this fiscal period.

As a result of Law 20,630 becoming effective, the income tax rate increased from 17% to 20%.

The effect of this change resulted in a deferred tax liability with a charge to income of ThUS$ 97,118.

With the entry into force of the Law on Mine Closure, and the publication of its rules in 2012, the expenses related to the closure tasks not correspond to accepted expenditure for purposes of specific tax to mining activity, therefore proceeded to reverse the deferred tax asset relating to the closure provisions with a charge to income of ThUS$ 43,076.

Deferred tax assets and liabilities are detailed as follows:

Deferred tax assets	12/31/2012 ThUS$	12/31/2011 ThUS$
Provisions	1,046,454	808,037
Unrealized gains	43,783	49,157
Finance lease	28,078	27,685
Specific mining tax	-	35,854
Derivatives - futures	9,112	317,888
Advances from clients	185,173	196,811
Derivatives interest rate swaps	-	70,259
Tax loss	28,265	-
Amortization in fair value of Anglo American Sur S.A. investment	8,817	-
Health care plans	14,654	14,879
Other	7,081	8,506
Total deferred tax assets	1,371,417	1,529,076

Deferred tax liabilities	12/31/2012 ThUS$	12/31/2011 ThUS$
Financial liabilities under effective interest rate	-	138
Derivatives - exchange rate	706	-
Specific mining tax	41,236	-
Price-level restatement of property, plant and equipment, IFRS first time adoption	752,988	775,202
Valuation of employee termination benefit	109,646	81,566
Accelerated depreciation	2,520,323	2,206,342
Anglo American Sur S.A. investment	704,486	-
Income from fair value of mining properties	80,382	-
Other	70,745	6,070
Total deferred tax liabilities	4,280,512	3,069,318

The effect of deferred taxes affecting equity is summarized as follows:

Deferred taxes affecting Equity	12/31/2012 ThUS$	12/31/2011 ThUS$
Cash Flow Hedge	(379,740)	(897,100)
Total deferred taxes affecting equity	(379,740)	(897,100)

A reconciliation of taxes considering the legal tax rate and the calculation of the taxes actually paid is detailed as follows:

Items	12/31/2012				
	Taxable base 20%	Taxable base 40%	Tax rate 20%	Additional tax rate 40%	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Profit (losses) before taxes	6,248,526	6,248,526	1,249,705	2,499,410	3,749,115
Permanent differences 20%	(606,282)	-	(121,256)	-	(121,256)
Permanent differences 40%	-	(4,418,904)	-	(1,767,562)	(1,767,562)
Income from corporations and other	(310,676)	(310,676)	(62,135)	(124,270)	(186,405)
Income from contractual companies	(180,054)	-	(36,011)	-	(36,011)
Income from Isapres (Private health insurance companies)	(458)	-	(92)	-	(92)
Foreign exchange differences	2,556	2,556	511	1,022	1,533
Specific mining tax	(163,636)	(163,635)	(32,727)	(65,454)	(98,181)
Others	45,986	(27,542)	9,198	(11,017)	(1,819)
Anglo American Sur S.A. investment	-	(3,517,690)	-	(1,407,076)	(1,407,076)
Income from fair value of mining properties	-	401,917		160,767	(160,767)
Specific mining tax net for deferred tax	-	-	-	-	235,817
Change of criteria in Closure Law	-	-	-	-	43,076
Change in annual rate	-	-	-	-	101,945
Effect of subsidiaries	-	-	-	-	132,071
Total tax expense			1,128,449	731,848	2,373,206

Items	12/31/2011				
	Taxable base 20%	Taxable base 40%	Tax rate 20%	Additional tax rate 40%	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Profit (losses) before taxes	5,547,150	5,547,150	1,109,430	2,218,860	3,328,290
Permanent differences 20%	(751,284)	-	(150,257)	-	(150,257)
Permanent differences 40%	-	(183,497)	-	(73,399)	(73,399)
Income from corporations and other	(192,514)	(192,514)	(38,503)	(77,006)	(115,509)
Income from contractual companies	(232,853)	-	(46,571)	-	(46,571)
Income from Isapres (Private health insurance companies)	1,391	-	278	-	278
Foreign exchange differences	(5,966)	(5,966)	(1,193)	(2,386)	(3,579)
Specific mining tax	(384,838)	(384,838)	(76,968)	(153,935)	(230,903)
Dividends receivable	-	67,104	-	26,842	26,842
Other	63,496	332,717	12,700	133,086	145,786
Specific mining tax net of deferred tax	-	-	-	-	358,738
Reverse from rate change	-	-	-	-	(20,118)
Effect of subsidiaries	-	-	-	-	48,544
Total tax expense			959,173	2,145,461	3,491,798

The deferred tax associated with the operation of Anglo American Sur S.A. is ThUS$ 597,837, calculated at the time of operation with a rate of 17%. Due to the increase in the 1° Category Tax Rate from 17% to 20%, under Law No. 20,630 published on September 27, 2012, the effect of the change inthe rate associated with the operation generates a higher deferred tax of Th$ 106,449.

6. Current tax assets and liabilities

a) Current tax assets

This item shows the right to collect VAT fiscal credit, income taxes and other taxes receivable, and is detailed as follows:

Current tax assets	12/31/2012 ThUS$	12/31/2011 ThUS$
VAT fiscal credit	203,883	177,105
Other taxes	23,027	9,437
Income tax	400,660	68,388
Total	627,570	254,930

b) Current tax liabilities

This item shows the income tax liabilities, net of monthly provisional payments:

Current tax liabilities	12/31/2012 ThUS$	12/31/2011 ThUS$
Income tax payable	50,205	137,267
Total	50,205	137,267

7. Non-current assets classified as held for sale

At 1 of January, 2011, the ownership of E-CL S.A. was represented by Codelco's 40% participation (16.35% direct participation and 23.65% indirect participation through Inversiones Mejillones 2 S.A.), a 52.4% stake of Suez Energy Andino S.A. and a remaining 7.6% stake held by non-controlling shareholders.

Subsequently, on January 27, 2011, Codelco made the placement of 424,251,415 shares issued by E-CL S.A. (representing 40% of the shares of that company), which amounted to a total Ch$ 509,101,698,000, equivalent to US$ 1,051,558 million, according to the observed dollar exchange rate on the effective day.

The financial profit after tax generated during the period ended at December 31, 2011 by this operation was ThUS$ 29,819.

8. Property, Plant and Equipment

a) The balances of Property, plant and equipment at December 31, 2012 comparative with December 31, 2011, are as follows:

Property, Plant and Equipment, gross	12/31/2012 ThUS$	12/31/2011 ThUS$
Work in progress	5,515,165	3,320,333
Land	119,265	101,057
Buildings	3,430,809	3,282,133
Plant and Equipment	11,465,568	10,632,843
Fixtures and fittings	35,648	35,085
Motor vehicles	1,434,168	1,263,540
Land Improvements	3,751,829	3,282,628
Mining Operations	3,652,641	3,061,596
Mine development	986,283	791,161
Other Assets	1,223,265	727,499
Total Property, Plant and Equipment, gross	31,614,641	26,497,875

Property, Plant and Equipment, accumulated depreciation	12/31/2012 ThUS$	12/31/2011 ThUS$
Work in progress	-	-
Land	-	-
Buildings	2,128,436	2,014,477
Plant and Equipment	6,660,692	6,049,883
Fixtures and fittings	27,286	24,821
Motor vehicles	806,856	724,028
Land Improvements	2,082,906	1,941,146
Mining Operations	1,920,653	1,534,597
Mine development	475,417	362,835
Other Assets	467,464	408,324
Total Property, Plant and Equipment, accumulated depreciation	14,569,710	13,060,111

Property, Plant and Equipment, net	12/31/2012 ThUS$	12/31/2011 ThUS$
Work in progress	5,515,165	3,320,333
Land	119,265	101,057
Buildings	1,302,373	1,267,656
Plant and Equipment	4,804,876	4,582,960
Fixtures and fittings	8,362	10,264
Motor vehicles	627,312	539,512
Land Improvements	1,668,923	1,341,482
Mining Operations	1,731,988	1,526,999
Mine development	510,866	428,326
Other Assets	755,801	319,175
Total Property, Plant and Equipment, net	17,044,931	13,437,764

b) Movement of Property, plant and equipment:

Movements	Work in Progress	Land	Buildings	Plant and Equipment	Fixtures and Fittings	Motor vehicles	Land Improvements	Mining Operations	Mine Development	Other Assets	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening Balance as of 1/1/2012	3,320,333	101,057	1,267,656	4,582,960	10,264	539,512	1,341,482	1,526,999	428,326	319,175	13,437,764
Additions	3,921,379	3	16,808	7,446	304	34	-	334,286	-	414,905	4,695,165
Disposals	(20,010)	-	(1,900)	(11,814)	-	(1,087)	(6)	(14,279)	-	(16)	(49,112)
Capitalizations	(1,585,623)	10,992	82,949	506,584	791	200,367	379,438	222,573	195,122	-	13,193
Depreciation and Amortization	-	-	(109,539)	(586,455)	(2,267)	(90,171)	(138,757)	(434,057)	(112,589)	(63,695)	(1,537,530)
Reclassifications	(190,746)	6,202	(433)	(70,723)	(510)	(20,497)	49,027	96,466	7	85,407	(45,800)
Impairment	-	-	-	(8,380)	(335)	-	-	-	-	-	(8,715)
Closure provision	-	-	50,824	441,937	227	12	38,688	-	-	-	531,688
Others	69,832	1,011	(3,992)	(56,679)	(112)	(858)	(949)	-	-	25	8,278
Total movements	2,194,832	18,208	34,717	221,916	(1,902)	87,800	327,441	204,989	82,540	436,626	3,607,167
Final Balance 12/31/2012	5,515,165	119,265	1,302,373	4,804,876	8,362	627,312	1,668,923	1,731,988	510,866	755,801	17,044,931

Movements	Work in Progress	Land	Buildings	Plant and Equipment	Fixtures and Fittings	Motor vehicles	Land Improvements	Mining Operations	Mine Development	Other Assets	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening Balance as of 1/1/2011	2,756,793	108,087	1,258,790	4,360,776	11,477	463,060	1,247,097	1,364,142	420,976	360,232	12,351,430
Additions	2,335,287	17,625	129,884	12,116	1,233	23	1,571	337,598	-	13,298	2,848,635
Disposals	-	(19)	-	(12,280)	(106)	(4,336)	(2)	(49,052)	-	(554)	(66,349)
Capitalizations	(1,441,799)	387	99,270	916,880	1,362	179,530	193,632	-	53,617	313	3,192
Depreciation and Amortization	-	-	(111,659)	(681,574)	(2,340)	(96,803)	(119,920)	(364,876)	(46,267)	(56,145)	(1,479,584)
Reclassifications	(273,272)	-	32,727	40,832	549	(1,450)	20,272	239,187	-	(1,480)	57,365
Impairment	(7,259)	(6,277)	(10,525)	(42,348)	(106)	(569)	(1,168)	-	-	(1,748)	(70,000)
Others	(49,417)	(18,746)	(130,831)	(11,442)	(1,805)	57	-	-	-	5,259	(206,925)
Total movements	563,540	(7,030)	8,866	222,184	(1,213)	76,452	94,385	162,857	7,350	(41,057)	1,086,334
Final Balance 12/31/2011	3,320,333	101,057	1,267,656	4,582,960	10,264	539,512	1,341,482	1,526,999	428,326	319,175	13,437,764

c) The value of construction in progress, is directly associated with the operating activities of the Corporation and its subsidiaries, and relates to the acquisition of equipment and projects in construction.

d) The Corporation has contracted insurance policies to cover the potential risks to which the various elements of property, plant and equipment are subject, and any claims that could arise from their activities during the period. These policies provide adequate coverage of the potential risks.

e) Borrowing costs capitalized for the year ended December 31, 2012 amounted to ThUS $ 96,805, calculated on an annual capitalization rate of 4.18%. The amount for the same period of 2011 was ThUS $ 45,514 calculated on an annual compounding rate of 4.31%.

f) The item "Other assets" under "Property, plant and equipment" includes:

Other assets, net	12/31/2012 ThUS$	12/31/2011 ThUS$
Leasing assets	80,745	82,123
Mining properties from purchase of Anglo American Sur S.A. shares	402,000	-
Others	273,056	237,052
Total other assets, net	755,801	319,175

g) With the exception of assets under lease whose legal title corresponds to the lessor, the Corporation currently has no ownership restrictions relating to assets belonging to Property, plant and equipment.

Codelco has not granted “Property, plant and equipment” assets as collateral to third parties in order to enable the realization of its normal business activities or as a commitment to support payment obligations.

9. Investments accounted for using the equity method

The following table sets forth the carrying amount and the share of profit of the investments accounted for using the equity method:

Items	Equity Method		Accrued Net Income	
	12/31/2012	12/31/2011	1/1/2012 12/31/2012	1/1/2011 12/31/2011
	ThUS$	ThUS$	ThUS$	ThUS$
Investments in associates accounted for using the equity method	7,466,286	748,284	300,177	268,637
Joint Ventures	178,326	196,771	157,053	84,803
Total	7,644,612	945,055	457,230	353,440

a) Associates

Agua de la Falda S.A.

As of December 31, 2012, Codelco has a 43.28% interest in Agua de la Falda S.A., with the remaining 56.72% owned by Minera Meridian Limitada.

The line of business of this company is to exploit deposits of gold and other minerals, in the third region of the country.

Sociedad Contractual Minera El Abra

Sociedad Contractual Minera El Abra was formed in 1994. As of December 31, 2012, Codelco has a 49% interest in Sociedad Contractual Minera El Abra, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

Company activities involve the extraction, production and marketing of copper cathodes.

Sociedad Contractual Minera Purén

As of December 31, 2012, Codelco has a 35% interest in Sociedad Contractual Minera Purén, with the remaining 65% owned by Compañía Minera Mantos de Oro.

This company's line of business is to explore, identify, survey, investigate, develop and exploit mineral deposits in order to extract, produce and process ore.

Kairos Mining S.A.

Until November 26, 2012 Codelco maintained a 40% interest in Kairos Mining S.A., with the remaining 60% majority owned by Honeywell Chile S.A.

Kairos Mining S.A. provides automation and control services for industrial and mining activities and to license technology and software licenses.

On November 21, 2012, the Corporation sold part of its stake to Honeywell Chile SA. After the sale, Codelco held a 5 % share on December 31, 2012, while the remaining 95% was held by Honeywell Chile SA, resulting in revenue before tax of ThUS $ 13.

Mining Industry Robotic Solutions S.A.

As of December 31, 2012, Codelco has a 36% interest in Mining Industry Robotic Solutions S.A., with the remainder owned by Support Company Limited with 53%, Nippon Mining & Metals Co. Ltd., 9% and Kuka Roboter GmbH, 2%.

The company's line of business is the research, design, creation, invention, manufacture, installation, supply, maintenance and marketing in any form or type of robot products, technology products of a robotic nature or complementary supplies necessary for the marketing and maintenance of those products that can be used in the mining and metals industry and related services; to produce under license, license and market the licensing of products, processes and technology services of a robotic nature for the mining and metallurgical industry, as well as any other form of use by third parties of products or services based on such technology. In addition, the company can also form all types of companies and participate as a partner or shareholder in any existing company.

Sociedad GNL Mejillones S.A.

As of December 31, 2012, Codelco has a 37% interest in Sociedad GNL Mejillones S.A., with the remaining 63% owned by Suez Energy Andino S.A. These interests were established on November 5, 2010 when the Corporation did not increase the capital agreed upon by the meeting of shareholders of such company. Before the actual increase, both the Corporation and Suez Energy Andino S.A. had a 50% interest each.

This company's line of business 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, singly or in partnership with third parties.

Comotech S.A.

As of December 31, 2012, Codelco has a 48.19% interest in Comotech S.A. through its indirect subsidiary Innovaciones en Cobre S.A.

The company's line of business is to carry out research activities to increase the demand for molybdenum at the national and international level through new and better applications, uses and/or markets.

Inca de Oro S.A.

On June 1, 2009 Codelco's Board authorized the formation of a company destined to developing studies to allow continuity of the Inca de Oro Project.

On February 15, 2011, the association of Codelco and Minera PanAust IDO Ltda. was approved in respect to the Inca de Oro deposit, with 66% of the share of Inca de Oro S.A. held by Minera PanAust IDO Ltda and Codelcomaintains a 34% share. Before the materialization of this association, Codelco owned100% of the society.

This operation generated during the period ended at December 31, 2011 a net gain after taxes in the amount of ThUS$ 33,669.

Copper for Energy S.A.

As of December 31, 2012, Codelco has a 25% interest in the share capital of International Copper Association Ltd., a 25% interest in Fundación Chile and a 25% interest in Universidad de Chile.

Copper for Energy S.A.'s line of business is to develop and commercialize new products and applications for copper, destined to make the most efficient use of energy and/ or to generate and utilize renewable energy; conducting and ordering research, carrying out studies and projects, rendering of training services and activities.

Ecosea Farming S.A.

At December 31, 2012, the indirect affiliate of Codelco, Innovaciones de Cobre S.A., holds a stake of 85.03% in Ecosea Farming S.A.. However, the Corporation does not exercise control over it, since it does not have the majority voting rights.

The company's objective is the transfer, adaptation, research and development of technologies and support services based on copper and alloys for aquaculture and related areas, and the production and marketing of all forms of products and / or services obtained from them.

Deutsche Giessdraht GmbH

As of December 31, 2012, Aurubis and Codelco through its affiliate, Codelco Kupferhandel GmbH, have a 60% and 40% interest, respectively.

The company produces wire rods in its Emmerich, Germany facility.

Anglo American Sur S.A.

On August 24, 2012, the company Inversiones Mineras Acrux SpA. (Acrux) and its affiliates (the shares divided between Mitsui & Co. Ltd. (Mitsui) and Codelco, but with Codelco maintaining control), acquired a 29.5% share interest in Anglo American Sur S.A. (AAS), of which, 24.5% corresponds to the indirect ownership of Codelco on AAS.

Subsequently, on November 26, 2012, Codelco sold 44,900 of its shares of Acrux to its partner Mitsui, generating a profit before tax of ThUS $ 7,626.

After the sale, and as of December 31, 2012, Codelco reduced its indirect share interest in AAS. to 20%, while Mitsui increased its participation to 9.5%.

At December 31, 2012, the control of AAS belongs to Inversiones Anglo American Sur S.A. with a 50.06% share interest, while the non-controlling interest corresponds to Acrux through its subsidiary Inversiones Mineras Becrux SpA., with a 29.5% and Mitsubishi group with a 20.44%.

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 naturally presented. 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 in which the shareholders agree.

The following table demonstrates the equity value and accrued results of investments in associates:

Associates	Taxpayer Number	Functional Currency	Equity Interest		Equity Method		Accrued Net Income	
			12/31/2012	12/31/2011	12/31/2012	12/31/2011	1/1/2012 12/31/2012	1/1/2011 12/31/2011
			%	%	ThUS$	ThUS$	ThUS$	ThUS$
Deutsche Geissdraht GmbH	Foreign	EURO	40.00%	40.00%	3,820	4,283	1,347	1,674
Agua de la Falda S.A.	96.801.450-1	USD	43.28%	43.28%	5,639	5,731	(92)	(26)
Sociedad Contractual Minera El Abra	96.701.340-4	USD	49.00%	49.00%	805,973	666,968	182,465	210,093
Minera Purén SCM	76.028.880-2	USD	35.00%	35.00%	9,096	23,033	62	17,626
Sociedad GNL Mejillones S.A.	76.775.710-7	USD	37.00%	37.00%	48,304	-	68,805	39,516
Kairos Mining S.A.	76.781.030-K	CLP	5.00%	40.00%	-	130	11	52
MI Robotic Solutions S.A.	76.869.100-2	CLP	36.00%	36.00%	1,615	2,241	(851)	(136)
Inca de Oro S.A.	73.063.022-5	USD	34.00%	34.00%	51,847	44,817	270	(149)
Anglo American Sur S.A.	77.762.940-9	USD	29.50%	-	6,537,503	-	47,503	-
Others					2,489	1,081	657	(13)
TOTAL					7,466,286	748,284	300,177	268,637

The following tables provide details of the assets, liabilities and major movements in investments in associates accounted for using the equity method and their respective results during period ended December 31, 2012 and 2011.

Assets and liabilities	12/31/2012 ThUS$	12/31/2011 ThUS$
Current assets	2,404,840	808,605
Non-Current assets	6,789,002	1,717,531
Current liabilities	1,004,201	513,798
Non-Current liabilities	1,692,517	361,182

Net Income	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Revenue	4,858,707	1,752,929
Cost of sales	(3,351,045)	(1,167,780)
Profit for the period	1,507,662	585,149

Movements of Investment in Associates	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Opening balances	748,284	561,730
Contributions	6,764	22,259
Purchase of the participation (1)	2,799,795	-
Adjustments for fair value participation acquisition (1)	3,690,205	-
Dividends	(79,177)	(85,750)
Net income for the period	300,177	268,637
Foreign exchange differences	(64)	(228)
Fair Value adjustment by the Loss of control	-	20,904
Transfer of negative equity	(15,462)	(30,094)
Other comprehensive income	(5,039)	(12,001)
Other	20,803	2,827
Final balance	7,466,286	748,284

(1) Corresponds to the investment in Anglo American Sur S.A., totaling ThUS$6,490,000.

b) Joint ventures

At December 31, 2012, the Corporation participates in the Copper Partners Investment Company Limited Joint venture. This partnership dates from March 2006 when Codelco Chile through its subsidiary Codelco International Ltd., executed the agreement with Album Enterprises Limited (a subsidiary of Minmetals) to form the company, in which both companies hold equal interests.

Assets and liabilities	12/31/2012 ThUS$	12/31/2011 ThUS$
Current assets	54,397	210,515
Non-Current assets	308,621	308,616
Current liabilities	6,370	40,161
Non-Current liabilities	-	85,428

Net Income	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Revenue	447,503	490,846
Cost of sales	(133,397)	(321,240)
Profit for the period	314,106	169,606

Movements of the investment in joint ventures	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Opening Balance	196,771	26,635
Net income for the period	157,053	84,803
Dividends	(175,500)	-
Distributions	-	(7,818)
Other comprehensive income	-	93,151
Other	2	-
Final Balance	178,326	196,771

c) Interest in negative equity

The Corporation, at December 31, 2012 and December 31, 2011, has an interest in the following negative equities (amounts expressed in ThUS$):

Entity	Equity interest percentage	Negative Equity	
		12/31/2012	12/31/2011
Sociedad GNL Mejillones S.A.	37%	-	(41,789)
Copper for Energy S.A.	25%	-	(44)

d) Additional information about unrealized profit

The Corporation has recognized unrealized profit for purchases and sales of products, mining properties, property, plant and equipment and ownership rights. The most significant transactions include the transaction carried out in 1994 for the initial contribution of mining properties to Sociedad Contractual Minera El Abra.

During the year ended December 31, 2012 a gain of ThUS$ 13,268 was recognized as unrealized profits with a balance of unrealized profits at December 31, 2012 of ThUS$72,972 (compared to a balance at the December 31, 2011of ThUS$86,240), .

Codelco carries out copper purchases and sales with this company. At December 31, 2012, , the value of finished products in Inventory includes an unrealized profit accrual of ThUS$6,971. At December 31, 2011 there is no accrual of unrealized profit.

e) Share in companies acquired at fair value versus carrying amount

The acquisition by Codelco of its participation in Anglo American Sur S.A., on August 24, 2012, was recorded based on the acquisition method, which involved the initial recognition of

aninvestment in the amount of ThUS$ 6,490,000, corresponding to the percentage of the share interest acquired (29.5%) over the fair value of the net assets of the company, while the book value at the acquisition date was ThUS$ 1,217,668.

In determining the fair value of the net assets of the acquired share interest, the Corporation considered both the resources and mineral reserves that can be recovered reliably and the assessment of intangibles and all other considerations about assets and contingent liabilities was performed.

There was no difference between the fair value and the amount paid. Therefore, no goodwill was registered as a result of the operation.

The fair value of the assets acquired and liabilities assumed at the acquisition date are as follows:

	(US$ million)
Cash and cash equivalents	599
Hedging instruments	1
Trade receivable and other receivables	693
Inventories	211
Recoverable taxes	36
Current assets	1,540
Property, plant and equipments	17,718
Mining resources	9,218
Water rights	28
Intangibles	-
Non-current assets	26,964
Total Assets	28,504
Trade payables and other payables	1,598
Provision for employees benefits	76
Deferred taxes	4,339
Provisions	220
Non-Current liabilities	6,233
Trade payables and other payables	259
Provisions	12
Current liabilities	271
Capital	1,241
Retained earnings	2,895
Other reserves	17,864
Total Equity	22,000
Total Liabilities	28,504
Net Asset	22,000

Summary of the operation at acquisition date	(US$ million)
Identifiable net assets at fair value of Anglo America Sur S.A.	22,000
Effective investment in the acquisition	29.5%
Total fair value of the investment	6,490
Amount paid in cash	2,800
Adjustment of fair value of the purchase option	3,690
Goodwill generated in the investment	-

The allocation of the purchase price to fair value between the identifiable assets and liabilities has been prepared by management using its best estimates and taking into account all relevant information available at the time of the acquisition of Anglo American Sur S.A., and final determination will be completed within the period of 12 months from the date of acquisition.

The transaction has not resulted in the acquisition of control of the acquired company.

The Corporation used the model of discounted cash flows to estimate cash flow projections, based on the life of the mines. These projections are based on estimated production and future prices of minerals, operating costs and capital costs at the date of acquisition, among other estimates. Additionally, resources and potential resources to explore are not included in the plan because they have been valued separately using a market model. These resources include the concept of "Mineral Resources".

At December 31, 2012, neither the amount recognized for the total consideration transferred, nor the range of estimates or assumptions used to determine fair values at the acquisition date have changed.

The earnings before tax, corresponding to the proportion of the gains of Anglo American Sur S.A. recognized between the date of acquisition to December 31, 2012 was ThUS$ 91,590, while the adjustment for depreciation and decrease in the fair value of the net assets of the company recognized at the acquisition date, meant an effect of lower profit before tax of ThUS$ 44,087 and is decreasing the item "Equity in earnings (losses) of associates and joint ventures accounted for using the equity method" of the comprehensive income statement.

10. Subsidiaries

The following tables present a detail of the assets, liabilities and results of the Corporation's subsidiaries, prior to consolidation adjustments:

Assets and liabilities	12/31/2012 ThUS$	12/31/2011 ThUS$
Current assets	509,590	697,933
Non-current assets	7,134,568	618,753
Current liabilities	478,875	431,813
Non-current liabilities	1,789,191	305,783

At December 31, 2012, the Corporation absorbed the assets and liabilities of the Minera Gaby S.p.A. subsidiary, forming a part of the new Gabriela Mistral Division.

Net Income	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Revenue	2,458,238	2,634,729
Cost of sales	(2,363,448)	(2,477,072)
Profit (loss) for the period	94,790	157,657

11. Other non-current non-financial assets

Other non-current non-financial assets included in the consolidated statement of financial position as of December 31, 2012 and 2011 is detailed as follows:

Other non-current financial assets	12/31/2012 ThUS$	12/31/2011 ThUS$
Anglo American Purchase Option (1)	-	162,558
Law No. 13,196 asset (2)	30,862	34,528
Other	6,815	6,864
TOTAL	37,677	203,950

(1) On December 19, 2008, Empresa Nacional de Minería (ENAMI) assigned Codelco Chile the right to buy up to 49% of the shares of Anglo American Sur S.A.

The figures as of December 31, 2011, correspond to the amounts paid by Codelco to Enami in 2010.

During the 2012 trial between Codelco and Anglo American plc which occurred due to the exercise of the Call Option and before their reconciliation in August 2012, the value of this asset remained valued at cost plus any expenses incurred during the performance of the aforementioned option. Revaluation adjustments did not exist based on the fair value of this financial instrument because the characteristics and other factors present during the period made it difficult to determine the fair value in accordance with the terms set forth in IAS 39 AG81.

Due to the reconciliation recognized legally and the subsequent execution of the transaction on the terms stipulated in the settlement agreement, the Corporation proceeded to revalue the financial instrument based on fair value, which, as of the date of execution, amounted to ThUS$3,690,205.

As of December 31, 2012, no amounts were recorded for the asset corresponding to the right to purchase shares, since the Call Option, revalued as mentioned in the above paragraph, was provided to the affiliate Inversiones Mineras Becrux SpA. The final purchase option was agreed for the acquisition of 24.5% of the share interest of Anglo American Sur S.A. (details are disclosed in Note No. 9 a).

(2) Corresponds to the recording of the commitment related to Law N°13,196, for 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.

12. Current and non-current financial assets

Current and non-current financial assets included in the statement of financial position are detailed as follows:

Classification in the statement of financial position	12/31/2012				
	At fair value though profit and loss	Loans and receivables	Hedging derivatives	Available for sale	Total financial assets ThUS$
Cash and Cash equivalents	11,137	1,252,686	-	-	1,263,823
Trade and other current receivables	36,534	2,112,569	-	-	2,149,103
Rights receivables, non - current	-	171,698	-	-	171,698
Due from related companies, current	-	29,442	-	-	29,442
Due from related companies, non - current	-	41,305	-	-	41,305
Other current financial assets	-	7,825	884	-	8,709
Other non - current financial assets	-	11,820	121,180	-	133,000
TOTAL	47,671	3,627,345	122,064	-	3,797,080

Classification in the statement of financial position	12/31/2011				
	At fair value though profit and loss	Loans and receivables	Hedging derivatives	Available for sale	Total financial assets ThUS$
Cash and Cash equivalents	7,240	1,375,636	-	-	1,382,876
Trade and other current receivables	(47,781)	2,016,050	-	-	1,968,269
Rights receivables, non - current	-	132,721	-	-	132,721
Due from related companies, current	-	56,357	-	-	56,357
Due from related companies, non - current	-	75,860	-	-	75,860
Other current financial assets	-	1,171	192,066	-	193,237
Other non - current financial assets	-	9,275	93,318	-	102,593
TOTAL	(40,541)	3,667,070	285,384	-	3,911,913

- Financial assets designated at fair value through profit or loss: At December 31, 2012, this category mainly includes unfinished product sale invoices and mutual fund investments made by Codelco Chile subsidiaries.

  The effects on results of open invoices are determined by the differences between the provisional price at the date of shipment and the futures price curve of products, as explained under the title Accounting policies (letter p of number 2 of Chapter II), while mutual funds affect the result by the change in fair value of shares.

- Loans granted and receivables: These correspond to financial assets with fixed or determinable payments that are not traded in an active market.

  The effects on the period's statements of comprehensive income generated by these assets, come mainly from financial interest gains and from the exchange rate differences related to the balances in currencies other than the functional currency.

  No material impairments were recognized in accounts receivable.

- Hedging derivatives: Correspond to the receivable balances for derivative contracts for the exposure generated by existing operations and which affect the period profit and lossfrom the liquidation of these operations. The detail of derivative transactions is included in Note 28.

- Available-for-sale financial assets: These correspond primarily to non-derivative financial assets that are specifically designated as available for sale or are not classified as: a) loans and receivables, b) investments held to maturity or c) financial assets carried at fair value through profit or loss (IAS 39, paragraph 9).

  Within the period presented, there was no reclassification of financial instruments among the different categories established under IAS 39.

13. Interest-bearing borrowings

Current and non-current interest-bearing borrowings correspond to Borrowings from financial institutions, Bond obligations and Finance leases, which are recorded by the Corporation at amortized cost using the effective interest rate method. The following tables detail the composition of the item "other financial liabilities, current and non-current."

Items	12/31/2012					
	Current			Non-current		
	Loans and other payables ThUS$	Hedge derivatives ThUS$	Total ThUS$	Loans and other payables ThUS$	Hedge derivatives ThUS$	Total ThUS$
Loans from financial entities	219,686	-	219,686	2,577,896	-	2,577,896
Bonds	594,006	-	594,006	6,511,090	-	6,511,090
Financial Lease	35,601	-	35,601	91,306	-	91,306
Hedge obligations	-	14,537	14,537	-	1,533	1,533
Other financial liabilities	949	-	949	80,499	-	80,499
Total	850,242	14,537	864,779	9,260,791	1,533	9,262,324

Items	12/31/2011					
	Current			Non-current		
	Loans and other payables ThUS$	Hedge derivatives ThUS$	Total ThUS$	Loans and other payables ThUS$	Hedge derivatives ThUS$	Total ThUS$
Loans from financial entities	41,276	-	41,276	1,196,645	-	1,196,645
Bonds	802,954	-	802,954	5,008,399	-	5,008,399
Financial Lease	22,954	-	22,954	106,095	-	106,095
Hedge obligations	-	770,666	770,666	-	25	25
Other financial liabilities	5,574	-	5,574	83,990	-	83,990
Total	872,758	770,666	1,643,424	6,395,129	25	6,395,154

These items are generated by the following situations:

- *Borrowings from financial institutions:*

  The loans obtained by the Corporation to finance its production operations oriented towards the foreign market.

  On August 23, 2012, the subsidiary Inversiones Gacrux SpA (Gacrux), agreed to funding from Oriente Copper Netherlands BV (a subsidiary of Mitsui & Co. Ltd.) 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 years maturity from the date of disbursement, and an annual rate of Libor + 2.5%. This credit has no personal guarantees ("non-recourse") on Codelco's part.

Codelco's indirect subsidiary Codelco Inversiones Mineras Becrux SpA used this funding for the acquisition of 24.5% of the shares of Anglo American Sur S.A. and other related expenses.

On October 31, 2012, new terms of the amended Credit Agreement were agreed, which remains without personal guarantees of Codelco ("non-recourse"), and establish a fixed rate of 3.25% per annum and a duration 20 years, to be payable in 40 semi-annual quotas of principal and interest. Under previous agreements, Mitsui is entitled to additional interest equivalent to one-third partsavings that result to Gacrux from the difference between the refinanced credit and the credit agreement originally signed. Furthermore, Mitsui (through a subsidiary) held an option to purchase from Gacrux an additional 15.25% of the shares issued by the company Inversiones Mineras Acrux SpA. ("Acrux"), at a fixed price of approximately US$ 998 million to be used in full to prepayGacrux's debt under the Credit Agreement, reducing it to US$ 875 million.

Subsequently, on November 26, 2012, Mitsui materialized the purchase of additional 15.25% share interest in Acrux, so Codelco reduced its debt with Mitsui, which at December 31, 2012, has a balance of ThUS$ 853,647.

- *Bond obligations:*

On November 18, 2002, the Corporation issued and placed bonds on the domestic market, under the rules of the Superintendency of Securities and Insurance. These bonds were issued for a nominal amount of UF7,000,000, in a single series denominated Series A, and consist of 70,000 bonds for UF100 each. These bonds are payable in a single installment on September 1, 2012, with a 4.0% annual interest rate and with bi-annual interest payments. No balance was due at December 31, 2012.

On November 30, 2002, the Corporation issued and placed bonds on the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$435,000. These bonds are payable in a single installment on November 30, 2012, with a 6.375% annual interest rate and with bi-annual interest payments. No balance was due at December 31, 2012.

On October 15, 2003, 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 15, 2013, with a 5.5% annual interest rate and with bi-annual interest payments.

On October 15, 2004, 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 15, 2014, with a 4.750% annual interest rate and with bi-annual interest payments.

On May 10, 2005, the Corporation issued and placed bonds on the domestic market for a nominal amount of UF6,900,000, in a single series denominated Series B, and consist of 6,900 bonds for UF1,000 each. These bonds are payable in a single installment on April 1, 2025, with an 3.96% annual interest rate and with bi-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, with a 5.6250% annual interest rate and with bi-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, with a 6.15% annual interest rate and with bi-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 mature in a single installment on January 15, 2019, at an interest rate of 7.5% per annum with interest paid bi-annually.

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 mature in a single installment on November 4, 2020, at an interest rate of 3.75% per annum with interest paid bi-annually.

On November 3, 2011, the Corporation issued and placed bonds in the U.S. market under Rule 144A and Regulation S, for a nominal amount of ThUS $1,150,000. These bonds mature in a single installment on November 4, 2021, with an interest rate of 3.875% per annum, with interest paid bi-annually.

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 US$ 2,000 million. The ThUS$ 1,250,000 with an interest rate of 3% per annum mature on July 17, 2022 and the ThUS$750,000 with an interest rate of 4.29% mature on July 17, 2042, and each have interest paid bi-annually.

- *Financial debt commissions and expenses:*

  Obtaining financial resources generates, in addition to the interest rate, fees and other expenses charged by the financial institutions, and the Corporation receives the net value of the loans. These expenses are amortized based on the effective interest rate determined using the amortized cost method.

- *Finance leases:*

  Finance lease transactions are generated for service contracts, principally for buildings and machinery.

At December 31, 2012, the detail of Borrowings from financial institutions and Bond obligations is as follows:

12/31/2012													
Taxpayer Number	Country	Loans with financial entities	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current Balance ThUS$	Non-current Balance ThUS$
Foreign	United States of America	Export pre-funding	BBVA Bancomer	09/27/2014	Floating	US$	400,000,000	3 annual installments of principal at maturity	Quaterly	0.51%	0.57%	133,350	133,136
97836000-K	Chile	Bilateral Credit	Banco Santander S.A.	11/30/2015	Floating	US$	75,000,000	Maturity	Quaterly	1.16%	1.28%	85	74,781
Foreign	Bermuda	Bilateral Credit	HSBC Bank Bermuda Limited	12/17/2015	Floating	US$	162,500,000	Maturity	Quaterly	1.16%	1.28%	97	162,015
Foreign	United States of America	Bilateral Credit	Bank of Tokyo-Mitsubishi	12/22/2015	Floating	US$	100,000,000	Maturity	Quaterly	1.06%	1.15%	22	99,744
97836000-K	Chile	Bilateral Credit	Banco Santander S.A.	12/23/2015	Floating	US$	100,000,000	Maturity	Quaterly	1.16%	1.28%	27	99,691
Foreign	Canada	Bilateral Credit	Export. Dev. Canada	12/28/2015	Floating	US$	250,000,000	Maturity	Quaterly	1.11%	1.23%	24	249,234
Foreign	United States of America	Bilateral Credit	Sumitomo Mitsui Banking	2/18/2016	Floating	US$	100,000,000	Maturity	Quaterly	1.14%	1.23%	44	99,746
Foreign	United States of America	Bilateral Credit	Mizuho Corporate Bank Ltd	10/13/2016	Floating	US$	100,000,000	Maturity	Quaterly	0.93%	1.21%	197	99,006
Foreign	United States of America	Bilateral Credit	Bank Of Tokyo Mitsubishi Ltd.	10/14/2016	Floating	US$	250,000,000	Maturity	Quaterly	0.84%	1.15%	468	247,220
Foreign	United States of America	Bilateral Credit	HSBC Bank United States of America. N.A.	10/11/2016	Floating	US$	250,000,000	Maturity	Quaterly	0.95%	1.26%	549	247,258
Foreign	United States of America	Bilateral Credit	Export Dev Canada	11/03/2016	Floating	US$	250,000,000	Maturity	Quaterly	0.81%	1.18%	356	246,695
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V.	11/26/2032	Fixed	US$	874,959,000	Maturity	Semi annual	3.25%	3.60%	44,612	809,035
Foreign	Germany	Credit Line	HSBC Trinkaus & Burkhardt		Floating	Euro				5.52%	5.28%	19,818	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				5.52%	5.28%	17,585	-
			Other institutions									2,452	10,335
TOTAL												219,686	2,577,896

Bonds	Country	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current Balance ThUS$	Non-current Balance ThUS$
144-A REG.S	United States of America	10/15/2013	Fixed	US$	500,000,000	Maturity	Semi annual	5.50%	5.57%	505,771	-
144-A REG.S	United States of America	10/15/2014	Fixed	US$	500,000,000	Maturity	Semi annual	4.75%	4.99%	5,220	497,966
144-A REG.S	United States of America	1/15/2019	Fixed	US$	600,000,000	Maturity	Semi annual	7.50%	7.79%	21,140	591,807
144-A REG.S	United States of America	11/04/2020	Fixed	US$	1,000,000,000	Maturity	Semi annual	3.75%	3.98%	6,008	984,386
144-A REG.S	United States of America	11/04/2021	Fixed	US$	1,150,000,000	Maturity	Semi annual	3.88%	4.07%	7,139	1,133,794
144-A REG.S	United States of America	7/17/2022	Fixed	US$	1,250,000,000	Maturity	Semi annual	3.00%	3.16%	17,027	1,232,384
BCODE-B	Chile	4/01/2025	Fixed	U.F.	6,900,000	Maturity	Semi annual	4.00%	3.24%	3,340	353,728
144-A REG.S	United States of America	9/21/2035	Fixed	US$	500,000,000	Maturity	Semi annual	5.63%	5.78%	8,080	490,324
144-A REG.S	United States of America	10/24/2036	Fixed	US$	500,000,000	Maturity	Semi annual	6.15%	6.22%	5,808	495,874
144-A REG.S	United States of America	11/04/2042	Fixed	US$	750,000,000	Maturity	Semi annual	4.25%	4.40%	14,473	730,827
TOTAL										594,006	6,511,090

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

At December 31, 2011, the detail of Borrowings from financial institutions and Bond obligations is as follows:

12/31/2011													
Taxpayer Number	Country	Loans with financial entities	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current Balance ThUS$	Non-current Balance ThUS$
Foreign	United States of America	Bilateral Credit	BBVA Bancomer	09/27/2014	Floating	US$	400,000,000	3 annual installments of principal at maturity	Quaterly	0.75%	0.80%	6	399,643
97836000-K	Chile	Bilateral Credit	Banco Santander	11/30/2015	Floating	US$	75,000,000	Maturity	Quaterly	1.36%	1.49%	94	74,714
Foreign	Bermuda	Bilateral Credit	HSBC Bank Bermuda Limited	12/17/2015	Floating	US$	162,500,000	Maturity	Quaterly	1.41%	1.53%	66	161,870
Foreign	United States of America	Bilateral Credit	Bank of Tokyo-Mitsubishi	12/22/2015	Floating	US$	100,000,000	Maturity	Quaterly	1.32%	1.42%	28	99,678
97836000-K	Chile	Bilateral Credit	Banco Santander	12/23/2015	Floating	US$	100,000,000	Maturity	Quaterly	1.42%	1.55%	27	99,600
Foreign	Canada	Bilateral Credit	Export. Dev. Canada	12/28/2015	Floating	US$	250,000,000	Maturity	Quaterly	1.38%	1.50%	24	248,996
Foreign	United States of America	Bilateral Credit	Sumitomo Mitsui Banking	02/18/2016	Floating	US$	100,000,000	Maturity	Quaterly	1.38%	1.45%	52	99,686
Foreign	Germany	Credit Line	HSBC Trinkaus & Burkhardt		Floating	Euro	15,364,000			1.65%	1.65%	19,915	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro	14,562,000			1.65%	1.65%	18,875	-
			Other institutions				-			-	-	2,189	12,458
TOTAL												41,276	1,196,645

Bonds	Country	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current Balance ThUS$	Non-current Balance ThUS$
BCODE-A	Chile	09/01/2012	Fixed	U.F.	7,000,000	Maturity	Semi annual	3.96%	4.45%	303,701	-
144-A REG.S	United States of America	11/30/2012	Fixed	US$	435,000,000	Maturity	Semi annual	6.38%	6.48%	437,206	-
144-A REG.S	United States of America	10/15/2013	Fixed	US$	500,000,000	Maturity	Semi annual	5.50%	5.57%	6,011	499,399
144-A REG.S	United States of America	10/15/2014	Fixed	US$	500,000,000	Maturity	Semi annual	4.75%	4.99%	5,191	496,911
114-A REG.S	United States of America	01/15/2019	Fixed	US$	600,000,000	Maturity	Semi annual	7.50%	7.79%	20,788	590,785
114-A REG.S	United States of America	11/04/2020	Fixed	US$	1,000,000,000	Maturity	Semi annual	3.75%	3.98%	5,975	982,719
114-A REG.S	United States of America	11/03/2021	Fixed	US$	1,150,000,000	Maturity	Semi annual	3.88%	4.07%	7,184	1,132,295
BCODE-B	Chile	04/01/2025	Fixed	U.F.	6,900,000	Maturity	Semi annual	4.00%	3.24%	2,981	320,369
144-A REG.S	United States of America	09/21/2035	Fixed	US$	500,000,000	Maturity	Semi annual	5.63%	5.78%	8,036	490,121
144-A REG.S	United States of America	10/24/2036	Fixed	US$	500,000,000	Maturity	Semi annual	6.15%	6.22%	5,881	495,800
TOTAL										802,954	5,008,399

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

At December 31, 2012, the detail of amounts due undiscounted that the Corporation has with financial institutions is as follows:

12/31/2012					Current			Non-current			
Debtor´s Name	Currency	Effective interest rate	Nominal rate	Type of amortization	Less than 90 days	More than 90 days	Current Total	One to three years	Three to five years	More than five years	Non-current Total
BBVA BANCOMER	US$	0.57%	0.51%	3 annual quotes of principal at maturity	340	134,212	134,552	133,851	-	-	133,851
BANCO SANTANDER S.A.	US$	1.28%	1.16%	Quaterly	220	673	893	76,766	-	-	76,766
HSBC BANK BERMUDA LIMITED	US$	1.28%	1.16%	Quaterly	471	1,460	1,931	166,321	-	-	166,321
THE BANK OF TOKYO M.	US$	1.15%	1.06%	Quaterly	268	801	1,069	102,149	-	-	102,149
BANCO SANTANDER S.A.	US$	1.28%	1.16%	Quaterly	293	880	1,173	102,352	-	-	102,352
EXPORT DEVELOP CANADA	US$	1.23%	1.11%	Quaterly	694	2,120	2,814	255,627	-	-	255,627
SUMITOMO MITSUI BANKING	US$	1.23%	1.14%	Quaterly	288	860	1,148	2,308	100,288	-	102,596
MIZUHO CORPORATE BANK LTD	US$	1.21%	0.93%	Quaterly	467	475	942	1,894	100,950	-	102,844
BANK OF TOKYO-MITSUBISHI LTD.	US$	1.15%	0.84%	Quaterly	1,077	1,071	2,148	4,272	252,142	-	256,414
HSBC BANK USA, N.A.	US$	1.26%	0.95%	Quaterly	1,204	1,819	3,023	4,219	252,420	-	256,639
EXPORT DEVELOP CANADA	US$	1.18%	0.81%	Quaterly	520	1,542	2,062	4,123	252,067	-	256,190
ORIENTE COPPER NETHERLANDS B.V.	US$	3.60%	3.25%	Semi annual	-	71,829	71,829	139,392	133,705	821,504	1,094,601
BONO 144-A REG. 2013	US$	5.57%	5.50%	Semi annual	-	527,500	527,500	-	-	-	-
BONO 144-A REG. 2014	US$	4.99%	4.75%	Semi annual	-	23,750	23,750	523,750	-	-	523,750
BONO 144-A REG. 2019	US$	7.79%	7.50%	Semi annual	22,500	22,500	45,000	90,000	90,000	667,500	847,500
BONO 144-A REG. 2020	US$	3.98%	3.75%	Semi annual	-	37,500	37,500	75,000	75,000	1,112,500	1,262,500
BONO 144-A REG. 2021	US$	4.07%	3.88%	Semi annual	-	44,563	44,563	89,125	89,125	1,328,250	1,506,500
BONO 144-A REG. 2022	US$	3.16%	3.00%	Semi annual	18,750	18,750	37,500	75,000	75,000	1,437,500	1,587,500
BONO 144-A REG. 2035	US$	5.78%	5.63%	Semi annual	14,063	14,063	28,126	56,250	56,250	1,006,250	1,118,750
BONO 144-A REG. 2036	US$	6.22%	6.15%	Semi annual	-	30,750	30,750	61,500	61,500	1,084,250	1,207,250
BONO 144-A REG. 2042	US$	4.40%	4.25%	Semi annual	15,938	15,938	31,876	63,750	63,750	1,546,875	1,674,375
				Total ThUS$	77,093	953,056	1,030,149	2,027,649	1,602,197	9,004,629	12,634,475
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semiannual	138,000	138,000	276,000	552,000	552,000	8,970,000	10,074,000
				Total U.F.	138,000	138,000	276,000	552,000	552,000	8,970,000	10,074,000
				Subtotal MUS$	6,567	6,567	13,135	26,269	26,269	426,872	479,410
				Total ThUS$	83,660	959,623	1,043,284	2,053,918	1,628,466	9,431,501	13,113,885

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

At December 31, 2011, the detail of amounts due undiscounted that the Corporation has with financial institutions is as follows:

12/31/2011					Current			Non-current			
Debtor´s Name	Currency	Effective interest rate	Nominal rate	Type of amortization	Less than 90 days	More than 90 days	Current Total	One to three years	Three to five years	More than five years	Non-current Total
THE BANK OF TOKYO M.	US$	1.42%	1.32%	Quaterly	353	1,059	1,412	2,826	101,415	-	104,241
HSBC BANK BERMUDA LIMITED	US$	1.53%	1.41%	Quaterly	619	1,858	2,477	4,961	164,984	-	169,945
BBVA BANCOMER	US$	0.80%	0.75	3 annual quotes of principal at maturity	798	2,394	3,192	405,588	-	-	405,588
EXPORT DEVELOP CANADA	US$	1.50%	1.38%	Quaterly	933	2,802	3,735	7,481	253,746	-	261,227
BANCO SANTANDER	US$	1.49%	1.36%	Quaterly	277	833	1,110	2,223	76,113	-	78,336
BANCO SANTANDER	US$	1.55%	1.42%	Quaterly	385	1,155	1,540	3,084	101,544	-	104,628
SUMITOMO MITSUI BANKING	US$	1.45%	1.38%	Quaterly	348	1,084	1,432	2,791	101,992	-	104,783
BONO 144-A REG. 2012	US$	6.48%	6.38%	Semi annual	-	463,150	463,150	-	-	-	-
BONO 144-A REG. 2013	US$	5.57%	5.50%	Semi annual	-	27,824	27,824	527,842	-	-	527,842
BONO 144-A REG. 2014	US$	4.99%	4.75%	Semi annual	-	24,796	24,796	549,753	-	-	549,753
BONO 144-A REG. 2035	US$	5.78%	5.63%	Semi annual	14,161	28,324	42,485	56,684	56,736	1,043,188	1,156,608
BONO 144-A REG. 2036	US$	6.22%	6.15%	Semi annual	-	30,823	30,823	61,661	61,682	1,118,796	1,242,139
BONO 144-A REG. 2019	US$	7.79%	7.50%	Semi annual	22,986	23,005	45,991	92,224	92,591	716,349	901,164
BONO 144-A REG. 2020	US$	3.98%	3.75%	Semi annual	-	39,154	39,154	78,510	78,798	1,158,558	1,315,866
BONO 144-A REG. 2021	US$	4.07%	3.88%	Semi annual	-	46,050	46,050	92,286	92,551	1,382,689	1,567,526
				Total ThUS$	40,860	694,311	735,171	1,887,914	1,182,152	5,419,580	8,489,646
BONO BCODE-A 2012	U.F.	4.45%	3.96%	Semi annual	154,996	7,155,360	7,310,356	-	-	-	-
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi annual	6,900	241,789	248,689	480,188	475,419	8,859,557	9,815,164
				Total U.F.	161,896	7,397,149	7,559,045	480,188	475,419	8,859,557	9,815,164
				Subtotal ThUS$	6,954	317,738	324,692	20,626	20,421	380,554	421,601
				Total ThUS$	47,814	1,012,049	1,059,863	1,908,540	1,202,573	5,800,134	8,911,247

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

Payment commitments for financial leasing transactions are summarized in the following table:

Financial Leasing	12/31/2012			12/31/2011		
	Gross ThUS$	Interest ThUS$	Net ThUS$	Gross ThUS$	Interest ThUS$	Net ThUS$
Less than one year	38,785	(3,184)	35,601	28,897	(5,943)	22,954
Between one and five years	76,538	(27,996)	48,542	85,842	(29,918)	55,924
More than five years	84,499	(41,735)	42,764	97,476	(47,305)	50,171
Total	199,822	(72,915)	126,907	212,215	(83,166)	129,049

Commitment to future payments for operating leases and lease payments recognized in the statements of comprehensive income are summarized in the following table:

Future payments for operating leases	12/31/2012 ThUS$	12/31/2011 ThUS$
Less than one year	753,718	160,208
Between one and five years	386,619	188,733
More than five years	324,428	118,033
TOTAL	1,464,765	466,974

Rental fees recognized in the Statement of Comprehensive Income	12/31/2012 ThUS$	12/31/2011 ThUS$
Minimum payments for operating leases	208,854	179,418

14. Fair Value of financial assets and liabilities

As the carrying amount of financial assets and liabilities is a reasonable approximation of their fair value, no incremental disclosures are required in accordance with IFRS 7.

15. Fair value hierarchy

Each of the estimated market values for the Corporation's portfolio of financial instruments is based on a calculation and data input methodology. Each of these methodologies has been analyzed to determine to which of the following levels they can be assigned:

- Level 1 corresponds to Fair Value measurement methodologies through market quotes (unadjusted) in active markets and considering the same valued Assets and Liabilities.

- Level 2 corresponds to Fair Value measurement methodologies using market quote data, not included in Level 1, that are either directly (prices) or indirectly (derived from the prices) observable for the valued Assets and Liabilities.

- Level 3 corresponds to Fair Value measurement methodologies that use valuation techniques that include data on the valued Assets and Liabilities that are not supported by observable market data.

Based on the methodologies, inputs, and previous definitions the following market levels have been established for the financial instruments portfolio held by the Corporation at December 31, 2012:

Financial Assets and liabilities at fair value with an effect in profit and loss statement	12/31/2012			
	Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$	Total ThUS$
Financial Assets:				
Provisionally priced sales contracts	-	36,534	-	36,534
Cross Currency Swap	-	121,180	-	121,180
Mutual fund units	11,137	-	-	11,137
Metals Futures	884	-	-	884
Financial Liabilities:				
Metals Futures	16,070	-	-	16,070

No transfers between different levels of market values were observed for the reporting period.

16. Trade and other payables

Total trade and other payables, current and non-current, are detailed as follows:

Items	Current Liabilities	
	12/31/2012 ThUS$	12/31/2011 ThUS$
Trade payables	1,775,773	1,475,980
Payables to employees	23,611	22,519
Withholdings	116,905	88,723
Tax withholdings	167,146	50,791
Other payables	162,157	144,446
Total	2,245,592	1,782,459

17. Other provisions

Other short-term accrued expenses and provisions as of the indicated dates are detailed as follows:

Other provisions	Current		Non-current	
	12/31/2012 ThUS$	12/31/2011 ThUS$	12/31/2012 ThUS$	12/31/2011 ThUS$
Trade (1)	13,880	14,562	-	-
Operating (2)	36,014	43,810	-	-
Law No. 13,196	112,014	110,350	-	-
Sundry	47,987	41,792	6,869	25,922
Closure, decommissioning and restoration (3)	-	-	1,471,157	861,530
Contingencies	-	-	76,141	125,989
Total	209,895	210,514	1,554,167	1,013,441

Accrual for employee benefits	Current		Non-current	
	12/31/2012 ThUS$	12/31/2011 ThUS$	12/31/2012 ThUS$	12/31/2011 ThUS$
Employees' collective bargaining agreements	214,598	209,525	-	-
Employee termination benefit	48,717	45,494	749,358	692,206
Bonus	4,888	3,715	-	-
Vacation	153,925	128,994	-	-
Medical care programs (4)	576	521	373,703	336,862
Retirement plans (5)	113,112	62,003	128,696	-
Other	14,159	8,999	71,537	63,898
Total	549,975	459,251	1,323,294	1,092,966

(1) Corresponds to a sales-related accrual, 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 future asset retirement provision costs primarily related to tailing dams, closures of mine operations and other assets. The value is calculated in present value discounted at a real annual discount rate before tax of 3.04% in Chilean pesos, (in 2011 cash flows were expressed in Chilean pesos discounted at a rate of 3% in real terms), and reflects the corresponding assessments of the value of money in time that the market is being affected. The discount rate includes the risks associated withthe liability that is being determined, except those that are included in the cash flows. The discount period varies between 11 and 82 years.
The new law on mine and mining facilities closure, published in the Official newspaper on November 11, 2011, will have effects in future periods on this provision, as mentioned in Note 29, "Contingencies and restrictions."
The Company determines and records the liability in accordance with the accounting policies mentioned in note 2, letter o) of the Accounting Policies.

(4) Corresponds to an accrual for contributions to medical care institutions agreed upon with current and former employees.

(5) Corresponds to an accrual for employees who have agreed or expected to agree to retire in accordance with plans in force for personnel retirement.

In respect of these plans, and following the ending of the collective bargaining process that the Codelco - Chuquicamata administration had during the month of December 2012 with the unions of that Division, the Collective Agreement subscribed to by the parties established a scheduled voluntary retirement plan. As a result, the Corporation recognized a provision for this in current and noncurrent liabilities in the amounts of US$73,371 and $128,696, respectively. The values are discounted at a discount rate equivalent to that used for the calculation of provisions for employee benefits that are part of the account balances at December 31, 2012.

Movements of Other provisions were as follows:

Movements	1/1/2012 12/31/2012			
	Provision for mine closure	Contingencies	Other provisions	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	861,530	125,989	25,922	1,013,441
Annual cost	8,457	143,773	2,790	155,020
Adjustment ARO	531,688	-	-	531,688
Financial expenses	26,813	-	-	26,813
Payment of liabilities	(25,809)	(195,165)	(2,803)	(223,777)
Foreign Exchange rate differences	62,286	1,544	(176)	63,654
Reverses	-	-	(15,462)	(15,462)
Other variations	6,192	-	(3,402)	2,790
Final Balance	1,471,157	76,141	6,869	1,554,167

18. Employee benefits

a) Provisions for post employment benefits and other long term benefits

Provision for post employment benefits corresponds to medical care plans and is intended to cover the payment obligations that the Corporation has contracted with its employees, according to contracts or collective bargaining agreements, to partially cover the costs of medical services.

Other long term benefits provision refers to employee termination benefit for years of service which is registered to reflect the termination liabilities to be paid to employees when they leave the Corporation based on the agreements in the employment contracts or collective bargaining agreements.

These accruals are recorded in the statement of financial position, at the present value of estimated future obligations. The discount rate applied is determined on the basis of the rates of financial instruments in the same currency in which the obligations are to be paid and with similar maturities.

The results from adjustments and changes in actuarial variables are charged or credited to the statements of comprehensive income in the period in which they occur.

Actuarial assumptions for calculating the employee termination benefit accrual are as follows:

Actuarial assumptions	
Discount rate	5.49% --- 5.76%
Turnover rate - resignation	3.11% Men --- 0.25% Women
(Average) wage increase	1.08% - Annual
Men's retirement age	65
Women's retirement age	60

The Corporation has used the effective mortality schedules issued by the Superintendency of Securities and Insurance, last updated in 2009.

Reconciliation of post employment benefit and other long term benefits provision:

Movements	1/1/2012 12/31/2012		1/1/2011 12/31/2011	
	Retirement Plan ThUS$	Health Plan ThUS$	Retirement Plan ThUS$	Health Plan ThUS$
Opening balance	737,700	337,383	846,460	305,356
Cost	59,202	63,893	54,341	59,743
Finance expense	22,098	8,235	33,226	4,025
Indemnities paid	(41,857)	(13,282)	(102,065)	(12,189)
Subtotal	777,143	396,229	831,962	356,935
(Gains) Losses from foreign exchange differences	20,933	(21,950)	(94,262)	(19,552)
Total balance	798,076	374,279	737,700	337,383

b) Employee benefits expenses by nature of the benefits

The costs associated with employee benefits classified by their nature, are:

Expenses according to the nature of the benefits	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Current benefits	1,814,171	1,649,717
Post-employment benefits	63,893	59,743
Employee termination benefits	218,570	74,311
Benefits for indemnities	59,201	54,341
Total	2,155,835	1,838,112

19. Net equity

In accordance with article 6 of Decree Law 1,350 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 previous year, and in order 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 founded 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.

On June 26, 2012, pursuant to Decree Law No. 674 of the Ministries of Mining and Finance the capitalization of reserve funds amounting to US$ 800 million, corresponding to part of the profits generated by Codelco in 2011 was approved. Additionally and according to the provisions of decree law No. 1160 the Ministries of Mining and Finance authorized the retention of profits before tax for the year 2011 in an amount equivalent to US$ 473 million through earnings obtained from the sale of electricity assets.

As of December 31, 2012 and December 31, 2011, no dividends payable were provisioned due to the Corporation's authorized net income withholding policy.

In the financial statement "Statement of Changes in Net Equity" the changes experienced in the Corporation's equity are disclosed.

Due to the bylaws that govern the Corporation, these financial statements do not consider disclosure of information related to earnings per share.

The movement and composition of other equity reserves is presented in the Consolidated Statement of Changes in Net Consolidated Equity.

a) Other reserves

Other equity reserves are listed in the table below, as of the dates indicated in each case.

Other reserves	12/31/2012 ThUS$	12/31/2011 ThUS$
Foreign exchange differences on conversion reserves	1,609	283
Cash flow hedge reserves	(5,673)	(272,349)
Capitalization fund and reserves	2,729,556	1,456,476
Other reserves	638,690	645,109
Total other reserves	3,364,182	1,829,519

b) Non-controlling equity interests

The details of non-controlling equity interests, included in liabilities and net income, are listed in the table below, as of the dates indicated in each case.

Company	Net Equity		Profit (loss)	
	12/31/2012 ThUS$	12/31/2011 ThUS$	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Asociación Garantizadora de Pensiones	21	21	(1)	(1)
Biosigma S.A.	762	1,032	(1,270)	(1,092)
Instituto de Innovación en Minería y Metalurgia S.A.	3	4	(1)	-
Clínica San Lorenzo Ltda.	8	-	2	-
Micomo S.A.	-	946	(212)	32
Inversiones Mineras Gacrux SpA	2,098,607	-	8,842	-
Fundación de Salud El Teniente	5	17	-	(1)
TOTAL	2,099,406	2,020	7,360	(1,062)

20. Operating income

The following table shows the sources of the Corporation's consolidated revenue.

Item	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Revenue from sales of the Corporation's copper	13,556,369	15,565,681
Revenue from sales of copper bought to third parties	1,668,961	1,346,056
Revenue from sales of molybdenum	544,041	777,843
Revenue from sales of other products	855,636	1,053,776
Loss in futures market	(764,575)	(1,228,060)
Total	15,860,432	17,515,296

21. Expenses by nature

The Corporation's consolidated expenses by nature are detailed as follows:

Item	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Personnel Expenses	1,814,171	1,649,717
Depreciation	1,005,026	1,020,118
Amortization	601,139	465,239
Total	3,420,336	3,135,074

22. Other revenues and expenses by function

Other revenues and expenses by function are detailed in the following tables:

a) Other income by function

Item	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Penalties to suppliers	16,583	21,189
Delegated Administration	4,518	6,423
Miscellaneous sales (net)	58,525	160,151
Profit of E-CL S.A. Sale	-	375,080
Profit of Inca de Oro Sale	-	72,463
Compensation by insurance companies	16,538	9,535
Stock option revaluation Anglo American Sur	3,517,690	-
Net fair value acquired mining properties	401,918	-
Income from sales of Inv. Mineras Acrux SpA. shares	7,626	-
Other income	68,941	81,344
Total	4,092,339	726,185

b) Other expenses by function

Item	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Law No. 13,196	(1,269,908)	(1,485,551)
Research expenses	(102,285)	(106,179)
Bonus for the end of collective bargaining	(418,006)	(179,245)
Closing expense	-	(10,606)
Retirement plan	(218,570)	(74,311)
Penalty fixed assets	(20,981)	(63,967)
Medical care plan	(63,893)	(59,743)
Actuarial results	-	(150,818)
Impairment Ventanas smelter	-	(70,000)
Expenses from sales of Inv. Mineras Acrux SpA. shares	(136,322)	-
Other Expenses	(45,989)	(106,906)
Total	(2,275,954)	(2,307,326)

23. Finance costs

Finance costs are detailed as follows:

Item	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Bond interests	(289,219)	(183,834)
Bank loan interests	(26,597)	(9,009)
Exchange differences on severance indemnity provision	(22,098)	(33,226)
Exchange differences on other non-current provisions	(36,077)	(37,803)
Other	(32,287)	(30,624)
Total	(406,278)	(294,496)

24. Operating segments

In Section II, "Summary of Significant Accounting Policies" it has been indicated that, in conformity with IFRS No. 8, "Operating Segments", the operating segments are determined according to the Divisions that make up Codelco. The revenues and expenses of the Head Office, are distributed among the defined operating segments.

Mining sites in operation, in which the Corporation carries out its extractive and processing production processes, are managed into the Chuquicamata, Radomiro Tomic, Salvador, Andina and El Teniente and Gabriela Mistral divisions. Additionally the Ventanas division is added even though it is operating only as a smelter and refinery, and Ministro Hales that is estimated to be opened at the end of 2013. Those operations are administered independently and are reporting directly to the Executive President. The details and operations related to each mine are the following:

Chuquicamata

Types of mine sites: open pit mines
Operating: since 1915
Location: Calama – Region II
Products: electrorefined 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: electrorefined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Salvador
Type of mine: underground mine and open pit mine
Operating: since 1926
Location: Salvador – Region III
Products: electrorefined 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

Ministro Hales
In charge of the future development of the open pit mine Ministro Hales whose authorization is dated November 19, 2010. The estimated date for the start of operations is late 2013.

Gabriela Mistral
Type of mine: open pit mine
Operating: since 2008
Location: Calama – Region II
Products: electrolytic (electro-obtained) cathodes

a) Head Office Distribution

Revenue and expenses controlled by the Head Office are allotted to operating segments based on the criteria detailed as follows.

Main items are allocated according to the following criteria:

Sales and Cost of Sales of Head Office commercial transactions

- Distribution to the operating segments made proportionally to the value of the products and sub-products invoiced by each division.

Other income, by function

- Other income by function, associated and identified with each operating segment, is allotted directly.
- Recognition of realized profits and other income by function of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining other income is distributed in proportion to the addition of balances of “other income” and “finance income” of the respective operating segment.

Distribution costs

- Expenses associated and identified with each operating segment are allotted directly.
- Distribution costs of subsidiaries are allotted in proportion to the operating income of each operating segment.

Administrative Expenses

- Administrative expenses associated and identified with each segment are allotted directly.
- Administrative expenses are recorded in cost centers associated with the sales function. Administrative expenses of subsidiaries are distributed in proportion to the operating income of each operating segment.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in relation to material account balances in each division warehouse
- The remaining administrative expenses are distributed in relation to operating cash expenses of each operating segment.

Other Expenses, by function

- Expenses associated and identified with each operating segment are allotted directly.
- Expenses for pre-investment studies and other expenses of subsidiaries by function are distributed in proportion to the operating income of each operating segment.

Other Earnings

- Other earnings associated and identified with each individual operating segment are allotted directly
- Other earnings of subsidiaries are distributed in proportion to the operating income of each operating segment.

Finance Income

- Finance income associated and identified with each operating segment is allotted directly.
- Finance income of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining finance income is distributed in relation to the operating cash expenses of each operating segment.

Finance costs

- Finance costs associated and identified with each operating segment in particular are allotted directly.
- Finance costs of subsidiaries are distributed in proportion to the operating income of each operating segment.

Share in profit (losses) of Associates and joint ventures, which are accounted for using the equity method

- The share in profit or losses of associates and joint ventures identified for each individual operating segment is allotted directly.

Foreign currency conversion

- Foreign currency conversion identifiable with each individual operating segment is allotted directly.
- Foreign currency conversion of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining foreign currency conversion is distributed in relation to operating cash expenses of each operating segment.

Contribution to the Treasury of Chile Law No. 13,196

- The amount of the contribution is distributed and accounted for in relation to values invoiced and accounted for in the copper and sub-product exports of each operating segment, subject to taxation.

Income tax income (expenses)

- First category income tax (corporate), of D.L. 2,398 and specific mining tax are distributed based on the pre-tax income of each operating segment, considering for this purpose the income and expenses distribution criteria of the Head Office and subsidiaries mentioned above.

- Other tax expenses are distributed in proportion to the first category income tax, specific mining tax and D.L. 2,398 allotted to each operating segment.

b) Transactions between segments

Transactions between segments are made up mainly by products processing services (or maquilas), which are recognized as revenue for the segment that makes maquilas and as the cost of sales for the segment that receives the service. Such recognition is performed in the period in which these services are provided, as well as disposal of both factors on corporate financial statements.

c) Cash flow from segments

The operating segments defined by the Corporation, maintain a cash management which refers mainly to operational activities that need to be covered periodically with fixed funds constituted in each of these segments and whose amounts are not significant in the context of the category Corporate balances cash and cash equivalents.

Conversely, activities such as obtaining financing, investment and payment of relevant duties are mainly based at the Head Office.

d) Impairment

In its income statement for 2011, the Ventanas division operating segment presented an impairment loss of US$70,000 before taxes, corresponding to the impairment of assets of property, plant and equipment assigned to this division based on the CGU evaluation method.

This impairment was registered under the valuation of the recoverable amount of the mentioned assets, which result was lower than their book value of them at December 31, 2011.

The recoverable amount for the assets of the Ventanas division is the use in value, and the discount rate used to calculate this was 8%.

No reversals of impairment were made during the years ended December 31, 2012 and 2011.

e) Anglo American Sur S.A. participation

Presents separately, the financial economic effect of the result of the acquisition operation of the share participation of the company Anglo American Sur S.A., which are not distributed to the usual business operating segments of Codelco, by their character as investments valued at fair value.

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

From 1/1/2012 to 12/31/2012												
Segments	Chuquicamata	R. Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Total Segments	Subsidiaries, associates and Head Office, net	Participation Anglo American Sur	Consolidated Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Revenue from sales of the Corporation´s cooper	3,031,820	3,235,066	704,655	1,791,456	3,304,523	455,473	1,058,421	-	13,581,414	(25,046)	-	13,556,368
Revenue from sales of cooper bought from third parties	-	-	-	-	-	94,717	-	-	94,717	1,574,244	-	1,668,961
Revenue from sales of molybdenum	222,108	42,380	24,763	100,192	154,598	-	-	-	544,041	-	-	544,041
Revenue from sales of other products	216,207	-	95,268	8,950	241,560	293,902	-	-	855,887	(250)	-	855,637
Revenue from futures market	(163,893)	(195,229)	(39,792)	(116,313)	(190,211)	-	(59,032)	-	(764,470)	(105)	-	(764,575)
Revenue between segments	101,312	-	44,323	1,273	1,459	62,315	-	-	210,682	(210,682)	-	-
Revenue from regular activities	3,407,554	3,082,217	829,217	1,785,558	3,511,929	906,407	999,389	-	14,522,271	1,338,161	-	15,860,432
Cost of sales of the Corporation´s cooper	(2,515,466)	(1,531,901)	(768,278)	(928,703)	(1,626,354)	(471,960)	(632,115)	-	(8,474,777)	(4,444)	-	(8,479,221)
Cost of sales of cooper bought from third parties	-	-	-	-	-	(106,891)	-	-	(106,891)	(1,539,773)	-	(1,646,664)
Cost of sales of molybdenum	(69,583)	(24,702)	(15,997)	(24,417)	(41,039)	-	-	-	(175,738)	-	-	(175,738)
Cost of sales of other products	(63,038)	(3)	(51,989)	(505)	(143,485)	(291,037)	-	-	(550,057)	-	-	(550,057)
Cost of sales between segments	(231,605)	139,477	(78,388)	9,795	26,334	(76,295)	-	-	(210,682)	210,682	-	-
Cost of sales	(2,879,692)	(1,417,129)	(914,652)	(943,830)	(1,784,544)	(946,183)	(632,115)	-	(9,518,145)	(1,333,535)	-	(10,851,680)
Gross Profit	527,862	1,665,088	(85,435)	841,728	1,727,385	(39,776)	367,274	-	5,004,126	4,626	-	5,008,752
Other revenue per function	56,708	9,724	9,832	5,722	44,385	1,803	6,913	178	135,265	29,840	3,927,234	4,092,339
Distribution costs	(101)	(65)	(43)	(187)	(236)	-	-	-	(632)	(12,022)	-	(12,654)
Administrative expenses	(65,390)	(52,736)	(24,958)	(34,409)	(76,044)	(14,321)	(36,946)	458	(304,346)	(239,185)	-	(543,531)
Other expenses per function	(829,049)	(303,260)	(120,625)	(242,994)	(377,661)	(71,193)	(105,395)	42	(2,014,135)	(89,497)	(136,322)	(2,275,954)
Other gains (losses)	-	-	-	-	-	-	-	-	-	35,400	-	35,400
Finance income	4,005	1,701	889	1,436	6,460	899	465	25	15,880	43,143	-	59,023
Finance costs	(89,037)	(22,209)	(5,281)	(132,569)	(78,146)	(3,573)	(62,543)	(32)	(393,390)	(12,888)	-	(406,278)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	159	-	(90)	294	-	-	(31,033)	-	(30,670)	487,900	-	457,230
Exchange differences	(80,094)	(10,615)	(25,070)	(28,897)	(35,311)	(4,687)	(9,302)	1,544	(192,432)	26,631	-	(165,801)
Profit (loss) before taxes	(474,937)	1,287,628	(250,781)	410,124	1,210,832	(130,848)	129,433	2,215	2,219,666	273,948	3,790,912	6,248,526
Income tax expenses	241,719	(866,505)	152,607	(284,400)	(823,574)	79,220	(111,508)	(4,554)	(1,616,994)	2,915	(759,127)	(2,373,206)
Profit (loss)	(233,218)	421,123	(98,174)	125,724	387,258	(51,628)	17,925	(2,339)	602,672	276,863	3,031,785	3,875,320

From 1/1/2011 to 12/31/2011											
Segments	Chuquicamata	R. Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Total Segments	Subsidiaries, associates and Head Office, net	Consolidated Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Revenue from sales of the Corporation´s cooper	4,055,772	3,637,504	1,037,086	1,888,662	3,414,537	527,582	996,340	-	15,557,483	8,199	15,565,682
Revenue from sales of cooper bought from third parties	-	-	-	-	-	33,994	-	-	33,994	1,312,062	1,346,056
Revenue from sales of molybdenum	432,275	29,290	31,257	98,922	185,757	-	-	-	777,501	341	777,842
Revenue from sales of other products	469,878	-	166,836	5,791	209,570	368,715	-	-	1,220,790	(167,014)	1,053,776
Revenue from futures market	(329,285)	(291,592)	(86,912)	(166,856)	(275,177)	-	(76,788)	-	(1,226,610)	(1,450)	(1,228,060)
Revenue between segments	44,523	-	29,744	1,270	1,503	42,290	-	-	119,330	(119,330)	-
Revenue from regular activities	4,673,163	3,375,202	1,178,011	1,827,789	3,536,190	972,581	919,552	-	16,482,488	1,032,808	17,515,296
Cost of sales of the Corporation´s cooper	(2,741,733)	(1,221,534)	(832,069)	(910,569)	(1,364,186)	(543,608)	(521,828)	-	(8,135,527)	21,162	(8,114,365)
Cost of sales of cooper bought from third parties	-	-	-	-	-	(34,497)	-	-	(34,497)	(1,296,119)	(1,330,616)
Cost of sales of molybdenum	(82,312)	(11,519)	(11,398)	(22,040)	(37,352)	-	-	-	(164,621)	-	(164,621)
Cost of sales of other products	(348,465)	-	(128,342)	(3,970)	(144,389)	(393,023)	-	-	(1,018,189)	344,765	(673,424)
Cost of sales between segments	22,086	97,953	2,393	11,950	39,067	4,052	-	-	177,501	(177,501)	-
Cost of sales	(3,150,424)	(1,135,100)	(969,416)	(924,629)	(1,506,860)	(967,076)	(521,828)	-	(9,175,333)	(1,107,693)	(10,283,026)
Gross Profit	1,522,739	2,240,102	208,595	903,160	2,029,330	5,505	397,724	-	7,307,155	(74,885)	7,232,270
Other revenue per function	79,070	9,630	10,167	17,678	65,974	3,241	-	5	185,765	540,420	726,185
Distribution costs	(194)	(43)	(16)	(109)	(152)	-	-	-	(514)	(10,600)	(11,114)
Administrative expenses	(63,424)	(17,651)	(25,474)	(26,895)	(71,166)	(13,723)	(21,474)	(367)	(240,174)	(212,043)	(452,217)
Other expenses per function	(633,392)	(406,236)	(124,024)	(205,905)	(630,085)	(145,668)	(93,076)	(235)	(2,238,621)	(68,705)	(2,307,326)
Other gains (losses)	-	-	-	-	-	-	-		-	38,709	38,709
Finance income	5,390	1,627	1,468	1,042	5,850	778	194	3	16,352	28,349	44,701
Finance costs	(87,383)	(12,178)	(9,011)	(70,477)	(58,773)	(3,161)	(45,028)	-	(286,011)	(8,485)	(294,496)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	286	-	(206)	(808)	-	-	(22,044)	-	(22,772)	376,212	353,440
Exchange differences	70,294	28,586	28,568	35,881	63,383	12,425	7,977	(3,623)	243,491	(26,493)	216,998
Profit (loss) before taxes	893,386	1,843,837	90,067	653,567	1,404,361	(140,603)	224,273	(4,217)	4,964,671	582,479	5,547,150
Income tax expenses	(645,906)	(1,226,886)	(54,448)	(448,913)	(967,274)	114,446	(145,852)	2,801	(3,372,032)	(119,766)	(3,491,798)
Profit (loss)	247,480	616,951	35,619	204,654	437,087	(26,157)	78,421	(1,416)	1,592,639	462,713	2,055,352

The assets and liabilities related to each operating segment, including the Corporation's corporate center (Head Office) as of December 31, 2012 and 2011 are detailed in the following tables:

12/31/2012											
Balance Sheet Item	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries, associates and Head Office, net	Participation Anglo American Sur	Consolidated Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current asset	1,348,606	850,741	449,560	309,229	854,587	206,191	550,637	120,102	1,841,693	3,281	6,534,627
Non-current asset	3,304,986	1,535,565	637,243	3,507,881	3,716,190	252,403	1,049,336	2,222,911	1,944,388	6,939,503	25,110,406
Current liabilities	849,472	232,009	164,586	219,207	510,923	156,769	219,483	249,908	1,491,943	44,673	4,138,972
Non-current liabilities	1,252,439	260,746	160,320	253,355	829,236	39,255	93,336	-	10,882,773	1,556,821	15,328,281

12/31/2011										
Balance Sheet Item	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries, associates and Head Office, net	Consolidated Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current asset	1,234,261	714,252	337,625	298,668	796,300	251,296	220,463	93,490	1,960,565	5,906,920
Non-current asset	2,821,238	1,300,334	561,810	3,251,603	2,987,947	219,644	1,023,682	954,785	1,806,981	14,928,024
Current liabilities	629,056	181,284	144,564	232,512	425,734	106,737	463	127,904	2,567,828	4,416,082
Non-current liabilities	942,489	198,249	207,987	155,702	617,029	30,059	206	-	8,202,111	10,353,832

Revenue classified by geographical area is detailed as follows:

Revenue per geographical areas	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Total revenue from local customers	1,270,364	1,169,288
Total revenue from foreign customers	14,590,068	16,346,008
Total	15,860,432	17,515,296

Revenue per geographical areas	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
China	4,147,385	5,163,802
Rest of Asia	3,216,510	3,670,452
Europe	2,616,138	3,699,763
Other	5,880,399	4,981,279
Total	15,860,432	17,515,296

Sales are allocated to different geographical areas depending on the residence of the clients that have signed sales contracts with Codelco.

Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts, are located mainly in Chile, with no significant exceptions located in foreign subsidiaries, and which do not exceed more than 1% of such assets.

25. Foreign exchange differences

According to Decree Law 1,350, the Corporation maintains its accounting records in United States dollars (US$), recording transactions in currencies other than U.S. dollars at the exchange rate current at the date of each transaction and subsequently updating them, when necessary, according to the exchange rate determined by the Superintendency of Securities and Insurance as of closing reporting for each of the financial statements.

The following table summarizes the foreign exchange differences in Codelco Chile and subsidiaries consolidated statements of income:

Gain (loss) from foreign exchange differences recognized in income	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Gain from foreign exchange differences	131,329	364,354
Loss from foreign exchange differences	(297,130)	(147,356)
Total foreign exchange differences, net	(165,801)	216,998

26. Statement of cash flows

The following table shows the items that comprise other collections and payments from operating activities in the Statement of Cash Flows:

Other collections from operating activities	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
VAT Refund	1,749,426	1,343,162
Other	412,232	500,631
Total	2,161,658	1,843,793

Other payments for operating activities	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Contribution to the Chilean Treasury (Law No. 13,196)	(1,263,896)	(1,576,057)
Finance hedges and sales	(780,529)	(1,223,076)
VAT and other similar taxes paid	(1,517,674)	(1,391,936)
Total	(3,562,099)	(4,191,069)

Other collections (payments) from sales (purchases) of investments in joint ventures and associates	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Purchase of participation in Anglo American Sur S.A.	(2,799,795)	-
Sale of ECL-S.A.	-	1,055,351
Sale of Inca de Oro S.A.	-	33,000
Total	(2,799,795)	1,088,351

Earnings before taxes generated by the recognition of the fair value of assets acquired in the purchase of the share interest of Anglo American Sur S.A., corresponding, first to shares of the company (ThUS$ 3,517,690) and the other part to mining properties (ThUS$ 401,918), did not generate positive effects to the cash flows ofthe Corporation (see Note 22.a).

On Februrary, 15, 2011 the association of Codelco with Minera PanAust IDO Ltda. was approved in relation to the mine site Inca de Oro. Additionally, Codelco became the holder of an equity interest of 34%, down from 100%, ceding control of Inca de Oro S.A. to PanAust IDO Ltda. This operation generated a profit before tax of ThUS$72,463, of which ThUS$39,463 do not correspond to the materialization of cash earnings.

Loss of control over subsidiaries	1/1/2012 12/31/2012 ThUS$	1/1/2011 12/31/2011 ThUS$
Total consideration received	-	33,000
Consideration consisting of cash and cash equivalents	-	33,000
Balance of cash and cash equivalents in the subsidiaries (*)	-	575
Balance of other assets different than cash or cash equivalents (*)		
Current assets	-	489
Non-current assets	-	2,665
Current liabilities	-	18
Non-current liabilities	-	-
(*) Statement of Financial Position as of January 1, 2011		

27. Financial risk management, objectives and policies

Codelco has created committees within its organization to generate strategies with which to minimize the financial risks to which it may be exposed.

As December 31, 2012, the Market Risk Management Committee, the Vice-presidency of Management and Finance and the Vice-presidency of Commercialization are responsible for minimizing exposure to financial risk.

The risks to which Codelco is exposed are detailed as follows, along with a brief description of the management procedures that are carried out in each case.

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 (U.S. 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.

Taking the assets and financial liabilities as of December 31, 2012 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 by + / - US$27 million. This result is obtained by identifying the principle areas affected by exchange rate, including assets and financial liabilities, in order to measure the impact on income that a variation of +/- 10 Chilean pesos would have to US$, with respect to the real exchange rate as of the date of this financial statement.

Codelco has signed deposits in national currency to cover the effects of exchange rate fluctuations between the dollar and the Chilean peso due to the obligations of the Corporation held in Chilean pesos.

As of December 31, 2012, the balance of these deposits is US$ 539 million. As of December 31, 2011, no balances were maintained for deposits in Chilean pesos.

- Interest rate risk:

This risk is generated by 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 as of December 31, 2012, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US$16 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, 2012, amount to ThUS$ 7,105,096 and ThUS$ 2,797,582 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. The host contract is the sale of metals contained in the concentrate or cathode at the provisional invoice price, and the embedded derivative is the forward contract for which the provisional sale is subsequently adjusted. 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 statements 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 assets futures market.

As of December 31, 2012, if the future price of copper were to vary by + / - 5% (with the other variables constant), net income would vary by + / - US$182 million as a result of the mark to market adjustment of sales revenue at provisional prices current at December 31, 2012 (ThTMF 469). For the indicated estimate, all physical sales contracts were identified that will be valued according to the average of the month immediately prior to the closing date of the financial

statements, after which the definitive liquidation price will be estimated if there is a difference of +/- 5% with respect to the known future price on that date for the given period.

In order to protect its cash flows and, if necessary, adjust its sales contracts to its commercial policy, the Corporation performs transactions in the copper futures market. At the reporting date, the contracts are adjusted to their fair value, registering that effect, at the maturity of the hedge operations, being recorded in revenues of product sales.

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 assets future market.

As of December 31, 2012, a U.S.¢ 1 variation in the price per pound of copper, because of the effect on derivative instrument contracts entered into by the Corporation, would result in a variation in revenue or payments for existing contracts (exposure) of ThUS$50, before taxes. This calculation is obtained from a simulation of the change of future copper prices, which are used to value all derivative instruments entered into by the Corporation. Estimates will vary if there is an increase / decrease of U.S. ¢ 1 in the price of the pound of copper.

No hedging contracts have been entered into for the specific purpose of mitigating the price risk caused by fluctuations in the price of production supplies.

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 room 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:

Maturities of financial liabilities at December 31, 2012	Less than a year ThUS$	Between one and five years ThUS$	More than five years ThUS$
Loans from financial institutions	219,686	1,768,861	809,035
Bonds	594,006	497,966	6,013,124
Finance leases	35,601	48,542	42,764
Derivatives	14,537	1,533	-
Other financial liabilities	949	80,499	-
Total	864,779	2,397,401	6,864,923

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 uncollectibility 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.

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 credit risk exposure as of December 31, 2012 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.

The client items include allowances, which are not significant, designed to cover possible insolvencies. These provisions are determined based on review of the debt balances and the clients' characteristics, to cover possible insolvencies.

Explanatory note 2 in "Trade and other receivables" presents overdue 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, 2012 and December 31, 2011, 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 period as ended December 31, 2012 and 2011, no assets have been obtained as a result of the execution of guarantees contracted to insure the collection of third party debt.

Personnel loans are mainly generated by mortgage loans, according to programs included in collective agreements, which are guaranteed by housing mortgages which are paid for through payroll discounts.

28. Derivatives contracts

As stated in the Board of Directors' policy, ratified on March 27, 2009, the Corporation has operations to hedge cash flows, to minimize the risk of foreign exchange rate variations and sales price variations, detailed as follows:

a. Exchange rate hedges

The Corporation has protection operations from exchange rate variations, whose net deferred tax positive exposure amounts to ThUS $ 470, which will expire in April 2025.

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

Hedge Item	Bank	Type of derivative contract	Maturity	Currency	Amount of the hedge item ThUS$	Swap value ThUS$	Exposure ThUS$
Bond UF Maturity 2025	Credit Suisse (USA)	Swap	4/1/2025	US$	328,523	208,519	121,180
Total					328,523	208,519	121,180

The current methodology for valuing the currency swap, using the bootstrapping technique from the Mid and Mid Swap rates for Libor build curves (zero) in UF and USD respectively, from market information.

b. Cash flows and commercial policy adjustment hedging contracts

The Corporation performs transactions in the futures market, recording their results at maturity. These results are added to or deduced from sales revenue. This addition or deduction is made because sales revenue incorporates the positive or negative effect of market prices. At December 31, 2012, these operations generated a lower net realized income of ThUS$761,571 and a positive unrealized income of ThUS$173 (plus an effect of higher net income equivalent to ThUS$ 95 in subsidiaries), which is detailed below:

b.1. Commercial operations of current 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, 2012, the Corporation performed futures market transactions that represent 374,540 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

The current contracts as of December 31, 2012 present a ThUS$15,359 negative exposure, 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 completed between January 1 and December 31, 2012 generated a net positive effect on net income of ThUS$11,609, which is deducted from the amounts paid for purchase contracts and added to the values received for sales contracts of the products affected by these pricing transactions.

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

As of December 31, 2012 the Corporation maintains contracts for pricing the sale of gold for ThTOZ 2.5 and silver for ThTOZ 120.8.

At December 31, 2012, there was a positive result of ThUS$173, corresponding to non-effective exposure associated with these operations.

The transactions completed between January 1 and December 31, 2012 generated a negative effect on net income of ThUS$247, which is subtracted from the amounts received for the sales contracts of the products affected by these pricing transactions. These hedging transactions mature in February 2013.

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

The Corporation does not hold actual transactions at December 31, 2012, resulting from these operations, which allow protecting future cash flows, by ensuring the sales prices levels of production.

The futures transactions completed between January 1 and December 31, 2012, related to production sold, generated a lower income of ThUS$772,933, which is the result of offsetting the hedging transaction and sales revenue from the sale of the products affected by this pricing. These results are presented by reducing net operating income.

The following table summarizes the exposure of the metal hedges contracted by the Corporation, indicated on previous letter b:

12/31/2012	Maturity Date						
ThUS$	2013	2014	2015	2016	2017	Following	Total
Flex Com Copper (Asset)	685	-	-	-	-	-	685
Flex Com Copper (Liability)	(13,012)	(3,032)	-	-	-	-	(16,044)
Flex Com Gold/Silver	-	-	-	-	-	-	-
Price setting	-	-	-	-	-	-	-
Total	(12,327)	(3,032)	-	-	-	-	(15,359)

12/31/2011	Maturity Date						
ThUS$	2012	2013	2014	2015	2016	Following	Total
Flex Com Copper (Asset)	176,973	1,554	-	-	-	-	178,527
Flex Com Copper (Liability)	-	(52)	-	-	-	-	(52)
Flex Com Gold/Silver	131	-	-	-	-	-	131
Price setting	(661,714)	(60,287)	-	-	-	-	(722,001)
Total	(484,610)	(58,785)	-	-	-	-	(543,395)

12/31/2012	Maturity Date						
Th TM/Onzas	2013	2014	2015	2016	2017	Following	Total
Copper Futures [TM]	323.0	51.0	-	0.5	-	-	374.5
Gold/Silver Futures [MOZ]	-	-	-	-	-	-	-
Copper price setting [TM]	-	-	-	-	-	-	-

12/31/2011	Maturity Date						
Th TM/Onzas	2012	2013	2014	2015	2016	Following	Total
Copper Futures [TM]	352.0	47.9	0.5	-	0.5	-	400.9
Gold/Silver Futures [MOZ]	424.2	-	-	-	-	-	424.2
Copper price setting [TM]	137.5	12.5	-	-	-	-	150.0

29. Contingencies and restrictions

a) Litigations and contingencies

There are various lawsuits and legal actions initiated by or against the Corporation, which derive from its operations and the industry in which it operates. In general, these are civil, tax, labor and mining litigations, all related to the Corporation's activities.

In the opinion of Management and its legal advisors, the lawsuits in which 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 Lawsuits: There are several tax lawsuits due to Internal Revenue Service tax assessments, for which the Corporation has filed the corresponding opposition.

- Labor Lawsuits: Labor lawsuits filed by workers of the Andina Division against the Corporation, relating to occupational illness (silicosis).

- Mining and Other Lawsuits derived from operations: The Corporation has been participating and will probably continue to participate as a claimant and defendant in certain lawsuits relating to its operations and mining activities, through which it seeks to exercise or oppose certain actions or exceptions with regard to certain mining concessions that have been established or are pending constitution, and its other activities. These processes do not currently have a fixed amount and not essentially affect the development of Codelco.

A case by case analysis of these lawsuits has shown that there are a total of 234 cases that have a clearly estimated value. It is estimated that 31 of these, which represent 13% of the total and which amount to ThUS$30,413, could have a negative impact on the Corporation. There are also 141 lawsuits, representing 60% of the total and which amount to ThUS$46,101, about which there is no certainty that the outcome would be unfavorable for Codelco. For the 62 remaining cases, amounting to ThUS$3,821, the Corporation's legal advisors believe that an unfavorable outcome is unlikely. In addition, there are 85 lawsuits for undetermined amounts; it is believed that the result of 29 of these could be unfavorable to Codelco.

The Corporation received liquidations No. 45, 46 and 47, issued dated June 29, 2012 by the Large Taxpayers Internal Tax Service (SII in spanish), all relating to the audit of the transactions that the Company has with investee Copper Partners Investment Company Limited, for which Codelco has asked the Review of the Performance Audit (RAF in spanish), joining similar audit

request by the Liquidations No. 1 and No. 2 and SDF Ex. Resolution No. 1, issued dated July 30, 2010 by the Division of Enforcement of SII, in relation to transactions of the same types mentioned above. The SII, to December 31, 2012, has not made any pronouncements concerning these performance reviews audit made by the Corporation.

The necessary provisions have been made for the lawsuits with probable losses and their legal costs.These provisions are recorded as contingency provisions.

As is public knowledge, the Corporation has submitted Appeals for Protection before the respective Courts of Appeals, challenging the findings reported by the Labor Department, deriving from inspections performed under the framework of Law No.20,123, which regulates subcontracted work schemes and temporary service firms. Five of these appeals were accepted and one was rejected, the latter of which has been appealed by the Corporation. All appeals are currently pending in the Supreme Court.

b) Other Commitments

i. On February 29, 2010, the Board agreed to continue mining operations of the Salvador Division until 2016, and if market and operating conditions are maintained, until 2021, both extensions are subject to the condition that management improvements and cost reduction commitments made by the Division are met, these commitments were filed at the Board of Directors in August 2010, and the extension was approved.

ii. On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, Copper Partners Investment Company Ltd., 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 the latter for the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid 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 Copper Partners Investment Company Ltd. to make the US$550 million advance payment to Codelco in March 2006.

As of December 31, 2012, the contract is operational, and monthly shipments began in June 2006.

With regard to financial obligations incurred by the associate Copper Partners Investment Company Ltd. 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 Copper Partners Investment Company Limited as a guarantee to the China Development Bank.

Subsequently, on March 14, 2012, Copper Partners Investment Company Ltd. paid off his debt to the abovementioned bank. As of December 31, 2012, Codelco does not hold any indirect guarantee regarding its participation in this associated company.

iii. Regarding the financing agreement signed on August 23, 2012, between the subsidiary, Inversiones Gacrux 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, includes a pledge over the shares that the subsidiary has on Inversiones Mineras Acrux 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 in respect of the pledged shares.

iv. The Corporation has signed gas supply contracts with its associate GNL Mejillones S.A., which began operations in October 2010, and through this contract, the associate agrees to sell part of a minimum equivalent to 27 Terra BTU's (British Thermal Units) per year during the 2010 - 2012 period. Additionally, the Corporation has signed an option contract together with other participating mining companies that includes the option to:

- Acquire the right to the long-term use of the terminal's capacity from the end of the contract, or

- To acquire the company's shares; the companies are committed to choosing one or other of these two alternatives.

On December 31, 2012, the Corporation has guarantees for 37% of the total exposure of the derivative transactions made by GNL Mejillones S.A., up to a maximum of ThUS$ 229,400.

v. Law 19,993 dated December 17, 2004, which authorized the purchase of the Fundición y Refinería Las Ventanas assets from ENAMI, established 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 mode or another form agreed upon by the parties.

vi. 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, as of December, 31, 2012 and 2011, has met these conditions.

vii. On January 20, 2010, the Corporation signed two energy supply contracts with Colbún S.A., which includes energy and power purchases for a total of 351 MW. The contract provides a discount for that energy consumption due to lower demand 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.

In addition, through a supplementary agreement, Codelco has ensured the supply by Colbún of 159 MW, adapted to Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

This contract is based on energy production from Colbún's Santa María thermal power station, which is currently under construction. 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.

Through these contracts, which operate through take or pay, the Corporation agrees to pay for the contracted energy and Colbún undertakes to return at market price the energy not consumed by Codelco.

These contracts have maturity date in 2027 and 2045.

viii. On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA S.A.(associate until January 2011), with a maturity in 2017:

- This Contract replaces the one signed on November 22, 1995, for the supply of electricity to the Chuquicamata work center, for a 15-year term beginning in January 2010 for between 200 and 280 MW in power and all associated electric energy. The approximate cost of the contract is US$1,380 million for the whole period.

- Modification of the contract dated December 21, 1995 for the Radomiro Tomic work center, for a maximum power of 110 MW, in which new prices are established, for the

power and energy contemplated in the contract as well as their new adjustment formulas from January 2010.

ix. On December 31, 2009, Codelco has signed a purchase contract with Empresa Nacional de Electricidad S.A., for the purchase of power and electricity from the Central Interconnected System (SIC) to meet Codelco's requirements for its Salvador Division.

The contract is effective from April 1, 2010 until March 31, 2013. The maximum power agreed reaches HP 70 (MW) and HFP 71 (MW).

x. On November 11, 2011, Law No. 20,551 was published in the Official Journal, which regulates the tasks and closure of mining facilities. Additionally, on November 22, 2012 the Decreto Supremo No. 41 of the Ministerio de Minería, which appoves 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, must provide to SERNAGEOMIN the Mine Closure Plan in October 2014, while in April 2015 it must submit a proposal for the creation of guaranties. In the month of June 2015, Codelco should create guarantees for the initial 20% of the obligation under the regulations of this Code. The remaining 80% should be adjusted proportionately each year over the remaining period of fourteen years. The guarantee will be determined in present value of all actions and measures within the mine closure plan.

The Corporation is in the process of updating its mine closure plan and the process of valuation, which must comply with the requirements of Law No. 20,551, considering that the accounting liability record 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 and described in Note 2, letter o) of Main Accounting Policies.

xi. On May 24, 2012, the Corporation signed financing agreements with Japan Bank for International Cooperation and Bank of Tokyo-Mitsubishi UFJ Ltd., for a financing for up to

US$ 320 million for the development, construction and operation of a plant metal processing in the second region of Chile.

On December 31, 2012, actual disbursements of this funding have not been materialized.

xii. On August 24, 2012, Codelco, through its subsidiary Inversiones Mineras Nueva Acrux (Nueva Acrux) SpA (which minority shareholder is Mitsui), signed a contract with Anglo American Sur SA. 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), maintains in Anglo American Sur SA.

In turn, Nueva Acrux agrees to sell to Mitsui, the products purchased under the agreement described in the preceding paragraphs.

The term of the contract will occur when the shareholders agreement of Anglo American Sur SA ends or other events related to the completion of mining activities of the company take place.

The first purchase of products will be made in January 2013 and the set prices for the realization of this agreement are adjusted to market conditions.

30. Guarantees

The Corporation as a result of its activities has received and given guarantees.

The following tables list the main guarantees given to financial institutions:

Direct Guarantees provided to Financial Institutions				
Creditor of the Guarantee	Tipo de Garantía	12/31/2012		12/31/2011
		Maturity	ThUS$	ThUS$
Koch Supply & Trading LP	Standby Letter - Banco Santander Chile	Jan - 2012	-	25,000
Oriente Copper Netherlands B.V.	Pledge on shares	Nov - 2032	2,915,275	-
Total			2,915,275	25,000

Indirect Guarantees given to Financial Institutions					
Creditor of the Guarantee	Debtor guaranteed	Relationship	Type of guarantee	12/31/2012 ThUS$	12/31/2011 ThUS$
Barclays Bank PLC	Sociedad GNL Mejillones S.A.	Associate	Guarantee	37,000	74,000
Morgan Stanley Capital Group INC.	Sociedad GNL Mejillones S.A.	Associate	Guarantee	148,000	148,000
Koch Supply & Trading LP	Sociedad GNL Mejillones S.A.	Associate	Guarantee	44,400	44,400
China Development Bank	Copper Partners Investment Co. Ltd.	Associate	Rights	-	59,621
Total				229,400	326,021

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	12/31/2012 ThUS$	12/31/2011 ThUS$
Andina	23,469	41,491
Chuquicamata	51,784	69,210
Head Office	483,711	207,967
Radomiro Tomic	19,164	23,003
Salvador	42,149	1,400
Ministro Hales	7,925	6,244
El Teniente	74,274	96,491
Ventanas	4,184	3,015
Gabriela Mistral	21,075	-
Total	727,735	448,821

31. Balances in foreign currency

a) Assets by Type of Currency

Item	12/31/2012 ThUS$	12/31/2011 ThUS$
Liquid Assets	1,272,532	1,576,113
US Dollars	702,901	1,362,980
Euros	1,626	489
Other currencies	6,208	2,555
Non-indexed Ch$	560,976	18,023
U.F.	821	192,066
Cash and Cash Equivalents	1,263,823	1,382,876
US Dollars	699,317	1,362,612
Euros	1,168	179
Other currencies	4,761	2,555
Non-indexed Ch$	557,756	17,530
U.F.	821	-
Other current financial assets	8,709	193,237
US Dollars	3,584	368
Euros	458	310
Other currencies	1,447	-
Non-indexed Ch$	3,220	493
U.F.	-	192,066

Item	12/31/2012 ThUS$	12/31/2011 ThUS$
Short and long terms receivables	2,391,548	2,233,207
US Dollars	1,668,745	1,669,982
Euros	114,457	99,803
Other currencies	21,104	18,020
Non-indexed Ch$	568,044	311,963
U.F.	19,198	133,439
Trade and other receivables	2,149,103	1,968,269
US Dollars	1,610,536	1,537,815
Euros	113,241	98,300
Other currencies	20,920	18,020
Non-indexed Ch$	397,628	311,913
U.F.	6,778	2,221

Item	12/31/2012 ThUS$	12/31/2011 ThUS$
Rights receivables, non-current	171,699	132,721
US Dollars	2	-
Euros	1,216	1,503
Other currencies	65	-
Non-indexed Ch$	70,416	-
U.F.	-	131,218
Due from related companies, current	29,442	56,357
US Dollars	16,903	56,341
Euros	-	-
Other currencies	119	-
Non-indexed Ch$	-	16
U.F.	12,420	-
Due from related companies, non-current	41,305	75,860
US Dollars	41,305	75,826
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	34
U.F.	-	-

Item	12/31/2012 ThUS$	12/31/2011 ThUS$
Rest of assets	27,980,952	17,025,624
US Dollars	24,942,525	16,115,389
Euros	431,024	138,349
Other currencies	32,335	5,415
Non-indexed Ch$	2,166,828	672,820
U.F.	408,240	93,651
Total Assets	31,645,033	20,834,944
US Dollars	27,314,172	19,148,351
Euros	547,107	238,641
Other currencies	59,647	25,990
Non-indexed Ch$	3,295,848	1,002,806
U.F.	428,259	419,156

b) Liability by type of currency:

Current liabilities by currency	12/31/2012		12/31/2011	
	Up to 90 days ThUS$	From 90 days to 1 year ThUS$	Up to 90 days ThUS$	From 90 days to 1 year ThUS$
Current liabilities	3,325,680	813,292	2,777,535	1,638,547
US Dollars	1,980,142	775,889	1,666,726	1,286,447
Euros	5,520	37,403	88,393	38,714
Other currencies	1,184	-	42,744	-
Non-indexed Ch$	1,330,388	-	955,950	5,182
U.F.	8,446	-	23,722	308,204
Other current financial liabilities	51,487	813,292	4,877	1,638,547
US Dollars	45,409	775,889	4,716	1,286,447
Euros	-	37,403	-	38,714
Other currencies	-	-	-	-
Non-indexed Ch$	1,009	-	-	5,182
U.F.	5,069	-	161	308,204
Bank loans	400	219,286	-	41,276
US Dollars	-	181,883	-	2,106
Euros	-	37,403	-	38,714
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	225
U.F.	400	-	-	231

Current liabilities by currency	12/31/2012		12/31/2011	
	Up to 90 days ThUS$	From 90 days to 1 year ThUS$	Up to 90 days ThUS$	From 90 days to 1 year ThUS$
Bonds	-	594,006	-	802,954
US Dollars	-	594,006	-	496,272
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	-	-	306,682
Finance lease	35,601	-	4,877	18,077
US Dollars	30,715	-	4,716	17,572
Euros	-	-	-	
Other currencies	-	-	-	
Non-indexed Ch$	217	-	-	
U.F.	4,669	-	161	505
Other	15,486	-	-	776,240
US Dollars	14,694	-	-	770,497
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	792	-	-	4,957
U.F.	-	-	-	786
Other current liabilities	3,274,193	-	2,772,658	-
US Dollars	1,934,733	-	1,662,010	-
Euros	5,520	-	88,393	-
Other currencies	1,184	-	42,744	-
Non-indexed Ch$	1,329,379	-	955,950	-
U.F.	3,377	-	23,561	-

Non-current liabilities by currency	12/31/2012				12/31/2011			
	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$
Non-current liabilities	7,531,455	974,667	3,942,371	2,879,788	5,491,370	800,202	1,623,675	2,438,585
US Dollars	5,956,620	974,667	3,942,371	2,526,060	4,306,911	798,637	1,604,281	2,118,216
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	1,515,446	-	-	-	801,765	-	-	-
U.F.	59,389	-	-	353,728	382,694	1,565	19,394	320,369
Other non-current financial liabilities	1,465,498	974,667	3,942,371	2,879,788	1,532,692	800,202	1,623,675	2,438,585
US Dollars	1,441,452	974,667	3,942,371	2,526,060	1,529,318	798,637	1,604,281	2,118,216
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	2,046	-	-	353,728	3,374	1,565	19,394	320,369
Bank loans	828,936	939,925	-	809,035	412,101	784,544	-	-
US Dollars	827,164	939,925	-	809,035	410,258	784,544	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	1,772	-	-	-	1,843	-	-	-
Bonds	497,966	-	3,942,371	2,070,753	996,310	-	1,573,504	2,438,585
US Dollars	497,966	-	3,942,371	1,717,025	996,310	-	1,573,504	2,118,216
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	-	353,728	-	-	-	320,369

Non-current liabilities by currency	12/31/2012				12/31/2011			
	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$
Financial Lease	56,564	34,742	-	-	40,266	15,658	50,171	-
US Dollars	34,290	34,742	-	-	38,735	14,093	30,777	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	22,274	-	-	-	1,531	1,565	19,394	-
Others	82,032	-	-	-	84,015	-	-	-
US Dollars	82,032	-	-	-	84,015	-	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other non-current financial liabilities	6,065,957	-	-	-	3,958,678	-	-	-
US Dollars	4,515,168	-	-	-	2,777,593	-	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	1,515,446	-	-	-	801,765	-	-	-
U.F.	35,343	-	-	-	379,320	-	-	-

32. Sanctions

As of December 31, 2012 and December 31, 2011, neither Codelco Chile nor its Directors and Managers have been sanctioned by the Superintendency of Securities and Insurance or any other administrative authorities.

33. Subsequent events

On January 31, 2013, an essential event was reported in respect of the removal of the Vice Presidency for Technology and Innovation and Vice Executive Presidency as part of Codelco, whose functions become part of the Vice Presidency of Business Development.

The Vice Presidency of Corporate Affairs and Sustainability was created, from the current General Manager of the same name, designating the position of Vice Presidency of Corporate Affairs and Sustainability to Mr. Juan Pablo Schaeffer Fabres.

The changes listed above apply from 1 February, 2013.

During the month of January 2013, the Administration entered two separate addendum to the collective agreements with workers and supervisors of Headquarters of Codelco, which establish certain incentives associated with staff voluntary retirement plans, all in the context of a restructuring program that the Corporation has enacted for the headquarters, which is expected to be completed during 2013, with an estimated impact on expenditure for that year for ThUS$ 7,665 before taxes.

From January 1, 2013 to the date of the issuance of these financial statements (March 28, 2013), the Company's management is not aware of other significant financial facts or of any other nature that would affect these statements and future cash flows.

34. 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 adopted environmental regulations that have obligated the companies that operate in the country, 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 Parent Corporation, structure their efforts in order to comply with the commitments assumed by the corporation's environmental policies, incorporating planning, operation, verification and activities review elements. As of December 31, 2012, they have received ISO 14001 certification for the environmental management of the Chuquicamata, Radomiro Tomic, Andina, Salvador, El Teniente and Ventanas Division, Gabriela Mistral and the Parent Corporation.

To comply with the Circular N°1.901 of 2008 of the Chilean Superintendency of Securities and Insurance, below are the details of the Corporation's main expenditures related to the environment during the periods ended as of December 31, 2012 and 2011 respectively, and the projected future expenses.

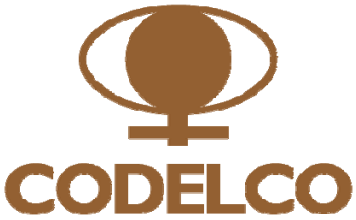
Corporation	Project	Disbursements made up to 12/31/2012				12/31/2011	Expenditures	
		Project Status	Amount ThUS$	Asset/ Expenditure	Asset Item / Expenditure	Amount ThUS$	Amount ThUS$	Estimated Date
	Chuquicamata		100,244			67,779	130,761	
Codelco Chile	Talambre dam extension, 7th stage	In process	34,253	Asset	Property, plant and equipment	2,521	57,684	2013
Codelco Chile	Expansion capacity Talabre dam, 8th stage	In process	2,864	Asset	Property, plant and equipment	-	-	-
Codelco Chile	Emergency restoration system dust control crushing plant 2 ° / 3 °	In process	265	Asset	Property, plant and equipment	-	13,865	2013
Codelco Chile	Acid plants	In process	56,022	Expenditure	Administrative expenses	58,763	50,517	2013
Codelco Chile	Solid waste	In process	3,919	Expenditure	Administrative expenses	2,453	3,919	2013
Codelco Chile	Water treatment plant	In process	2,921	Expenditure	Administrative expenses	4,042	4,776	2013
	Salvador		48,777			25,652	53,015	
Codelco Chile	Dust collection improvement	In process	4,029	Asset	Property, plant and equipment	126	7,168	2014
Codelco Chile	Trench construction of hazardous waste	In process	705	Asset	Property, plant and equipment	456	-	-
Codelco Chile	Construction V stage of tailing treatment	In process	4,477	Asset	Property, plant and equipment	-	3,945	2013
Codelco Chile	Acid plants	In process	38,445	Expenditure	Administrative expenses	24,200	40,584	2013
Codelco Chile	Solid waste	In process	976	Expenditure	Administrative expenses	686	1,147	2013
Codelco Chile	Water treatment plant	In process	145	Expenditure	Administrative expenses	184	171	2013
	Andina		56,606			9,964	229,401	
Codelco Chile	Construction of water trap for east ballast deposit	In process	3,780	Asset	Property, plant and equipment	4,824	9,451	2014
Codelco Chile	Construction of drain tanks 2	Finished	-	Asset	Property, plant and equipment	1,929	-	-
Codelco Chile	District warehouse installation	In process	316	Asset	Property, plant and equipment	584	-	-
Codelco Chile	Drains expansion stage 5	In process	14,753	Asset	Property, plant and equipment	28	285	2013
Codelco Chile	Drain water treatment	In process	3	Asset	Property, plant and equipment	-	1,973	2013
Codelco Chile	Drain internal water treatment E1	In process	746	Asset	Property, plant and equipment	-	10,045	2013
Codelco Chile	Drainage water treatment	In process	27,279	Asset	Property, plant and equipment	-	134,487	2014

Corporation	Project	Disbursements made up to 12/31/2012				12/31/2011	Expenditures	
		Project Status	Amount ThUS$	Asset/ Expenditure	Asset Item / Expenditure	Amount ThUS$	Amount ThUS$	Estimated Date
Codelco Chile	Standard Water Phase 2	In process	350	Asset	Property, plant and equipment	-	39,007	2015
Codelco Chile	Building evacuation and capturing towers Ovejería	In process	2,312	Asset	Property, plant and equipment	-	26,040	2014
Codelco Chile	Construction Ovejería tailings canal	In process	877	Asset	Property, plant and equipment	-	4,126	2013
Codelco Chile	Improved interception infiltrates Ovejería	In process	3,285	Asset	Property, plant and equipment	-	802	2013
Codelco Chile	Solid waste	In process	1,721	Expenditure	Administrative expenses	1,719	2,095	2013
Codelco Chile	Water treatment plant	In process	1,184	Expenditure	Administrative expenses	880	1,090	2013
Subtotal			205,627			103,395	413,177	

Corporation	Project	Disbursements made up to 12/31/2012				12/31/2011	Expenditures	
		Project Status	Amount ThUS$	Asset/ Expenditure	Asset Item / Expenditure	Amount ThUS$	Amount ThUS$	Estimated Date
	El Teniente		120,869			134,469	116,102	
Codelco Chile	Construcción de la 5ta etapa embalse Carén	In process	4,319	Asset	Property, plant and equipment	49,232	-	-
Codelco Chile	Monitoreo en línea de canal de relaves	In process	6,744	Asset	Property, plant and equipment	152	-	-
Codelco Chile	Ampliación cajón relave cascada 4	In process	754	Asset	Property, plant and equipment	78	-	-
Codelco Chile	Ampliación cajón relave Ruta 5	In process	795	Asset	Property, plant and equipment	101	-	-
Codelco Chile	Construcción de la 6ta etapa embalse Carén	In process	5,407	Asset	Property, plant and equipment	-	12,182	2013
Codelco Chile	Plantas de ácido	In process	87,226	Expenditure	Administrative expenses	71,030	89,309	2013
Codelco Chile	Residuos sólidos	In process	3,570	Expenditure	Administrative expenses	3,073	2,571	2013
Codelco Chile	Planta de tratamiento de efluentes	In process	12,054	Expenditure	Administrative expenses	10,803	12,040	2013
	Minera Gaby		40			6,922	946	
Minera Gaby S.p A.	Installation of gravel dump phase IV	Finished	-	Asset	Property, plant and equipment	6,922	-	-
Minera Gaby S.p A.	Implementation waste treatment system	Finished	40	Asset	Property, plant and equipment	-	946	2013
	Ventanas		46,495			32,027	32,336	
Codelco Chile	Mitigation of environmental concentrator stock	In process	2,613	Asset	Property, plant and equipment	4,926	-	-
Codelco Chile	Standarization of rainwater pools	In process	1,642	Asset	Property, plant and equipment	6	-	-
Codelco Chile	Cold load system Cps N 2	In process	1,290	Asset	Property, plant and equipment	-	-	-
Codelco Chile	Arsenic supply in electric oven	In process	25	Asset	Property, plant and equipment	-	268	2013
Codelco Chile	Increase uptake Mat.	In process	2,234	Asset	Property, plant and equipment	-	-	-
Codelco Chile	Increase uptake Mp He	In process	6,483	Asset	Property, plant and equipment	-	-	-
Codelco Chile	Cold load mechanical system Cps N°1 y 3	In process	2,946	Asset	Property, plant and equipment	-	1,166	2013
Codelco Chile	Acid plants	In process	22,970	Expenditure	Administrative expenses	20,702	18,287	2013
Codelco Chile	Solid waste	In process	1,164	Expenditure	Administrative expenses	956	1,937	2013

Corporation	Project	Disbursements made up to 12/31/2012				12/31/2011	Expenditures	
		Project Status	Amount ThUS$	Asset/ Expenditure	Asset Item / Expenditure	Amount ThUS$	Amount ThUS$	Estimated Date
Codelco Chile	Water treatment plant	In process	5,128	Expenditure	Administrative expenses	5,437	10,678	2013
	Radomiro Tomic		2,636			1,423	2,039	
Codelco Chile	Solid waste	In process	2,278	Expenditure	Administrative expenses	1,273	1,920	2013
Codelco Chile	Effluent treatment plant	In process	358	Expenditure	Administrative expenses	150	119	2013
	Ecometales Limited		703			420	913	
Ecometales Limited	Leaching plant smelter powders	In process	703	Expenditure	Administrative expenses	420	913	2013
Subtotal			170,743			175,261	152,336	

Subtotal			376,370			278,656	565,513	



CODELCO - CHILE

Consolidated Financial Statements as of December 31, 2010

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(January - December 2010)

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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Directors
of Corporación Nacional del Cobre de Chile

1. We have audited the accompanying consolidated statements of financial position of Corporación Nacional del Cobre de Chile and subsidiaries ("the Corporation" or "the Company") as of December 31, 2010 and 2009, the opening consolidated statement of financial position as of January 1, 2009, and the related consolidated statements of income, comprehensive income, changes in net equity and cash flows for the years ended on December 31, 2010 and 2009. These financial statements (including the related notes) are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements, based on our audits. We did not audit the financial statements as of December 31, 2010 and 2009 and the opening statements of financial position as of January 1, 2009 of certain associates, jointly controlled entities and subsidiaries. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such associates, jointly controlled entities and subsidiaries, is based solely on the reports of the other auditors. As of December 31, 2010 and 2009, and as of January 1, 2009, the direct and indirect investment of the Corporation in such associates and jointly controlled entities and the total assets reflected in the financial statements of such subsidiaries, constitutes 8.0%, 7.2% and 6.8%, respectively, of the total consolidated assets, and the total net income for the year in those associates and jointly controlled entities and the total revenues reflected in the financial statements of such subsidiaries, constitute 9.4% and 9.8% in 2010 and 2009, respectively, of the total consolidated revenues.

2. We conducted 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management of the Corporation, as well as evaluating the overall consolidated financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

3. In our opinion, based on our audits and the reports of other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of Corporación Nacional del Cobre de Chile and subsidiaries as of December 31, 2010 and 2009, and January 1, 2009, and the results of their operations and their cash flows for the years ended December 31, 2010 and 2009 in conformity with International Financial Reporting Standards.

4. The accompanying consolidated financial statements have been translated into English solely for the convenience of the readers outside of Chile.

Deloitte

March 23, 2011

CORPORACIÓN NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2010, December 31, 2009 and January 1st, 2009
(In thousands of US dollars - ThUS$)

	Notes	12-31-2010	12-31-2009	01-01-2009
		ThUS$	ThUS$	ThUS$
ASSETS				
Current assets:				
Cash and cash equivalents	1	874,039	773,076	393,197
Other current financial assets	12	195,138	292,884	386,013
Other current non-financial assets		33,607	18,755	16,123
Trade and other current receivables	2	2,714,006	2,062,026	835,367
Accounts receivables from related companies, current	3	157,954	229,181	115,694
Inventories	4	1,782,506	1,471,776	1,546,598
Current tax assets	6.a	194,226	147,866	436,954
Total current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners		5,951,476	4,995,564	3,729,946
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners		-	-	-
Total current assets		5,951,476	4,995,564	3,729,946
Non-current assets:				
Other non-current financial assets	12	181,125	158,201	12,557
Other non-current non-financial assets	11	203,505	206,132	226,914
Non-current receivables	2	198,785	198,102	149,234
Accounts receivables from related companies, non-current	3	104,896	358,259	224
Investments accounted for using the equity method	8	1,260,774	1,100,156	1,084,470
Intangible assets other than goodwill	10.a	21,556	21,380	18,108
Property, Plant and Equipment	7	12,351,430	11,210,433	10,507,650
Investment property		5,494	5,653	5,690
Total non-current assets		14,327,565	13,258,316	12,004,847
TOTAL ASSETS		20,279,041	18,253,880	15,734,793

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACIÓN NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2010, December 31, 2009 and January 1st, 2009
(In thousands of US dollars - ThUS$)

	Notes	12-31-2010	12-31-2009	01-01-2009
		ThUS$	ThUS$	ThUS$
LIABILITIES AND EQUITY				
Current liabilities				
Other current financial liabilities	13	1,918,908	1,394,422	1,232,783
Trade and other current payables	16	1,803,276	1,822,752	1,153,119
Accounts payables to related companies, current	3	171,565	185,925	127,229
Other short-term provisions	17	296,713	208,733	186,173
Current tax liabilities	6.b	307,952	63,636	4,628
Current provisions for employee benefits	17	689,075	307,530	295,595
Other current non-financial liabilities		56,338	113,617	23,314
Total current liabilities other than liabilities included in disposal groups classified as held for sale		5,243,827	4,096,615	3,022,841
Liabilities included in disposal groups classified as held for sale		-	-	-
Total current liabilities		5,243,827	4,096,615	3,022,841
Non-current liabilities				
Other non-current financial liabilities	13	7,189,482	6,338,526	3,974,393
Other non-current payables		2,658	142,584	177,157
Accounts payables to related companies, non-current	3	349,204	388,767	429,968
Other long-term provisions	17	1,057,472	1,058,737	965,690
Deferred tax liabilities	5	711,382	722,417	1,860,935
Non-current provisions for employee benefits	17	1,191,112	997,824	738,779
Other non-current non-financial liabilities		2,692	65,183	764
Total non-current liabilities		10,504,002	9,714,038	8,147,686
Total liabilities		15,747,829	13,810,653	11,170,527
EQUITY				
Issued capital		2,524,423	2,524,423	1,524,423
Retained earnings		1,329,392	1,294,157	1,244,163
Other reserves	19	675,403	622,640	1,792,729
Equity attributable to owners of parent		4,529,218	4,441,220	4,561,315
Non-controlling interests	19	1,994	2,007	2,951
Total equity		4,531,212	4,443,227	4,564,266
TOTAL LIABILITIES AND EQUITY		20,279,041	18,253,880	15,734,793

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACIÓN NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF INCOME
For the periods between January 1st and December 31, 2010 and 2009
(In thousands of US dollars - ThUS$)

	Notes	01-01-2010 12-31-2010	01-01-2009 12-31-2009
		ThUS$	ThUS$
Revenue	20	16,065,946	12,379,137
Cost of sales		(9,088,740)	(7,666,011)
Gross profit		6,977,206	4,713,126
Other income	21.a	141,473	308,363
Distribution costs		(14,994)	(19,157)
Administrative expenses		(390,234)	(323,836)
Other expense	21.b	(2,058,867)	(1,458,441)
Other Gains (losses)		28,040	14,750
Finance income		35,559	27,666
Finance costs	22	(331,132)	(318,757)
Share of profit (loss) of associates and joint ventures accounted for using equity method	8	303,395	310,651
Exchange differences	24	(202,524)	(266,531)
Profit (loss) before tax		4,487,922	2,987,834
Income tax expense	5	(2,611,601)	(1,813,643)
Profit (loss) from continuing operations		1,876,321	1,174,191
Profit (loss) from discontinued operations		-	-
Profit		1,876,321	1,174,191
Profit (loss) attributable to:			
Profit (loss) attributable to owners of parent		1,877,659	1,176,226
Profit (loss) attributable to non-controlling interests	19	(1,338)	(2,035)
Profit (loss)		1,876,321	1,174,191

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACIÓN NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods between January 1st and December 31, 2010 and 2009
(In thousands of US dollars - ThUS$)

	Notes	01-01-2010 12-31-2010	01-01-2009 12-31-2009
		ThUS$	ThUS$
Profit (loss)		1,876,321	1,174,191
Components of other comprehensive income, before tax:			
Exchange differences on translation			
Gains (losses) on exchange differences on translation, before tax		490	2,426
Other comprehensive income, before tax, exchange differences on translation		490	2,426
Cash flow hedges			
Gains (losses) on cash flow hedges, before tax		111,508	(2,442,860)
Other comprehensive income (loss), before tax, cash flow hedges		111,508	(2,442,860)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		136,560	(246,779)
Other comprehensive income (loss) before tax		248,558	(2,687,213)
Income tax relating to components of other comprehensive income:			
Income tax relating to cash flow hedges of other comprehensive income	5	(63,560)	1,410,098
Aggregated income tax relating to components of other comprehensive income		(63,560)	1,410,098
Other comprehensive income (loss)		**184,998**	**(1,277,115)**
Total comprehensive income (loss)		**2,061,319**	**(102,924)**
Comprehensive income attributable to			
Comprehensive income, attributable to owners of parent		2,062,657	(100,889)
Comprehensive income, attributable to non-controlling interest		(1,338)	(2,035)
Total comprehensive income (loss)		**2,061,319**	**(102,924)**

The accompanying notes are an integral part of these consolidated financial statements.

CORPORACIÓN NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD
For the periods between January 1st and December 31, 2010 and 2009
(In thousands of US (In thousands of US dollars - ThUS$)

	Notes	01-01-2010 12-31-2010	01-01-2009 12-31-2009
		ThUS$	ThUS$
Cash flows from (used in) operating activities:			
Classes of cash receipts from operating activities			
Receipts from sales of goods and rendering of services		16,974,027	11,671,870
Other cash receipts from operating activities	25	1,767,151	1,520,165
Classes of cash payments			
Payments to suppliers for goods and services		(7,833,235)	(6,213,744)
Payments to and on behalf of employees		(1,784,501)	(1,190,622)
Other cash payments from operating activities	25	(3,525,415)	(2,240,250)
Dividends received		179,532	47,447
Income taxes refund (paid)		(2,515,754)	(320,560)
Net cash flows from (used in) operating activities		3,261,805	3,274,306
Cash flows from (used in) investing activities:			
Other cash payments to acquire interests in joint ventures		(44,878)	(69,274)
Loans made to related companies		(71,839)	(13,349)
Purchases of property, plant and equipment		(2,309,484)	(1,680,532)
Interest received		12,716	9,977
Other inflows (out flows) of cash		109,927	34,738
Net cash flows from (used in) investing activities		(2,303,558)	(1,718,440)
Cash flows from (used in) financing activities:			
Proceeds from long-term borrowings		1,687,500	1,641,550
Proceeds from short-term borrowings		699,886	463,900
Total proceeds from borrowings		2,387,386	2,105,450
Repayments of borrowings		(800,860)	(2,294,398)
Dividends paid		(2,206,124)	(835,692)
Interest paid		(237,686)	(251,347)
Other inflows (outflows) of cash		-	100,000
Net cash flows from (used in) financing activities		(857,284)	(1,175,987)
Net increase (decrease) in cash and cash equivalents before effects of exchange rate changes		100,963	379,879
Effects of exchange rate changes on cash and cash equivalents			
Effects of exchange rate changes on cash and cash equivalents		-	-
Net increase (decrease) in cash and cash equivalents		100,963	379,879
Cash and cash equivalents at beginnning of period		773,076	393,197
Cash and cash equivalents at end of period		874,039	773,076

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 periods between January 1 and December 31, 2010 and 2009
(In thousands of US dollars - ThUS$)

	Issued capital	Exchange differences on transtation	Reserves for cash flow hedges	Other miscellaneous reserves	Other reserves	Retained earnings	Equity attributable to owners of parent	Non-controlling interests	Total equity
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Equity at beginning of period 01/01/2009	1,524,423	-	28,404	1,764,325	1,792,729	1,244,163	4,561,315	2,951	4,564,266
Increase (decrease) through changes in accounting policies	-	-	-	-	-	-	-	-	-
Increase (decrease) through corrections of errors	-	-	-	-	-	-	-	-	-
Equity at beginning of period 01/01/2009	1,524,423	-	28,404	1,764,325	1,792,729	1,244,163	4,561,315	2,951	4,564,266
Changes in equity									
Comprehensive Income									
Profit (loss)						1,176,226	1,176,226	2,035	1,174,191
Other comprehensive income (loss)		2,426	(1,045,923)	(233,618)	(1,277,115)	-	(1,277,115)	-	(1,277,115)
Comprehensive income							(100,889)	(2,035)	(102,924)
Issue of equity	-		-				-		-
Dividends paid						(1,254,759)	(1,254,759)		(1,254,759)
Increase (decrease) through other contributions by owners	1,000,000	-	-	-	-	-	1,000,000		1,000,000
Decrease (increase) through other distributions to owners	-	-	-		-	-	-		-
Increase (decrease) through transfers and other changes	-	-	-	107,026	107,026	128,527	235,553	1,091	236,644
Increase (decrease) through treasury shares transactions	-		-	-			-		-
Increase (decrease) through changes in ownership interest in subsidiaries that do not result in loss of control							-		-
Total increase (decrease) in equity	1,000,000	2,426	(1,045,923)	(126,592)	(1,170,089)	49,994	(120,095)	(944)	(121,039)
Equity at end of period 12/31/2009	2,524,423	2,426	(1,017,519)	1,637,733	622,640	1,294,157	4,441,220	2,007	4,443,227

The accompanying notes are an integral part of these consolidated financial statements.

	Issued capital	Exchange differences on transtation	Reserves for cash flow hedges	Other miscellaneous reserves	Other reserves	Retained earnings	Equity attributable to owners of parent	Non-controlling interests	Total equity
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Equity at beginning of period 01/01/2010	2,524,423	2,426	(1,017,519)	1,163,733	622,640	1,294,157	4,441,220	2,007	4,443,227
Increase (decrease) through changes in accounting policies	-	-	-	-	-	-	-	-	-
Increase (decrease) through corrections of errors	-	-	-	-	-	-	-	-	-
Equity at beginning of period 01/01/2010	2,524,423	2,426	(1,017,519)	1,163,733	622,640	1,294,157	4,441,220	2,007	4,443,227
Changes in equity									
Comprehensive Income									
Profit (loss)						1,877,659	1,877,659	(1,338)	1,876,321
Other comprehensive income (loss)		490	47,948	136,560	184,998		184,998	-	184,998
Comprehensive income							2,062,657	(1,338)	2,061,319
Issue of equity	-								-
Dividends paids						(1,875,509)	(1,875,509)		(1,875,509)
Increase (decrease) through other contributions by owners	-	-	-	-	-	-	-		-
Decrease (increase) through other distributions to owners	-	-	-		-	-	-		-
Increase (decrease) through transfers and other changes	-	-	-	(132,235)	(132,235)	33,085	(99,150)	1,325	(97,825)
Increase (decrease) through treasury shares transactions	-		-	-			-		-
Increase (decrease) through changes in ownership interest in subsidiaries that do not result in loss of control							-		-
Total increase (decrease) in equity	-	490	47,948	4,325	52,763	35,235	87,998	(13)	87,985
Equity at end of period 12/31/2010	2,524,423	2,916	(969,571)	1,642,058	675,403	1,329,392	4,529,218	1,994	4,531,212

The accompanying notes are an integral part of these consolidated financial statements.

I. GENERAL ASPECTS

1. Corporate Information

Corporación Nacional del Cobre de Chile, Codelco (hereinafter referred to as "Codelco - Chile", the "Corporation" or "the Company"), is the largest copper producer in the world. Its 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. Codelco also manufactures wire rods, a semi-elaborated product that uses copper cathodes as raw material in Germany.

The Corporation trades its products based on a policy aimed at selling refined copper to manufacturers or producers of semi-elaborated products.

Codelco is registered under Securities Registry No. 785 of the Superintendency of Securities and Insurance (the "Superintendency") and is subject to the supervision of said Superintendency. According to Article 10 of Law No. 20,392 (on new Corporate Governance of Codelco), such supervision will be on the same terms as publicly traded corporations, notwithstanding the provisions in Decree Law (D.L.) No. 1,349 of 1976, which created the Comisión Chilena del Cobre ("Chilean Copper Commission").

The corporate domicile and headquarters of Codelco are located in Santiago de Chile, at 1270 Huérfanos, telephone number (56 2) 6903000.

Codelco Chile was formed as stipulated by D.L. No. 1,350 of 1976, which is the statutory decree of the Corporation. In accordance with the decree law, Codelco is a state-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 divisions Chuquicamata, Radomiro Tomic, Salvador, Andina, El Teniente and Ventanas. Also, in May 2008, Codelco - Chile started exploiting the deposit known as Gabriela Mistral whose mining operations are under the responsibility of its subsidiary Minera Gaby S.A., 100% owned by the Company. In 2010 the Company was authorized to invest in the operation of the new Division Ministro Hales Mine, whose estimated starting operating date is at the end of 2013. 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. 20,392, Codelco is governed by its organic standards set forth in Decree Law No. 1,350 (D.L. No. 1,350) and that of its statutes, and in matters not covered by them and, insofar as they are compatible and do not go against the provisions of these rules, the rules that govern publicly traded corporations and the common laws as applicable to them.

In accordance with D.L. No. 1,350 Section IV related to the Company's Exchange and Budget Regulations, Codelco's financial activities are conducted following a budgeting system that is composed by an Operations Budget, an Investment Budget and a Debt Amortization Budget.

The tax system applicable to Codelco's income is in accordance with Article 26 of D. L. No. 1,350, which refers to Decree Laws No. 824 on Income Tax of 1974 and Decree Law No. 2,398 (Article 2) of 1978, which are applicable. The Company's income is also subject to a tax in accordance with Law No. 20,026 of 2005 (Specific Mining Tax).

The Company is subject to Law No. 13,196 that requires the payment of a 10% tax over the foreign currency return on the export value of copper production, including its by-products.

Additionally, Codelco, as any company operating in Chile, is subject to Value Added Tax (VAT) Law in accordance with Decree Law No. 825 of 1974; and also to the duties and other taxes levying business activities carried out by companies in Chile. In accordance with the above, Codelco recovers VAT credit as an exporter.

The Corporation, in the development of its operation and investing activities, engages services, subject to Law No. 20,123 on subcontracting, which are executed by contractor companies with their own employees. The labor relationships inside such companies are of exclusive responsibility of each of these companies. Nevertheless, and in order to verify the compliance of the labor and social security regulations by the contractor companies, Codelco exercises the rights of information, withholding and payment in relation to the labor and social security obligations that such companies must comply with their employees.

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 e.

The associates correspond to companies located in Chile and abroad, which are detailed in note IV.8.

2. Bases of Presentation of the Consolidated Financial Statements

Accounting Principles

These consolidated financial statements are stated in thousands of US dollars and were prepared based on the accounting records kept by Codelco - Chile and its subsidiaries, and have been prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (hereinafter "IASB"), and were approved by the Board of Directors in the meeting held on March 23, 2011.

These consolidated financial statements reflect the financial position of Codelco Chile and subsidiaries as of December 31, 2010 and 2009, and January 1, 2009, and also the results of their operations, changes in net equity and cash flows for the years ended in 2010 and 2009.

For statutory purposes, for the preparation of its consolidated financial statements during 2009 Codelco has used the accounting principles generally accepted in Chile ("Chilean GAAP"). The consolidated financial statements of Codelco as of December 31, 2009, filed with the Superintendency of Securities and Insurance and approved by the Board of Directors on February 22, 2010, were prepared in conformity with accounting principles generally accepted in Chile, which were considered as the previous accounting principles, as defined in IFRS 1, prior to the preparation of the opening consolidated financial statements under IFRS.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Critical Accounting Policies and Key Sources of Estimates

The application of the International Financial Reporting Standards requires the use of estimates and assumptions that affect the amounts of assets and liabilities reported at the date of financial statements and the amounts of income and expenses during the reporting period. The management of the Corporation will necessarily make judgments and estimates that could have a significant effect on the amounts presented in the financial statements according to IFRS. Likewise, changes in assumptions and estimates could have a significant impact on the financial statements in conformity with such standards. A summary of the key estimates and judgments used is as follows:

a) Useful Economic Lives of Property, Plant and Equipment - The useful lives of the assets of property, plant and equipment that are used for calculating the depreciation are determined based on technical studies prepared by specialists (both internal and external). When there are indicators that could lead to changes in the estimated useful lives of such assets, these changes shall be performed by using technical estimates.

The studies shall consider the 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 economically exploitable, and reflect the technical considerations of the Corporation regarding the amount of resources that could be exploited and sold at prices exceeding the total cost associated with the extraction and processing.

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

These estimates of reserves are based on methods and standards customary in the mining industry, which are supported by the historical experience and the assumptions of the Corporation regarding the production costs and the market prices.

The Corporation periodically reviews such estimates, supported by world class external experts, who certify the determined reserves.

c) Impairment of 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 indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss in regard to the carrying amount. In the evaluation of the impairment, the assets are grouped in cash generating units ("CGU's") to which the assets belong. The recoverable amount of these assets or CGU's 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.

The Corporation 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 the cash flows or the discount rate, could impact the carrying amounts of the corresponding assets.

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

The review for impairment includes the subsidiaries and associates.

d) Provisions for Decommissioning and Site Restoration Costs - An obligation to incur in decommissioning and site restoration costs when 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.

The costs arising from the installation of a plant or other site preparation works discounted at their net present value are 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 net income over the life of the mine, through depreciation of the asset. The depreciation is included in the operational costs, while the unwinding of the discount in the provision is included as finance costs.

The costs for restoration of site damages, which are created on an ongoing basis during production, are provided for at their net current values and charged to profit or loss for the year as extraction progresses.

Decommissioning, site restoration and environmental provisions are provided for at the present value at the date such obligations are known, considering a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the related liabilities. The environmental costs are estimated by using also the work of external specialists and/or internal experts. The Corporation's management applies its judgment and experience to provide for and amortize these estimated costs over the useful life of the mine.

e) Provision for Employee Benefits - Employee benefits cost for severance payments and health benefits for services rendered by the employees, are determined based on actuarial calculations by using the Projected Credit Unit Method, and are charged to profit or loss on an accrual basis.

The Corporation uses assumptions to determine the best estimate of these benefits. Such estimates, as well as the assumptions, are determined together with an external actuary. These assumptions include demographic assumptions, the discount rate and expected salary increases and the rotation levels, among others. Although the Corporation believes that the assumptions used are appropriate, a change in these assumptions could affect profit or loss.

f) Provisions for Open Invoices - The Corporation uses information on future copper prices, through which it performs adjustments to its revenues and trade receivables, due to the conditions of its provisional invoicing. These adjustments are updated on a monthly basis.

g) Fair Value of the Derivatives and Other Instruments - Management uses its criterion to elect an adequate and proper valuation method for the instruments that are not quoted in an active market. The Corporation applies customary valuation techniques used by other professionals in the industry. In the case of the derivative financial instruments, the assumptions are based on the quoted market rates, adjusted in conformity with the specific features of the instruments.

h) Lawsuits and Contingencies - The Corporation assesses on an ongoing basis the probabilities of lawsuits and contingencies losses according to estimations performed by its legal counselors. In case management and its legal counselors believe that a favorable outcome will be obtained or when the results are uncertain and the lawsuits are still pending of resolution, no provisions are recognized.

2. Principal Accounting Policies

a) Period Covered - The accompanying consolidated financial statements of Corporación Nacional del Cobre de Chile include:

- Statements of Financial Position as of December 31, 2010, December 31, 2009 and January 1st, 2009.

- Statements of Comprehensive Income for the periods ended on December 31, 2010 and 2009, respectively.
- Statements of Changes in Equity for the periods ended December 31, 2010 and 2009, respectively.
- Statements of Cash Flows for the periods ended December 31, 2010 and 2009, respectively.

b) Basis of Preparation - The consolidated financial statements of the Corporation as December 31, 2010 have been prepared in conformity with IFRS, as issued by the IASB.

The statements of financial position as of December 31, 2009 and January 1, 2009 and the statements of comprehensive income, of net equity and of cash flows for the period ended December 31, 2009, included for comparative purposes, have been prepared in conformity with IFRS, on a consistent basis with the criteria used by the Company for the same period ended on December 31, 2010.

These consolidated financial statements have been prepared based on the accounting records kept by the Corporation.

c) Responsibility for the Information and Use of Estimates - The Board of Directors of the Corporation has been informed regarding the information included in these financial statements and expressly states its responsibility for the consistent and reliable nature of the information incorporated in the consolidated financial statements as of December 31, 2010, for whose effects have been applied in full the IFRS principles and criteria as issued by the International Accounting Standards Board. These financial statements were approved by the Board of Directors at its meeting held on March 23, 2011.

d) Functional Currency - The functional currency of Codelco is the US dollar, which is the currency of the primary economic environment in which the Corporation operates and the currency in which it receives its revenues. Transactions other than those in the Corporation's functional currency are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in currencies other than the functional currency are retranslated at closing exchange rates. Gains and losses from on translation are included in profit or loss within the line item "Exchange rate differences".
The presentation currency of the consolidated financial statements of Codelco is the US dollar.

The functional currency of the subsidiaries, associates and jointly controlled entities, which is the same as Codelco, corresponds to the currency of the primary economic environment in which those entities operate and the currency in which they receive their revenues, as established in IAS 21. However, regarding those subsidiaries and associates that correspond only to an extension of the operations of Codelco (entities that are not self-

sufficient and whose main transactions are performed with Codelco), the functional currency corresponds to the US dollar as this is the currency of Codelco.

When the indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions under which each entity operates.

e) Basis of Consolidation - The consolidated financial statements incorporates the financial statements of the Corporation and its subsidiaries.

In the consolidation process all significant balances and transactions between the consolidated companies have been fully eliminated, and the participation of the non-controlling interest has been recognized and presented as "Non-controlling Interest". The consolidated financial statements take into account the elimination of intercompany balances, transactions and unrealized profit and loss between the consolidated companies, including foreign and local subsidiaries. The Companies incorporated in the consolidation are as follows:

Taxpayer Number	Entity	Country	Functional currency	December 31, 2010			December 31, 2009	January 1st, 2009
				Ownership percentage			Ownership percentage	Ownership percentage
				Direct	Indirect	Total	Total	Total
				%	%	%	%	%
Foreign	Chile Copper Limited	England	GBP	100.000	-	100.000	100.000	100.000
Foreign	Codelco Services Limited	England	GBP	-	100.000	100.000	100.000	100.000
Foreign	Codelco Group USA Inc.	United States	USD	100.000	-	100.000	100.000	100.000
Foreign	Codelco Metals Inc.	United States	USD	-	100.000	100.000	100.000	100.000
Foreign	Copper Technology Investment Inc.	United States	USD	-	-	-	-	100.000
Foreign	Semi Solid Metal Investors LLC.	United States	USD	-	-	-	-	100.000
Foreign	Corporación del Cobre Inc.	United States	USD	-	-	-	-	100.000
Foreign	Codelco International Limited	Bermuda	USD	100.000	-	100.000	100.000	100.000
Foreign	Codelco Technologies Ltd.	Bermuda	USD	-	100.000	100.000	100.000	100.000
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.000	100.000	100.000	100.000
Foreign	Codelco Kupferhandel Gmbh	Germany	EURO	100.000	-	100.000	100.000	100.000
Foreign	Metall Agentur Gmbh	Germany	EURO	-	100.000	100.000	100.000	100.000
Foreign	Ecometales Ltd.	Anglononmandars	USD	-	100.000	100.000	100.000	100.000
59.087.530-9	Ecometales Ltd. Agencia en Chile	Chile	USD	-	100.000	100.000	100.000	100.000
76.561.210-1	Mining Information Communications and Monitoring S.A.	Chile	USD	66.000	-	66.000	66.000	66.000
78.712.170-5	Compañía Minera Picacho (SCM)	Chile	USD	99.990	0.010	100.000	100.000	100.000
78.860.780-6	Compañía Contractual Minera Los Andes	Chile	USD	99.970	0.030	100.000	100.000	100.000
76.063.022-5	Inca de Oro S.A.	Chile	USD	79.740	20.260	100.000	100.000	-
79.566.720-2	Isapre Chuquicamata Ltda.	Chile	CLP	98.300	1.700	100.000	100.000	100.000
79.681.920-0	Sociedad Elaboradora de Cobre Chilena Ltda.	Chile	CLP	-	-	-	100.000	100.000
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.690	-	96.690	96.690	96.690
88.497.100-4	Clínica San Lorenzo Ltda.	Chile	CLP	99.900	-	99.900	99.950	99.950
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda.	Chile	CLP	-	99.990	99.900	100.000	100.000
89.441.300-K	Isapre Río Blanco Ltda.	Chile	CLP	99.990	0.010	100.000	100.000	100.000
96.817.780-K	Ejecutora Hospital del Cobre Calama S.A.	Chile	USD	99.900	0.010	99.910	100.000	100.000
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	USD	99.990	0.010	100.000	100.000	100.000
96.854.500-0	Instituto de Innovación en Minería y Metalurgia S.A.	Chile	USD	99.930	-	99.930	99.930	99.930
96.876.140-4	Santiago de Río Grande S.A.	Chile	USD	99.990	0.010	100.000	100.000	100.000
96.991.180-9	Biosigma S.A.	Chile	USD	66.670	-	66.670	66.670	66.670
Foreign	Biosigma Bermudas Ltda. (Bermudas)	Bermuda	USD	-	66.670	66.670	66.670	66.670
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	USD	99.900	0.100	100.000	100.000	100.000
99.573.600-4	Clínica Río Blanco S.A.	Chile	CLP	99.000	1.000	100.000	100.000	100.000
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.000	1.000	100.000	100.000	-
76.685.790-6	Minera Gaby S.A.	Chile	USD	99.900	0.100	100.000	100.000	100.000
77.773.260-9	Sociedad de Inversiones Copperfield Ltda.	Chile	USD	99.990	0.010	100.000	100.000	100.000
76.883.610-8	Energía Minera S.A.	Chile	USD	99.000	1.000	100.000	100.000	100.000
76.883.530-6	Termoeléctrica Farellones S.A.	Chile	USD	-	-	-	100.000	100.000
76.024.442-2	Ecosea Farming S.A.	Chile	USD	-	-	-	-	90.000
76.043.396-9	Innovaciones en Cobre S.A.	Chile	USD	0.100	99.900	100.000	100.000	100.000
76.082.774-6	Inversiones Tocopilla 2B S.A.	Chile	USD	99.999	0.010	100.009	-	-
76.082.158-6	Inversiones Mejillones 2 S.A.	Chile	USD	34.800	65.200	100.000	-	-
70.905.700-6	Fusat (Special Purpose Entity)	Chile	CLP	-	-	-	-	-

For the purposes of these financial statements, subsidiaries, associates, acquisitions and disposals and jointly controlled entities are defined as follows:

- **Subsidiaries -** A subsidiary is an entity over which the Corporation has power to govern its operating and financial policies in order to obtain benefits from its activities. 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. For partly owned subsidiaries, the net assets and the net earnings attributable to the minority shareholders are presented as "Non-controlling interests" in the consolidated statements of financial position and consolidated statement of income.

  Likewise, on consolidation, the Corporation incorporates those entities where does not hold any direct or indirect ownership interest but represent a special purpose entity, in accordance with the criteria established in SIC Interpretation 12, Consolidation - Special Purpose Entities.

- **Associates -** An associate is an entity over which Codelco is in the position to exercise significant influence, but not control or jointly control, through the power to participate in the financial and operating policy decisions of that entity.

  Codelco's share of the net assets of such entities is included in the consolidated financial statements by using the equity method. This requires recording the initial investment at cost and then, in subsequent periods, adjusting the carrying amount of the investment to reflect the Codelco's share in the results of the associates, less any impairment of goodwill and any other changes in the associate's net assets.

- **Acquisitions and Disposals -** The results of businesses acquired are incorporated in the consolidated financial statements from acquisition date; the results of businesses sold during the period are incorporated in the consolidated financial statements up to the effective date of disposal. Gains or losses from the disposal are calculated as the difference between the sale proceeds (net of expenses) and the net assets attributable to the ownership interest which has been sold.

- **Jointly Controlled Entities -** The entities that qualify as jointly controlled entities, in which there exists joint control over the operating and financial decisions, are accounted for by using the equity method.

- **Special Purpose Entities (SPE's) -** The substance of the relationship between Codelco and Fundación de Salud El Teniente (FUSAT), indicated that such entity is controlled by Codelco. As such, the consolidated financial statements of FUSAT are incorporated to the consolidation of Codelco. The consolidated financial statements of the FUSAT include the following entities:

ENTITY	Country	Ownership percentage		
		December 31, 2010	December 31, 2009	January 1, 2009
		%	%	%
Centro de Servicios Médicos Porvenir Ltda.	Chile	99.00	99.00	99.00
Inmobiliaria Centro de Especialidades Torre Médica S.A.	Chile	75.09	75.09	75.09
Inmobiliaria e Inversiones Río Cipreces Ltda.	Chile	99.99	99.99	99.99
Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	99.00	99.00	99.00
Institución de Salud Previsional Fusat Ltda.	Chile	99.69	99.69	99.69

f) Foreign Currency Transactions - Monetary assets and liabilities denominated in foreign currency have been translated into U.S. dollars at the closing exchange rate of the period.

At the reporting period-end, monetary assets and liabilities denominated in currency other than the functional currency, indexed in unidades de fomento (UF or inflation index-linked units of account) (12/31/2010: Ch$21,455.55; 12/31/2009: Ch$20,942.88; 1/1/2009: Ch$21,452.57), are translated into U.S. dollars at the closing exchange rates.

Income and expenses denominated in Chilean pesos have been translated into U.S. dollars at the exchange rate at the date when the transaction was recorded in the accounting records.

Exchange differences are recognized in net income in accordance with IFRS.

The financial statements of the subsidiaries, associates and jointly controlled entities, whose functional currency is different from the presentation currency of Codelco, are translated using the following procedures:

- Assets and liabilities for each statement of financial position presented shall be translated at the closing rate at the date of that statement of financial position.

- Income and expenses for each statement of comprehensive income or separate income statement presented shall be translated at average exchange rates of the reporting period.

All resulting exchange differences are recognized as a separate component of net equity.

The exchange rates used in each period are as follows:

Ratio	Year-end exchange rates		
	December 31, 2010	December 31, 2009	January 1, 2009
US$ / CLP	0.00214	0.00197	0.00157
US$ / GBP	1.54059	1.60617	1.44279
US$ / BRL	0.60107	0,57372	0.42689
US$ / EURO	1.32802	1.43328	1.41223

g) Offsetting Balances and Transactions: As a general standard, assets and liabilities, income and expenses, are not offset in the financial statements, except for those cases in which offsetting is required or is allowed by some standard and the presentation is a reflection of the transaction.

Income or expenses arising from transactions, which, for contractual or legal reasons, consider the possibility of offsetting and which the Corporation intends to liquidate for their net value or realize the assets and pay the liabilities simultaneously, are stated net in the statement of income.

h) Property, Plant and Equipment and Depreciation - The items of property, plant and equipment are initially recognized at cost. After their initial recognition, they are recorded at cost, less any accumulated depreciation and any accumulated impairment losses.

The costs of the items of property, plant and equipment related to the extension, modernization or improvement representing an increase of the productivity, capacity or efficiency or an increase of the useful life of the assets is capitalized as cost of the corresponding assets.

Furthermore, the investments in assets acquired under the method of lease contracts with purchase options that meet the characteristics of a financial lease are included in this item. These items are not legally owned by the Corporation until the corresponding purchase option is exercised.

The items included in property, plant and equipment are depreciated in accordance with the straight-line method over their economic useful life, which are summarized in the following table:

Item	Minimum useful life	Maximum useful life
Buildings	15 years	50 years
Plant and Equipment	2 years	35 years
Fixtures and Fittings	2 years	15 years
Motor Vehicles	5 years	25 years
Mining operations	20 years	35 years
Construction in progress (Mine development)	1 year	5 years
Land improvements	10 years	35 years
Others	57 months	293 months

The assets maintained under financial lease are depreciated during the estimated period of the lease contract or in accordance with the useful life of the assets, whichever is lower.

The estimated useful lives, the residual values and the depreciation method are reviewed at each year end, recording prospectively the effect of any change in estimates.

The profit or loss from the disposal or withdrawal of an asset is calculated as the difference between the price obtained in the disposal and the value recorded in the ledgers recognizing the charge or credit to net income for the year.

Work in progress includes the amounts invested in the construction of assets of property, plant and equipment and in mining development projects. Work in progress is transferred to assets in operation once the testing period has terminated and when they are available for their use, and start to be depreciated as of such moment.

The ore deposits owned by the Corporation are recorded in the accounting records at US$1 (one US dollar) and the economic value of these deposits differs from the accounting value.

Certain items of property, plant and equipment were, at the transition date to IFRS, recorded at fair value and this fair value was used as their deemed cost, in conformity with the optional exemption established in IFRS 1, First Time Adoption of International Financial Reporting Standards (IFRS 1).

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 their use or sale will be considered as part of the cost of items of property, plant and equipment.

i) Impairment of Property, Plant and Equipment and Intangible Assets - The items of property, plant and equipment and the intangible assets of definite useful life are reviewed for impairment, in order to verify whether there is any indication that the carrying value cannot be recovered. If such an indicator exists, the recoverable amount of the assets is estimated to determine the extent of the impairment loss. Where the asset does not generate cash flows independently from other assets, Codelco estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

For such purposes, each division of the Corporation has been defined as a cash generating unit.

The measurement of impairment includes the subsidiaries and associates.

The recoverable amount of an asset will be the higher of the fair value less costs to sell the asset and its value in use. When evaluating the value in use, the estimated future cash flows are discounted using an interest rate, before taxes, that shows the market evaluations corresponding to the time value of money and the specific risks of the asset, for which the future cash flow estimates have not been adjusted.

If the recoverable value of an asset or cash generating unit is estimated to be less than its carrying amount, an impairment loss is immediately recognized reducing the carrying amount up to its recoverable amount with charge to net income. In case of a subsequent reversal of the impairment, the carrying amount increases to the reviewed estimate of the recoverable amount, but only to the point that it does not exceed the carrying amount that would have been determined, if no impairment would had been recognized previously. A reversal is recognized as a decrease in the charge for depreciation for the year.

For cash generating units (CGU's), the future cash flow estimates are based on the estimates of future production levels, future prices of the basic products and the future production costs. IAS 36 "Impairment of Assets" includes a series of restrictions to the future cash flows that can be recognized regarding the restructurings and future improvements related to expenses. When calculating the value in use, it is also necessary to base the calculations on the current exchange rates at the moment of the measurement.

j) Exploration, Mine Development and Mining Operations Costs and Expenses - The Corporation has defined an accounting criterion for each of these costs and expenses.

Development expenses of deposits in exploitation whose purpose is to maintain the production levels are charged to net income when incurred.

Exploration and drillings of deposits, expenses include the expenses destined to locate mineralized areas to determine their possible commercial exploitation and are charged to net income when incurred.

Pre-operating and mine development expenses (PP&E) 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 extraction of waste material, constructing the mine's infrastructure and other works carried out prior to the production phase.

Finally, the costs for the delimitation of new areas or deposit areas in exploitation and of mining operations (PP&E), are recorded in property, plant and equipment and are charged to income during the period in which the benefits are obtained.

k) Income Taxes and Deferred Taxes - Codelco and its Chilean subsidiaries record Income Tax based on the net taxable income determined as per the standards established in the Income Tax Law and Article 2 of the D.L. 2,398, as well as the specific tax to the mining activity referred to in Law 20,026 of 2005. Its foreign subsidiaries record it according to the tax standards of each country.

The deferred taxes generated by temporary differences and other events giving rise to differences between the accounting and tax base of assets and liabilities are recorded according to IAS 12 "Income Taxes".

In addition, a deferred tax is recognized for the net income of subsidiaries, associates and special purpose entities, originated by the withholding taxes on remittances of dividends paid by such companies to the Corporation.

l) Inventories - Inventories are stated at cost, which does not exceed their net realizable value. The net realizable value represents the estimated sales price less all finishing costs and the marketing, sales and distribution expenses. The costs have been determined according to the following methods:

- **Finished Products and Products in Process:** These inventories are stated at average production cost, according to the absorption costing method, including labor and the depreciation of the fixed assets, the amortization of the intangible assets and the indirect expenses of each period.

- **Materials in Warehouse:** These inventories are stated at acquisition cost and the Corporation determines a provision for obsolescence considering the permanence in stock of those slow moving materials in the warehouse.

- **Materials in Transit:** These inventories are stated at cost incurred until the period-end date. Any difference, due to the estimate of a lower net realizable value of the inventories, in relation to their accounting value, is adjusted with a charge to net income.

m) Dividends - The payment obligation of the net revenues presented in the financial statements, as determined in Article 6 of D.L. 1,350, is recognized based on the accrued payment obligation.

n) Personnel Benefits - Codelco recognizes provisions for personnel benefits when there is a current obligation as a result of the services provided**.**

The contract conditions stipulate, subject to the compliance of certain conditions, the payment of a termination indemnity when an employment contract ends. In general, this corresponds to the proportion of a month per year of service and considering the components of the final remunerations which are contractually defined as the basis for the indemnity. This benefit has been defined as a long-term benefit.

On the other hand, Codelco has agreed to post-retirement health plans with certain employees which are paid according to the fixed percentage over the monthly tax base of the employees covered by this agreement. This benefit has been defined as a long-term post-retirement health benefit.

The severance payment obligation and the post-retirement health plans are calculated in accordance with valuations performed by an independent actuary, using the projected unit credit method, which are updated on a regular basis. The obligation recognized in the

statement of financial position represents the net present value of the severance payment obligation and the health benefit. The actuarial gains and losses are recognized immediately in the statement of comprehensive income within the operating cost.

Management uses assumptions to determine the best estimate of these benefits. Such assumptions include an annual discount rate, the expected increases in the remunerations and future permanence, among other.

The Corporation in accordance with its operating optimization programs to reduce costs and increase labor productivity by incorporating new current technologies and/or practical management best practices has established employee retirement programs by means of related addenda to employees contracts or collective bargaining agreements with benefits that encourage employees to retire. Accordingly, the required provisions are established based on the accrued obligation at current value.

o) Provisions for Dismantling and Restoration Costs - An obligation arises when incurred in dismantling and restoration cost when an alteration is generated caused by a mining activity (in development or in production). The costs are estimated based on a formal closure plan and are subject to regular reviews.

The costs arising from the obligation of dismantling the installation of a plant or other works for the preparation of the site, discounted at their net present value, are accrued and capitalized at the beginning of each project, as soon as the obligation to incur in such costs is originated.

These dismantling costs are stated in net income through the depreciation of the asset that gave rise to such cost and the use of the provision when the dismantling takes place. The subsequent changes in the estimates of the liabilities related to dismantling are added to or deducted from the costs of the related assets in the period in which the adjustment is made.

The restoration costs are accrued at their net present value against operating income and the use of the provision is made in the period in which the restoration works are performed. The changes in the measurement of the liability related to the location of the mining activity are recorded in the operating income.

The effects of the update of the liability, due to the discount rate and/or time, are recorded as a financial expense.

p) Leases - Leases are classified as financial leases when the lease transfers substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The lease payments under operating leases are recognized as expenses over the lease term. Assets acquired under financial leases are initially recognized as net income at the lower of the fair value and the present value of the minimum lease payments discounted

at the implicit interest rate of the contract. Interest is charged within financial expenses, at a constant interest rate, in the same depreciation period over the useful life the asset.

The service and supply contracts that meet the conditions established in IFRIC 4, *Determining whether an Arrangement Contains a Lease* are recorded as a financial or operating lease contract, as appropriate (IFRIC = International Financial Reporting Interpretations Committee).

q) Revenue Recognition - Revenues are recorded when the ownership rights and obligations have been substantially transferred to the purchaser, according to the shipment or dispatch of the products, in conformity with the agreed conditions and are subject to the variations related to the content and/or sales price at their liquidation date.

The sales contracts include a provisional price at the shipment date, whose final price is based on the price of the London Metal Exchange ("LME"). This final price will be fixed on the dates indicated in the contracts. The revenues at provisional prices are mark-to-market adjusted and are charge in net income.

The 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.

As indicated in the note related to the hedging policies in the metal futures market, the Corporation performs operations in the futures market. The net results of these contracts are added to or discounted from the sales revenues.

r) Derivative Contracts - Codelco uses derivative financial instruments to reduce the risk of fluctuations of the sales prices of its products from exchange rates and interest rates.

The derivatives are initially recognized at fair value at the date on which the derivative is entered into and subsequently updated at fair value at each reporting date.

The effective part of the changes in fair value of the derivatives that are allocated as “effective cash flow hedges”, is recognized directly in equity, net of taxes, in the item "Cash flow hedge reserves", while the ineffective part is recorded in net income. The amount recognized in net equity is not transferred to the income statement account until the results of the hedged operations are recorded in the income statement or until the maturity date of such operations.

A hedge is considered highly effective when the changes in fair value or in the cash flows of the underlying attributable to the hedged risk, are offset with the changes in the fair value or in the cash flows of the hedge instruments, with effectiveness between a range of 80% - 125%. The corresponding unrealized profit or loss is recognized in comprehensive

income for the period, only in those cases in which the contracts are liquidated or when they no longer comply with hedging characteristics.

The total fair value of the hedge derivatives is classified as a non-current asset or liability, if the remaining maturity of the hedged item is greater than 12 months, and as a current asset or liability, if the remaining maturity of the hedged item is lower than 12 months.

All derivatives designated as hedge instruments are classified as current or non-current assets or liabilities, respectively, depending on the maturity date of the derivative.

The derivative contracts entered into by the Corporation are originated by the application of the risk hedge policies indicated below, and are recorded as indicated for each case:

- *Hedging Policies for Exchange Rates and Interest Rates*

  The Corporation enters into exchange rate hedge transactions to cover exchange rate variations between the US dollar and the other currencies its transactions are made in. It has also contracted interest rate hedge transactions to cover fluctuations of interest rates for future obligations denominated in US dollars. According to the policies of the Board of Directors these operations are only performed when there is a balance (asset or liability) or an existing flow supporting it, and not for investment or speculative reasons.

  The results of the exchange rate hedge operations are recorded at the maturity or liquidation date of such contracts.

  The results of the hedging contracts for interest rates for future liabilities are amortized over the term of those liabilities.

- *Hedging Policies in the Futures Metal Markets*

  In accordance with the policies approved by the Board of Directors the Corporation entered into contracts in order to hedge future metal prices, backed by physical production, in order to minimize the inherent risks in price fluctuations.
  The hedging policies seek on the one hand to protect the expected cash flows from the sale of products by fixing the prices for a portion of future production, and on the other hand to adjust physical contracts to its commercial policy, when necessary.

  When the sales agreements are fulfilled and the future contracts are settled, income from the sales and futures operations are offset.

  The results of these hedging transactions are recorded at the settlement date of the hedging operations, as part of the sales revenue of the products.

Hedging operations carried out by the Company are not of a speculative nature.

- *Embedded Derivatives*

  The Corporation has established a procedure that allows evaluating the existence of embedded derivatives in financial and non-financial contracts. Where there is an embedded derivative, and if the host contract is not recorded at fair value, the procedure determines whether the characteristics and risks of the embedded derivative are not closely related to the host contract, in which case it requires a separate recording.

  The procedure consists in an initial characterization of each contract that allows to distinguish those in which an embedded derivative could exist. In such case, such contract is submitted to a more in-depth analysis. If as a result of this evaluation it is determined that the contract has an embedded derivative that needs to be recorded separately, it is valued and the movements in its fair value are recorded in comprehensive income in the consolidated financial statements.

s) Financial Information per Segment - For the purposes of IFRS 8, *Operating Segments* it has been defined that the segments are determined according to the Operating Divisions, adding Yacimiento Gabriela Mistral operation, which make up Codelco. Income and expenses of headquarters are distributed in the defined segments.

t) Presentation of Financial Statements - For the purposes of IAS 1, *Presentation of the Financial Statements*, the Corporation establishes the presentation of its statement of financial position classified in "current and non-current" and of its statements of income in conformity with the "by function" method and its cash flow through the direct method.

u) Current and Non-Current Financial Assets - The Corporation determines the classification of its investments upon initial recognition and reviews these at each closing date. This classification depends on the purpose for which such investments were acquired.

In this section the following categories are observed:

- *Financial Assets at Fair Value through Profit or Loss*:

  This category includes those financial assets acquired for trading or sale in the short term. Their initial and subsequent recognition is performed at fair value, which is obtained as of the observable date in the market. The gains and losses from the variations in the fair value are included in the net income for the period.

- *Loans Granted and Accounts Receivable*:

  These correspond to financial assets with fixed or determined payments, and which are not quoted in an active market. They arise when the Corporation provides - for valuable consideration - cash, goods or services directly to a debtor without the intention of negotiating the accounts receivable that is generated by the transaction. Its initial recognition is at fair value which includes the transaction costs that are directly attributed to the acquisition or issuance of it. Subsequent to the initial recognition these are stated at amortized cost, recognizing in the income statement the accrued interest according to the effective interest rate and the possible losses in the value of these assets.

  A loss in value of the financial assets stated at amortized cost is caused when there is objective evidence that the Corporation will not be able to recover all the amounts in accordance with the original terms.

  The amount of the loss in value is the difference between the carrying amount and the net present value of the future cash flows discounted at the effective interest rate and it is recognized as an expense in the income statement.

  If in subsequent periods there is evidence of a recovery in the value of the financial asset stated at amortized cost, the recognized impairment loss will be reversed as long as it does not generate an amount in the financial asset ledgers that exceeds the one recorded prior to the loss. The accounting of the reversal is recognized in net income for the period.

  Finally, an account receivable is not considered recoverable when there are situations such as the dissolution of the company, the lack of identifiable assets for its execution or a legal pronouncement.

- *Available-for-Sale Financial Assets*

  Financial assets available for sale are non-derivative financial assets designated specifically in this category, or not classified in any other category. They are included in non-current assets unless Management intends to dispose of the investment in the following 12 months after the date of the Statement of Financial Position.

v) Financial Liabilities - Financial liabilities are recognized initially at fair value, net of the incurred transaction costs. As the Corporation does not own financial liabilities held for trading, subsequent to their initial recognition, the financial liabilities are valued at amortized cost, using the method of the effective interest rate, recognizing the interest expenses based on the effective profitability.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the 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 when appropriate, a shorter period when the associated liability has a prepayment option that is considered to be exercised.

The trade accounts payable and other payables are financial liabilities that do not explicitly accrue interest and are recorded at their nominal value.

The financial liabilities are derecognized when the liabilities are paid or expire.

w) Provisions for Doubtful Debts - The Corporation maintains an provisions for doubtful debts, based on the experience and analysis of Management regarding the portfolio of trade debtors and the aging of the entries.

x) Intangible Assets - Intangible assets are recorded at the value of actual disbursements. Amortization, were appropriate, is recognized in accordance with IAS 38.

Intangible assets are amortized using the straight-line method over their economic useful life as follows:

Item	Minimum useful life	Maximum useful life
Other intangible assets	17 years	19 years

The internally generated computer systems using the Company's own human resources and materials are charged to net income in the period in which they are incurred.

y) Statement of Cash Flows - For the purposes of preparing the statement of cash flows, the Corporation has defined the following:

Cash and cash equivalents include cash on hand, time deposits in credit institutions and other short-term investments of great liquidity with an original maturity of three months from their acquisition date. In the statement of financial position the bank overdrafts are classified as external resources in current liabilities.

Operating Activities: These are the activities that constitute the main source of ordinary income of the Corporation, as well as other activities that cannot be classified as investment or financing activities.

Investing Activities: These correspond to activities of acquisition, sale or disposal through other methods of long-term assets and other investments not included in cash and cash equivalents.

Financing Activities: These are activities that cause changes in the size and composition of the net equity and of the financial liabilities.

z) Law No. 13,196 - The amount for this concept is presented in the statement of income in the item other expenses, by function.

aa) Cost of Sales - Cost of sales is determined according to the absorption cost method, including the direct and indirect costs, depreciation, amortization and any other expenses associated with the production process.

ab) Environment - The Corporation adheres to the principles of sustainable development, which combines the economic development while safekeeping the environment and the health and safety of its collaborators. The Corporation recognizes that these principles are key for the wellbeing of its collaborators, the care of its environment and to succeed 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 those with a maturity equal or inferior to twelve months and as non-current those with a greater maturity. Where there are obligations whose maturity is less than twelve months, but whose long-term refinancing is insured upon decision of the Company, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

ad) Reclasification- The figures of cost of sale and administrative expenses of consolidated statement of income of 2009 have been reclassified to be comparative with 2010 figures.

3. New Accounting Pronouncements

As of the issuance date of these consolidated financial statements, the following IFRS and IFRIC interpretations have been issued by the IASB, but it was not obligatory to apply them[1]:

New IFRS	**Mandatory application date**
IFRS 9, *Financial Instruments*	Annual periods beginning on or after January 1, 2013
Amendments to IFRS	**Mandatory application date**
IFRS 1 (Revised) - First Time Adoption of International Financial Reporting Standards- Removal of Fixed Dates for First-time Adopter - Severe Hyperinflation	Annual periods beginning on or after July 1, 2011
IAS 12 - Deferred Taxes - Recovery of Underlying Assets	Annual periods beginning on or after January 1, 2012
IAS 24, *Related Party Disclosures*	Annual periods beginning on or after January 1, 2011
IAS 32, *Classification of Rights Issue*	Annual periods beginning on or after February 1, 2010
IFRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets	Annual periods beginning on or after July 1, 2010
IFRS 9, Financial Instruments: Additions to IFRS 9 for Financial Liability Accounting	Annual periods beginning on or after January 1, 2013
Improvements to IFRS May 2010 - set of amendments to seven International Financial Reporting Standards	Annual periods beginning on or after January 1, 2011
New Interpretations	**Mandatory application date**
IFRIC 19, Extinguishing financial liabilities with equity instruments	Annual periods beginning on or after July 1, 2010
Amendments to Interpretations	**Mandatory application date**
IFRIC 14 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	Annual periods beginning on or after January 1, 2011

1 IAS, International Accounting Standards; IFRS, International Financial Reporting Standards; IFRIC, International Financial Reporting Interpretation Committee

The Management early applied the Amendment to IFRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets in these financial statements.

Notwithstanding the above, the Management believes that these standards, amendments and interpretations, will be adopted in the consolidated financial statements of the Corporation in the respective years, and that their adoption will not have a significant impact in the financial statements of Codelco in the year of their initial application.

III. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

1. First Time Adoption of IFRS

a) **Basis of Transition to IFRS** - Until December 31, 2009, Codelco Chile and subsidiaries prepared their financial statements in conformity with accounting principles generally accepted in Chile and standards and instructions issued by the Superintendency of Securities and Insurance.

As per the above stated, the Corporation established January 1, 2009 as its IFRS transition date, defining it as the period for the measurement of the effects of the first application.

Application of IFRS 1

The consolidated financial statements of the Corporation for the period ended December 31, 2009 are the first consolidated financial statements prepared in conformity with International Financial Reporting Standards (IFRS). The Corporation has applied IFRS 1 when preparing its consolidated financial statements.

In general, IFRS 1 requires the complete retrospective application of the standards and interpretations effective at the date of the first application. However, such standard allows certain exemptions to the retrospective application, in order to assist the companies with their transition process.

b) The Corporation has analyzed these exemptions and has applied the following:

- **Business Combinations** - The Corporation decided not to apply retrospectively IFRS 3, *Business Combinations*, maintaining the previous carrying amounts of the previous combinations.

- **Fair Value as Deemed Cost** - The Corporation measured certain items of property, plant and equipment existing at the transition date of IFRS at fair value and used that fair value as its deemed cost.

- **Exchange Rate Differences on Translation** - The Corporation considered that the cumulative translation differences will be deemed to be zero at the transition date. Hereby, all profit or loss from subsequent disposals due to these operations will exclude translation differences originated before the transition date.

- **Assets and Liabilities of Subsidiaries, Associates and Joint Ventures** - The subsidiaries, associates and joint ventures have adopted IFRS on the same date as the Corporation.

- **Changes in Existing Liabilities for Decommissioning and Restoration** - The Corporation has measured the decommissioning obligation - at the transition date - through the calculation of the net present value of the liability, using a discount interest rate that is representative of its indebtedness, correcting the accumulated depreciation.

  In relation to the restoration provision, this has been determined at the net present value of the liability at the transition date.

- **Leases** - The Corporation adopted the transitional provisions of IFRIC 4, *Determining whether an arrangement contains a lease* to determine whether the existing agreements and contracts at the transition date to IFRS, qualify as a lease based on the facts and circumstances at the transition date.

- **Borrowing Costs** - The Corporation adopted the criterion of capitalizing borrowing costs for work in progress, only for those works with a commencement date on or after January 1, 2009.

- **Financial Instruments** - The Corporation applies hedge accounting for its derivative instruments.

2. Reconciliations between Generally Accepted Accounting Principles in Chile ("Chilean GAAP") and International Financial Reporting Standards ("IFRS")

a) Reconciliation of the Consolidated Net Equity

	Equity	
	December 31, 2009	**January 1, 2009**
	ThUS$	ThUS$
Equity under Chilean GAAP	**5,308,585**	**3,875,692**
IFRS Transition Adjustments:		
(i) Exposure of derivatives on futures contracts	(2,315,792)	187,699
(ii) Exposure of derivatives on exchange rate swaps	(50,532)	(103,258)
(iii) Financial obligations at amortized cost	4,221	3,076
(iv) Fair value of property, plant and equipment as deemed cost	1,545,971	1,803,700
(v) Provision for transfer of net income to the public treasury	(503,738)	(84,671)
(vi) Criteria Changes Defined benefit obligations with employees	263,418	270,383
(vii) Special Purpose Entity incorporated on Consolidation	8,844	7,105
(viii) Closure provision	(57,213)	(3,529)
(ix) Effect of convergence to IFRS of subsidiaries and associates	(105,999)	(1,678)
(x) Impairment assets	(54,745)	(57,916)
(xi) Valuation of trade receivables at fair value through profit or loss	242,826	
(xii) Change of functional currency in subsidiaries	(6,108)	
(xiii) Capitalization of interest	2,343	
(xiv) Deferred tax effect	159,139	(1,335,288)
Non-controlling interests	2,007	2,951
Equity under IFRS	**4,443,227**	**4,564,266**

b) Reconciliation of Profit (Loss)

		Profit(loss) January 1, 2009 December 31, 2009 ThUS$
	Profit (loss) under Chilean GAAP	**1,261,718**
	IFRS Transition Adjustments:	
(i)	Exposure of derivatives on futures contracts	-
(iii)	Financial obligations at amortized cost	435
(iv)	Fair value of property, plant and equipment as deemed cost – Depreciation	(257,729)
(vi)	Criteria Changes Defined benefits obligations with employees	(45,137)
(vii)	Special Purpose Entity incorporated on Consolidation	796
(viii)	Closure provision	(53,684)
(ix)	Effect of convergence to IFRS of subsidiaries and associates	(16,003)
(x)	Impairment assets	3,170
(xi)	Valuation of trade receivables at fair value through profit or loss	263,105
(xiii)	Capitalization of interest	2,343
(xiv)	Deferred tax effect	17,212
(=)	Profit (loss) controlling	1,176,226
	Non-controlling interests	(2,035)
	Profit (loss) under IFRS	**1,174,191**
	Other Comprehensive net Income under IFRS	**(1,277,115)**
	Total Comprehensive net Income under IFRS	**(102,924)**

c) Explanations of the Main Differences

(i) Exposure of Derivatives on Futures Operations

Under Chilean GAAP, these futures contracts were designated as hedging instruments in a cash flow hedge. Codelco recorded the exposure to the derivatives in control accounts, and the change in the fair value of these operations was disclosed in the explanatory notes to the financial statements. Under IFRS, in a cash flow hedge the portion of the profit or loss on theonsedging instrument that is determined to be an effective hedge is recognized in equity.

The IFRS adjustment in profit or loss corresponds to the portion of the change in the time value of the option contracts that was designated as a hedging instrument.

(ii) Exposure of Derivatives on Exchange Rate Swaps

The adjustment in net equity corresponds to the same GAAP difference as for the exposure of derivatives on futures operations.

(iii) Financial Obligations at Amortized Cost

Under Chilean GAAP, Codelco recognized in profit or loss the expenses for bank loans and recognized in assets or liabilities the premiums, discounts and costs of transactions related to the issuance of bonds and whose effect in profit or loss was recognized amortizing these according to the straight-line method over the period of the respective obligations. Under IFRS, this methodology is modified amortizing the expenses under the amortized cost method, based on the effective rate of the obligation.

(iv) Fair Value of Property, Plant and Equipment as Deemed Cost

Codelco, making use of the exemption of IFRS 1, has restated certain items of property, plant and equipment based on a methodology of determining the fair value applied by independent advisors. Useful lives associated to certain assets, based on technical and economic criteria were also redefined from such study.

The effect in net equity arises from the increase in the value of the asset, net of deferred taxes, while the effect in profit (loss) is generated by a higher depreciation associated to the amount added to the asset.

(v) Provision for the Transfer of net income for the public treasury

According to Article 6 of D.L. 1,350, the revenues generated by the Corporation belong to the State and, prior to discounting the authorized amounts - through the procedure indicated in such article - for the capitalization and reserve funds, they shall be incorporated to the general revenues of the State. Only at this point, as per Chilean GAAP, the corresponding amount was included in the financial statements. The application of IFRS determines the need to accrue a provision for the amounts transferred to the State, in the financial statements corresponding to the year in which the revenues to be transferred were generated.

(vi) Criteria Changes Defined Benefits Obligations with Employees

The obligations of the Corporation with its employees for the concept of severance payments were recorded, under Chilean GAAP, at their current value, that is, based on the final remuneration of the employee, multiplied by his service years. According to IFRS, these provisions are calculated at net present value discounted at a discount rate

based on a representative indebtedness rate, adding the use of certain actuarial assumptions, such as the retirement rates, mortality, turnover, etc.

Its equity effects are derived from a decrease in the provision associated with these obligations, generated by the application of the financial discount, while the effect on profit or loss is caused by the impact on costs of sales, financial expenses and exchange rate differences.

(vii) Special Purpose Entity Incorporated on Consolidation

According to the evaluation performed by the Corporation from the point of view of the application of SIC 12, Fundación de Salud El Teniente (FUSAT) meets the conditions to qualify as a Special Purpose Entity.

The consolidation of this entity implies that its net equity has to be added to the net equity of the Corporation. The effect on profit or loss is given by the consolidation of its profit (loss) in the results of Codelco.

(viii) Closure provision

The dismantling costs of assets, that are part of the provision made by Codelco according to Chilean GAAP for the concepts of closing mining sites, dams and other closure expenses, were charged directly in profit or loss for the year in which such a provision was generated. Due to the application of IFRS, some of these costs have to be charged to the value of the assets over which such disbursements were applied.

The impact on equity arises from the correction of the effect recorded in profit or loss of prior years, in which the total cost was charged under Chilean GAAP and which according to IFRS is deferred according to the depreciation of the assets to be dismantled, net of other effects associated with the calculation of this provision in accordance with IAS 37.

(ix) Effect of Convergence to IFRS of Subsidiaries and Associates

Each subsidiary and associate performed its convergence process to IFRS, in which impacts of different nature were generated. The effects of these impacts were transferred both to the consolidated net equity, as well as to the profit (loss) of Codelco.

(x) Impairment of Assets

At the date of transition to IFRS, the Corporation performed an asset impairment tests in accordance with IAS 36. Such tests concluded that the recoverable amounts of the assets for the Cash Generating Unit "División Ventanas" were lower than the carrying amounts of the assets of such unit. Consequently, the adjustments recorded as a result of were mainly the total write-off of the goodwill recognized in the Corporation's assets, which were previous the transition to IFRS and generated by the acquisition of Fundición Las Ventanas in 2005, in addition to the partial decrease in items of Property, Plant and Equipment of the aforementioned CGU, and the related negative effect on equity. At the Statement of Income by Function level, the effect of this adjustment was reversing the depreciation charges of the impaired assets in their corresponding proportion.

(xi) Valuation of Trade Receivables at Fair Value through Profit or Loss

When applying Chilean GAAP, the estimations of lower sales revenues, in open operations at year-end, were accrued with direct effect on profit or loss, according to the available information at the preparation date of the financial statements and are presented deducting the balance of the trade debtors. As per IFRS, both the estimations of lower and higher revenues are recognized directly in profit or loss.

(xii) Change of Functional Currency in the Subsidiaries

Some subsidiaries have changed their functional currency according to IAS 21, adopting the functional currency of Codelco (US dollar). Because under Chilean GAAP these companies continued to be valued in Chilean pesos, the effects of the adjustments to the change that were recorded in equity during year-end 2009, have to be reversed for the purposes of the application of IFRS.

(xiii) Capitalization of Interest

According to IFRS, there are financial costs that are directly related to the acquisition, construction or production of qualifying assets and, therefore, they need to be capitalized as a cost of such assets. According to this treatment, the Corporation has identified those qualifying assets and the directly related financing costs that must be capitalized.

In this context, the effect on equity is caused by a lower expense recognized in profit or loss for the capitalization of interest, treatment that was optional under Chilean GAAP.

(xiv) Effect of Deferred Taxes

The net deferred taxes generated by the IFRS adjustments subject to the tax rates are included.

d) Reconciliation of Cash Flows

	12-31-2009		
	Chilean GAAP ThUs$	**IFRS transition adjustments and reclassifications (*)** ThUs$	**IFRS** ThUs$
a) Net cash flows from operating activities	2,998,783	275,523	3,274,306
b) Net cash flows from (used in) investing activities	(1,831,089)	112,649	(1,718,440)
c) Net cash flows used in financing activities	(924,640)	(251,347)	(1,175,987)
d) Net increase (decrease) in cash and cash equivalents	243,054	136,825	379,879
f) Cash and cash equivalents at beginnning of period	386,965	6,232	393,197
e) Cash and cash equivalents at end of period	630,019	143,057	773,076

(*) Reclassifications of resale agreements and incorporation of Fundación de Salud el Teniente to the Consolidation of the Cash Flows.

IV. EXPLANATORY NOTES

1. Cash and Cash Equivalents

The detail of cash and cash equivalents is as follows:

	December 31, 2010 ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Cash on hand	3,319	4,158	3,996
Bank balances	17,012	19,889	23,441
Time deposits	741,579	575,660	352,929
Mutual funds	61,855	16,454	9,414
Resale agreements	50,274	156,915	3,417
Total cash and cash equivalents	874,039	773,076	393,197

Time deposits have a maturity of 90 days or less from their date of acquisition and they are valued at cost plus interest at their corresponding interest rate.

2. Trade and Other Receivables

a) Provisions for Open Sales Invoices

As mentioned in Article of Summary of Significant Accounting Policies, the Corporation adjusts its revenues and balances from trade debtors, based on future copper prices, by recording a provision for open sales invoices.

When the future price of copper is lower than the provisional invoice amount, this provision is presented in the Statement of Financial Position as follows:

- Customers that have debt balances with the Corporation are presented in Current Assets, decreasing the amounts owed by these customers.

- Customers that do not have debt balances with the Corporation are presented in the item Trade and other payables of Current Liabilities.

When the future copper price is higher than the provisional invoice price, the provision is presented in current assets increasing the amounts owed by customers.

As per the above, the amounts are:

Classification of the provision of open invoices	**Debit (credit) balance**		
	December 31, 2010	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Current assets	406,837	267,014	(95,225)
Current liabilities	-	-	(194,523)

b) Trade and Other Receivables

The following chart shows the amounts of Trade and other receivables, with their corresponding provisions:

Trade and other receivables, current	Current			Non-Current		
	December 31, 2010	December 31, 2009	January 1, 2009	December 31, 2010	December 31, 2009	January 1, 2009
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables	2,349,685	1,724,304	504,929	-	-	-
Provision for bad and doubtful debts	(2,343)	(2,159)	(2,104)	-	-	-
Subtotal trade receivables, net	2,347,342	1,722,145	502,825			
Other receivables	370,878	344,684	338,945	198,785	198,102	149,234
Provision for bad and doubtful debts	(4,214)	(4,803)	(6,403)	-	-	-
Subtotal other receivables, net	366,664	339,881	332,542	198,785	198,102	149,234
Total	2,714,006	2,062,026	835,367	198,785	198,102	149,234

(1) Trade debtors are generated by the sale of products of the Corporation, which in general are sold for cash or through bank documents:

(2) Other receivables include the amounts owed mainly by:

- Personnel of the Corporation, including short-term loans and mortgage loans, both discounted on a monthly basis from their remunerations. The mortgage loans are backed by mortgage guarantees.
- Claims for insurance companies.
- Liquidations to the Central Bank as per Law 13,196.
- Advance payments to suppliers and contractors, to be discounted from the corresponding payment statements.
- Accounts receivable for toll services (Fundición Ventanas).

(3) The Corporation maintains an provision for doubtful debts, based on the experience and analysis of Management regarding the portfolio of trade debtors and the aging of the entries.

The movement of the provision for doubtful accounts in the periods January to December 2010 and 2009 is as follows:

Movements of the bad debts provision	December 31, 2010	December 31, 2009
	ThUS$	ThUS$
Opening balance	6,962	8,507
Increases	184	55
Write-offs / applications	589	1,600
Movement, subtotal	(405)	(1,545)
Final balance	6,557	6,962

Details of past due and not provided balances are as follows:

	December 31, 2010	December 31, 2009	January 1, 2009
	ThUS$	ThUS$	ThUS$
Less than 90 days	18,814	33,672	101,498
Between 90 days and 1 year	378	4,575	877
More than 1 year	3,572	3,275	5,535
Total past-due and not impaired	22,764	41,522	107,910

3. Balances and Transactions with Related Companies

a) Related Operations through Persons

The Board of Directors of the Corporation has established the policy that governs transactions with persons and companies related to Codelco personnel, which has been regulated by Management, since December 1, 1995, through Corporate Regulation No.18 and its corresponding administrative procedures.

Accordingly, Codelco cannot enter into agreements or acts in which one or more Directors, its Executive President, members of the Divisional Board of Directors, Vice Presidents, Corporate Auditor, Divisional General Managers and senior supervisory personnel, including their spouses, children and other relatives, up to the second degree of blood relationship, have direct personal interests, whether they are represented by third parties or they act as representatives of another person, without prior authorization as set forth in the aforementioned policy and Regulation, and by the Board of Directors, when required by Law or the Company's By-Laws.

This prohibition also includes the companies in which such individuals are involved through ownership or management, whether directly or through representation of other natural persons or legal entities, or individuals who have ownership or management in those companies.

Without affecting to the above, the internal regulatory framework included in Corporate Regulation No. 18, is adjusted by the provisions of Title XVI of the Law on Corporations - of the operations with related parties in publicly traded companies and their subsidiaries - and in particular, to the final section of Article 147 b), which establishes exemption standards regarding operations with related parties, that are made according to general habitual policies determined by the Board of the Corporation. The Corporation has established a general policy in this regard, adhering to the final section of Article 147 b) which establishes the operations that are habitual, and it is understood that these are those performed habitually with its related parties within its line of business, that contribute to a social interest and that are necessary for the normal development of the activities of Codelco and its subsidiaries.

For purposes of this regulation, second and third hierarchical level positions in the Divisions, and Managers and Assistant Managers in the heardquarters are considered as senior supervisory positions.

The Board of the Corporation is aware of the transactions regulated by the Corporate Regulation No. 18, on which according to this standard, it has to make a statement. Among these operations are those indicated in the following chart, for the total amounts indicated, which need to be executed in the periods specified by each contract.

Transactions related through persons								
					1-1-2010 / 12-31-2010		1-1-2009 / 12-31-2009	
Company	Taxpayer number	Country	Nature of the relationship	Description of the transaction	Amount	Effects on net Income (charges)/ credits	Amount	Effects on net Income (charges)/ credits
					ThU$	ThU$	ThU$	ThU$
Industrial Support Company Ltda.	77.276.280-1	Chile	Executive's relative	Services	-	-	3,432	(3,432)
CMS Tecnologia S.A.	96.893.530-5	Chile	Associate	Services	-	-	7,913	(7,913)
Inst. de Innovacion en Min. y Metal S.A.	96.854.500-0	Chile	Subsidiary	Services	-	-	39,500	(39,500)
Quadrem Chile Ltda	77.546.140-3	Chile	Related	Services	2,034	(2,034)	225	(225)
R & Q Ingenieria S.A.	84.865.000-5	Chile	Executive's relative	Services	-	-	4,879	(4,879)
Juan Patricio Alvear Arriagada	7.828.426-9	Chile	Executive's relative	Services	-	-	60	(60)
Ingeniería Insitu S.A.	96.796.630-4	Chile	Executive's relative	Services	-	-	299	(299)
Domingo Iraola Vera	2.320.212-3	Chile	Executive's relative	Services	59	(59)	3,150	(3,150)
Compañía de Petróleos de Chile S.A.	99.520.000-7	Chile	Director's ownership	Purchase of supplies	-	-	248	(248)
Prodalam S.A.	93.772.000-9	Chile	Director's ownership	Services	-	-	1,790	(1,790)
Prodinsa S.A.	92.698.000-9	Chile	Director's ownership	Services	-	-	1,303	(1,303)
CIS Ingenieros y Asociados	88.422.600-7	Chile	Director's ownership	Services	170	(170)	-	-
Mining Industry Robotic Solutions S.A.	76.869.100-2	Chile	Investee	Services	-	-	1,073	(1,073)
Sociedad Contractual Minera El Abra	96.701.340-4	Chile	Investee	Services	8	(8)	-	-
Petricio Industrial S.A.	96.799.310-7	Chile	Executive's relative	Services	-	-	223	(223)
Ernst &Young Ltda.	77.802.430-6	Chile	Executive's relative	Services	2,489	(2,489)	-	-
Club de Deportes Cobresal	70.658.400-5	Chile	Club president's employee	Services	340	(340)	-	-
Servicios Aridam S.A.	76.033.531-2	Chile	Executive's relative	Services	192	(192)	-	-
CAID S.A.	76.069.751-6	Chile	Executive's relative	Services	771	(771)	-	-
B. BOSCH S.A.	84.716.400-K	Chile	Executive's relative	Services	473	(473)	-	-
Irene Astudillo Fernández	8.972.584-4	Chile	Executive's relative	Services	74	(74)	-	-
Entel S.A.	92.580.000-7	Chile	Executive's relative	Services	70	(70)	-	-
Ecometales Ltd.	59.097.530-9	Chile	Subsidiary	Services	27,735	(27,735)	14,199	(14,199)
Clinica San Lorenzo Limitada	88.497.100-4	Chile	Subsidiary	Services	1,841	(1,841)	-	-
San Lorenzo Institución de Salud Previsional Ltda.	76.521.250-2	Chile	Subsidiary	Services	1,353	(1,353)	-	-
SKM Minmetals Ltda.	76.334.600-5	Chile	Executive's relative	Services	-	-	7,236	(7,236)
Exploraciones Mineras Andina S.A.	99.569.520-0	Chile	Subsidiary	Services	-	-	44,700	(44,700)
Mining Information Communications and Monitoring S.A.	76.561.210-1	Chile	Subsidiary	Services	25	(25)	-	-
Biosigma S.A.	96.991.180-9	Chile	Subsidiary	Services	12,000	(12,000)	-	-
Minera Gaby S.A.	76.685.790-6	Chile	Subsidiary	Services	464,280	(464,280)	-	-
Sinclair Knight Merz (Chile) Ltda.	76.334.600-5	Chile	Executive's relative	Services	9,223	(9,223)	-	-

b) Key Personnel of the Corporation

In accordance with the policy established by the Board of Directors and its related regulation, those transactions affecting the Directors, its Executive President, Vice presidents, Corporate Auditor, the members of the Divisional Boards of Directors and Divisional General Managers should be approved by this Board.

During 2010 and 2009, the members of the Board of Directors have received the following amounts as per diems, remunerations and fees:

Name	ID number	Country	Nature of the relationship	Description of the transaction	01-01-2010 / 12-31-2010		01-01-2009 / 12-31-2009	
					Amount	Effects on income (charges)/ credits	Amount	Effects on net income (charges)/ credits
					ThUS$	ThUS$	ThUS$	ThUS$
Santiago González Larraín	6.499.284-8	Chile	Chairman of the Board of Directors	Director's fees	4	(4)	19	(19)
Andrés Velasco Brañes	6.973.692-0	Chile	Director	Director's fees	4	(4)	19	(19)
Nicolás Majluf Sapag	4.940.618-5	Chile	Director	Director's fees	45	(45)	59	(59)
Nicolás Majluf Sapag	4.940.618-5	Chile	Director	Fees	-	-	27	(27)
Jorge Bande Bruck	5.899.738-2	Chile	Director	Director's fees	90	(90)	59	(59)
Jorge Bande Bruck	5.899.738-2	Chile	Director	Fees	-	-	27	(27)
Jorge Candia Díaz	8.544.205-8	Chile	Director	Compensations	-	-	86	(86)
Jorge Candia Díaz	8.544.205-8	Chile	Director	Dieta Directorio	11	(11)	59	(59)
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Remuneraciones	72	(72)	34	(34)
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Director's fees	70	(70)	59	(59)
Gustavo González Jure	6.866.126-9	Chile	Director	Director's fees	11	(11)	59	(59)
Alberto Arenas de Mesa	8.718.414-5	Chile	Director	Director's fees	18	(18)	-	-
Jaime Gutiérrez Castillo	6.772.588-3	Chile	Director	Compensations	80	(80)	-	-
Jaime Gutiérrez Castillo	6.772.588-3	Chile	Director	Director's fees	59	(59)	-	-
Andrés Sanfuentes Vergara	4.135.157-8	Chile	Director	Director's fees	18	(18)	-	-
Gerardo Jofré Miranda	5.672.444-3	Chile	Director	Director's fees	115	(115)	-	-
Marcos Büchi Buc	7.383.017-6	Chile	Chairman of the Board of Directors	Director's fees	70	(70)	-	-
Fernando Porcile Valenzuela	4.027.183-K	Chile	Director	Director's fees	48	(48)	-	-
Andrés Tagle Dominguez	5.895.255-9	Chile	Director	Director's fees	48	(48)	-	-
Marcos Lima Aravena	5.119.963-4	Chile	Director	Director's fees	79	(79)	-	-
Juan Luis Ossa Bulnes	3.638.915-K	Chile	Director	Director's fees	48	(48)	-	-

Through Supreme Decree of the Treasury Department No. 257, dated March 3, 2010, the method for determining the remunerations of the directors of the Corporation was established. This document details the calculation method of such remunerations, as per the following:

a. The monthly remuneration of the directors of Codelco is fixed in the amount of Ch$3,000,000 - (three million Chilean pesos) for participating in the Board meetings.

b. A unique monthly remuneration of Ch$6,000,000 - (six million Chilean pesos) is established for the Chairman of the Board.

c. In the case of the directors that shall participate in a Board Committee, whether the one referred to in Article 50 bis) of law No. 18,046 or another established by the by-laws of the Corporation, they shall receive a single additional monthly amount of Ch$1,000,000 - (one million Chilean pesos) for their participation, notwithstanding the number of committees in which they participate. In addition, the director holding the chair of the Directors' Committee shall receive a single monthly remuneration for his participation in committees of Ch$2,000,000 - (two million Chilean pesos).

d. The remunerations established in this legal document will be valid for a period of two years, as of March 1, 2010, and will be adjusted as of January 10, 2011, according to the same provisions that govern the general remuneration adjustment of the employees of the Public Sector of the Republic of Chile.

The short-term benefits related to the main executives of the Corporation, paid during the period January - December 2010, amount to ThUS$6,658 (2009: ThUS$5,718).

The non-current benefits paid during the period January - December 2010 amount to ThUS$547 (2009: ThUS$234).

The criteria to determine the remunerations of the executives were established by the Board on January 29, 2003. The current text of the policy, updated in the remunerations committee of the Board dated March 2, 2004, is the following:

i. The fixed remuneration will be equal to the fixed remuneration corresponding to 50% of the fixed component of the remuneration of the position in the market of reference, with a range of approximately 15%.

ii. The non-guaranteed performance bonus will have an annual value that will fluctuate depending on the goal compliance and the individual performance between zero and three fixed monthly remunerations. In addition two limitations are established: first, that the annual surplus of the Corporation shall be higher than 20% of its equity (capital plus reserves), and, second, that the total bonuses shall not exceed 2.4 times the amount added to the monthly base remuneration of these executives.

iii. The total remuneration, that is to say, the sum of the guaranteed fixed remuneration plus the possible performance bonus, shall not exceed the total remuneration corresponding to the 75 percentile of this position in the market of reference.

None of the main executives of Codelco received severance payments as of December 31, 2009 and 2010.

c) Operations with Codelco Investees

In addition, the Corporation performs necessary commercial and financial transactions with entities in which it has capital ownership. The financial transactions correspond mainly to loans in checking accounts.

The commercial operations with related companies refer to the purchase and sale of products or services, at market conditions and prices and which do not consider interests or indexation. These companies are the following: Sociedad GNL Mejillones S.A., Sociedad Contractual Minera Sierra Mariposa, Copper Partners Investment Company Ltd., Sociedad Contractual Minera Purén, Kairos Mining S.A., MI Robotic Solutions S.A., Inversiones Tocopilla Ltda., Sociedad Contractual Minera El Abra, Electroandina S.A., Agua de La Falda S.A., CMS Tecnología S.A., Ecosea Farming S.A., Comotech S.A., Inversiones Mejillones S.A., E-CL S.A., Inversiones Tocopilla 2A S.A., Inversiones Tocopilla 2B S.A., Inversiones Mejillones 1 S.A., Inversiones Mejillones 2 S.A. and Deutsche Geissdraht GmbH, Quadrem Chile Ltda. And Suez Energy Andino S.A.

The Corporation does not establish provisions for doubtful accounts for the main items receivable from their related companies, as these have been registered by including the relevant safeguards in the respective debt contracts.

The detail of the accounts receivable from and payable to related companies as of December 31, 2010, December 31, 2009 and January 1, 2009, is presented in the following tables:

Due from related companies

Taxpayer number	Name	Home country	Nature of the relationship	Indexation currency	Current			Non-Current		
					December 31, 2010	December 31, 2009	January 1, 2009	December 31, 2010	December 31, 2009	January 1, 2009
					ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
96.731.500-1	Electroandina S.A.	Chile	Associate	USD	-	-	101,743	-	-	-
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	52,655	30,241	14	104,672	170,278	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	1,217	5,842	2,746	-		
Foreign	Copper Partners Invest. Company Ltd.	Bermudas	Joint Venture	USD	100,121	123,238	9,708	-	61,633	-
88.006.900-4	E-CL S.A.	Chile	Associate	USD	2,453	412	-	-	126,124	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	USD	-	-	-	224	224	224
96.893.530-5	CMS Tecnologia S.A.	Chile	Associate	CLP	-	-	1,275	-	-	-
96.885.200-0	Suez Energy Andino S.A.	Chile	Partner	CLP	-	69,387	-	-	-	
76.024.442-2	Ecosea Farming S.A.	Chile	Associate	CLP	64	59	208	-	-	-
76.009.778-0	Comotech S.A.	Chile	Associate	CLP	165	-	-	-	-	
76.082.774-6	Inversiones Tocopilla 2B S.A.	Chile	Associate	CLP	-	2	-	-	-	-
76.869.100-2	Mining Industry Robotic Solutions S.A.	Chile	Associate	CLP	1,279	-	-	-	-	-
Total					157,954	229,181	115,694	104,896	358,259	224

Due to related companies

Taxpayer number	Name	Home country	Nature of the relationship	Indexation currency	Current			Non-Current		
					December 31, 2010	December 31, 2009	January 1, 2009	December 31, 2010	December 31, 2009	January 1, 2009
					ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Foreign	Copper Partners Investment Company Ltd.	Bermudas	Joint Venture	USD	36,666	36,667	49,162	345,324	381,975	418,938
Foreign	Deutsche Geissdraht GmbH	Alemania	Associate	EURO	2,081	1,319	2,542	-		
76.781.030-K	Kairos Mining S.A.	Chile	Associate	CLP	13,845	10,642	-	-	-	-
76.869.100-2	Mining Industry Robotic Solutions S.A.	Chile	Associate	CLP	-	848	115	-	-	-
77.546.140-3	Quadrem Chile Ltda.	Chile	Other investment	CLP	66	241	-	-	-	-
88.006.900-4	E-CL S.A.	Chile	Associate	USD	53,091	93,476	-	3,880	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	50,670	42,732	16,692	-	-	-
96.731.500-1	Electroandina S.A.	Chile	Associate	USD	-		57,888	-	6,792	11,030
96.893.530-5	CMS Tecnologia S.A.	Chile	Associate	CLP	-	-	830	-	-	-
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	15,146	-	-	-	-	-
Total					171,565	185,925	127,229	349,204	388,767	429,968

The transactions performed between the Corporation and its related entities during the periods January - December 2010 and 2009, are detailed in the next chart together with their corresponding effects on profit or loss of such periods:

Taxpayer number	Company	Description of the transaction	December 31, 2010		December 31, 2009	
			Amount	Effects on income (charges) /credits	Amount	Effects on income (charges) /credits
			ThUS$	ThUS$	ThUS$	ThUS$
Foreign	Copper Partners Investment Co. Ltd.	Sale of products	143,902	143,902	153,496	153,496
Foreign	Copper Partners Investment Co. Ltd.	Capital reduction	-	-	44,805	-
76.024.442-2	Ecosea Farming S.A.	Capital contribution	-	-	-	-
76.082.152-7	Inversiones Mejillones 3 S.A.	Sale of shares	-	-	32	-
76.708.710-1	Central Termoeléctrica Andina S.A.	Loan	-	-	13,392	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Capital contribution	-	-	67,500	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Capital decrease	-	-	200,500	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Loan	157,322	-	200,500	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Purchase of energy	105,658	(105,658)	-	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Expense reimbursement	5	-	1,646	-
76.781.030-K	Kairos Mining S.A.	Purchase of services	14,345	(14,345)	17,185	(17,185)
76.869.100-2	Mining Industry Robotic Solutions S.A.	Capital contribution	-	-	200	-
76.869.100-2	Mining Industry Robotic Solutions S.A.	Purchase of services	1,448	(1,448)	2,656	(2,656)
78.835.420-7	Inversiones Tocopilla Ltda.	Dividends received	-	-	12,831	-
78.835.420-7	Inversiones Tocopilla Uno S.A.	Capital contribution	-	-	171,486	-
78.835.420-7	Inversiones Tocopilla Uno S.A.	Capital contribution	-	-	19,920	-
78.835.420-7	Inversiones Tocopilla Uno S.A.	Dividends received	-	-	34,973	-
88.006.900-4	E-CL S.A.	Promissory note	-	-	19,920	-
88.006.900-4	E-CL S.A.	Loan	-	-	113,144	-
96.701.340-4	SCM El Abra	Purchase of products	447,027	(447,027)	373,861	(373,861)
96.701.340-4	SCM El Abra	Dividends received	147,000	-	-	-
96.701.340-4	SCM El Abra	Sale of products	28,179	28,179	54,776	54,776
96.701.340-4	SCM El Abra	Purchase of services	1,607	(1,607)	4,138	(4,138)
96.701.340-4	SCM El Abra	Commissions received	145	145	166	166
88.006.900-4	E-CL S.A.	Interest and commissons	-	-	3,472	3,472
88.006.900-4	E-CL S.A.	Purchase of energy	466,955	(466,955)	509,438	(509,438)
88.006.900-4	E-CL S.A.	M&O services	1,007	(1,007)	614	(614)
88.006.900-4	E-CL S.A.	Loan	130,627	-	53,400	-
88.006.900-4	E-CL S.A.	Dividends received	32,040	-	-	-
96.782.220-5	Suez Energy Andino S.A.	Acquisition of centra share	-	-	21,695	-
96.782.220-5	Suez Energy Andino S.A.	Acquisition of rights	-	-	30,416	-
96.782.220-5	Suez Energy Andino S.A.	Sale of share of inversiones	-	-	172,500	39,940
88.006.900-4	E-CL S.A.	Purchase of services	-	-	986	(986)
88.006.900-4	E-CL S.A.	Gas supply	-	-	4,910	(4,910)
99.990.660-0	Inversiones Mejillones S.A.	Dividends received	-	-	13,976	-

d) Additional Information

The current and non-current account payable to the company Copper Partners Investment Company Ltd., corresponds to the balance of an advance payment received (US$550 million) due to the commercial agreement with the company Minmetals.

4. Inventories

The inventories at December 31, 2010, December 31, 2009 and January 1, 2009 are detailed as follows:

	December 31, 2010	December 31, 2009	January 1, 2009
	ThUS$	ThUS$	ThUS$
Finished products	418,394	315,838	384,232
Subtotal finished products, net	**418,394**	**315,838**	**384,232**
Products in process	1,055,664	908,764	891,454
Subtotal products in process, net	**1,055,664**	**908,764**	**891,454**
Materials in warehouse and others	381,932	318,011	360,356
Obsolescence provision adjustment	(73,484)	(70,837)	(89,444)
Subtotal products in process, net	**308,448**	**247,174**	**270,912**
Total inventories	**1,782,506**	**1,471,776**	**1,546,598**

The value of the finished products is stated net of an unrealized profit corresponding to the purchase and sale operations of associates and subsidiaries, and which according to accounting standards need to be discounted from the entries that originated them.

The inventories recognized as an expense in the costs of sales during the years ended December 31, 2010 and 2009, correspond to finished products and amount to ThUS$8,777,024 and ThUS$5,326,908, respectively.

Codelco has not written off inventories that have been recognized in the Statement of Income by function.

5. Deferred Taxes and Income Taxes

This provision is stated in the item Current Tax Liabilities, in current liabilities, net of monthly provisional tax payments and other tax credits (Note 6).

In accordance with the Law 20,455 on Reconstruction due to the earthquake, the income tax rates were changed for tax years 2012 and 2013. The current tax rate will temporarily increase from 17% to 20% and 18.5%, respectively.

The effect of such tax rate change resulted in recognizing a deferred tax asset crediting net income for ThUS$22,735. The deferred taxes that will be reversed in tax years 2012 and 2013 (fiscal years 2011 and 2012), amount to ThUS$17,379 and ThUS$5,356, respectively.

In accordance with the Law 20,469 on the Specific Mining Activity Tax, that changes the current income tax rate (5%) to be applied from tax year 2012 onwards, the Company has estimated a tax rate of 5.68% for that tax year.

The following table shows the detail of the deferred tax assets and liabilities:

Deferred tax assets:	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Provisions	671,737	513,489	655,626
Unrealized gains	49,246	51,885	60,703
Financial lease	18,862	13,855	8,693
Specific Mining tax	7,452	-	-
Derivatives - futures	1,232,505	1,320,002	-
Advances from clients	217,734	238,626	259,522
Derivatives interest rate swaps	52,740	28,803	58,857
Health care plans	20,081	7,641	5,333
Others	31,754	73,226	30,534
Total deferred tax assets	2,302,111	2,247,527	1,079,268

Deferred tax liabilities:	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Financial liabilities under effective interest rate	8,000	8,378	7,899
Derivatives exchange rate swaps	-	-	-
Specific Mining tax	-	30,792	25,898
Price-level restatement of property, plant and equipment (first application of IFRS)	832,594	881,203	1,028,109
Valuation of severance indemnity	200,568	172,119	159,986
Accelerated depreciation	1,915,741	1,735,279	1,584,453
Derivatives - futures	-	-	106,678
Provisions	46,808	134,177	56
Others	9,782	7,996	27,124
Total deferred tax liabilities	3,013,493	2,969,944	2,940,203

The effect of deferred taxes affecting equity is summarized as follows:

Deferred taxes affecting equity	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Cash flow hedge	(63,560)	1,394,332	37,651
Total deferred taxes affecting equity	(63,560)	1,394,332	37,651

The following table shows the reconciliation of taxes considering the legal tax rate and the calculation of the taxes actually paid:

	December 31, 2010				
	Taxable base 17%	**Taxable base 40%**	**Tax rate 17%**	**Additional tax rate 40%**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Profit before taxes	4,487,922	4,487,922	762,947	1,795,169	2,558,116
Permanent differences 17%	(588,768)	-	(100,091)	-	(100,091)
Permanent differences 40%	-	(290,069)	-	(116,028)	(116,028)
Income from corporations and others	(72,774)	(72,774)	(12,372)	(29,110)	(41,482)
Income from contractual companies	(234,402)	-	(39,848)	-	(39,848)
Income from Isapres (Private Health Insurance Companies)	(2,174)	-	(370)	-	(370)
Translation exchange differences	826	826	140	330	471
Specific mining tax	(304,652)	(304,652)	(51,791)	(121,861)	(173,652)
Dividends receivable	-	106,244	-	42,498	42,498
Others	24,408	(19,713)	4,149	(7,885)	(3,736)
Specific mining tax net of deferred tax	-	-	-	-	291,039
Effect of subsidiaries	-	-	-	-	(21,435)
Total tax expense			662,856	1,679,141	2,611,601

	December 31, 2009				
	Taxable base 17%	**Taxable base 40%**	**Tax rate 17%**	**Additional tax rate 40%**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Profit before taxes	2,881,765	2,987,834	489,900	1,195,134	1,685,034
Permanent differences 17%	(265,421)	-	(45,122)	-	(45,122)
Permanent differences 40%	-	(3,629)	-	(1,452)	(1,452)
Income from corporations and others	(140,640)	(246,709)	(23,909)	(98,684)	(122,593)
Income from contractual companies	(192,286)	-	(32,689)	-	(32,689)
Income from Isapres	468	-	80	-	80
Translation exchange differences	8,534	8,534	1,451	3,414	4,865
Specific mining tax	(169,763)	(169,763)	(28,860)	(67,905)	(96,765)
Dividends receivable	-	170,495	-	68,198	68,198
Others	228,266	228,266	38,805	91,306	130,111
Specific mining tax net of deferred tax	-	-	-	-	173,987
Effect of subsidiaries	-	-	-	-	3,415
Total tax expense			444,778	1,191,463	1,813,643

6. Current Tax Assets and Liabilities

a) Current Tax Assets

This item shows the right to collect VAT fiscal credit, income taxes and other taxes receivable, and is detailed as follows:

	December 31, 2010	December 31, 2009	January 1, 2009
	ThUS$	ThUS$	ThUS$
VAT fiscal credit	153,347	123,334	83,763
Other taxes	5,153	4,308	4,708
Income tax	35,726	20,224	348,483
Total	194,226	147,866	436,954

b) Current Tax liabilities

This item shows the income tax liabilities, net of monthly provisional payments:

	December 31, 2010	December 31, 2009	January 1, 2009
	ThUS$	ThUS$	ThUS$
Income tax payable	307,952	63,636	4,628

7. Property, Plant and Equipment

a) The balances of Property, plant and equipment at December 31, 2010 comparative with December 31, 2009 and January 1, 2009, are as follows:

Property, plant and equipment, gross	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Construction in progress	2,756,793	2,492,101	1,361,417
Land	108,087	106,924	94,650
Buildings	3,163,952	3,105,730	3,074,943
Plant and equipment	9,767,914	8,955,969	8,744,234
Fixtures and fittings	35,600	31,770	32,086
Motor vehicles	1,106,413	1,097,051	976,108
Land improvements	3,067,271	2,772,167	2,671,457
Mining operations	2,670,080	2,570,495	2,196,619
Mine development	737,544	659,615	659,559
Other assets	735,895	672,157	676,821
Total property, plant and equipment, gross	24,149,549	22,463,979	20,487,894

Property, plant and equipment, accumulated depreciation	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Buildings	1,905,162	1,915,566	1,794,303
Plant and equipment	5,407,138	4,927,764	4,298,190
Fixtures and fittings	24,123	25,612	24,748
Motor vehicles	643,353	643,164	551,174
Land improvements	1,820,174	1,748,969	1,653,993
Mining operations	1,305,938	1,414,156	1,097,353
Mine development	316,568	312,942	276,766
Other assets	375,663	265,373	283,717
Total property, plant and equipment, accumulated depreciation	11,798,119	11,253,546	9,980,244

Property, plant and equipment, net	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Construction in progress	2,756,793	2,492,101	1,361,417
Land	108,087	106,924	94,650
Buildings	1,258,790	1,190,164	1,280,640
Plant and equipment	4,360,776	4,028,205	4,446,044
Fixtures and fittings	11,477	6,158	7,338
Motor vehicles	463,060	453,887	424,934
Land improvements	1,247,097	1,023,198	1,017,464
Mining operations	1,364,142	1,156,339	1,099,266
Mine development	420,976	346,673	382,793
Other assets	360,232	406,784	393,104
Total property, plant and equipment, net	12,351,430	11,210,433	10,507,650

b) Movement of Property, plant and equipment

Movements	Construction in progress	Land	Buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Land improvements	Mining operations	Mine development	Other assets	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance 1/1/2009	1,361,417	94,650	1,280,640	4,446,044	7,338	424,934	1,017,464	1,099,266	382,793	393,104	10,507,650
Additions	1,710,915	1,581	535	8,850	305	68	-	262,022	-	107,927	2,092,203
Disposals	(16,587)	(2,062)	4,606	(6,763)	(45)	(256)	225	(50)	-	(48,917)	(69,849)
Capitalizations	(452,531)	14,318	21,312	194,556	10	120,038	102,757	-	56	-	516
Depreciation and amortization	-	-	(120,034)	(629,188)	(1,830)	(91,986)	(94,976)	(316,803)	(36,176)	19,248	(1,271,745)
Reclassifications	(112,840)	(1,782)	(827)	8,917	300	983	(2,272)	111,904	-	(4,383)	-
Impairment	-	-	-	1,867	-	-	-	-	-	-	1,867
Others	1,727	219	3,932	3,922	80	106	-	-	-	(60,195)	(50,209)
Total movements	1,130,684	12,274	(90,476)	(417,839)	(1,180)	28,953	5,734	57,073	(36,120)	13,680	702,783
Final balance 12/31/2009	2,492,101	106,924	1,190,164	4,028,205	6,158	453,887	1,023,198	1,156,339	346,673	406,784	11,210,433

Movements	Construction in progress	Land	Buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Land improvements	Mining operations	Mine development	Other assets	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance 1/1/2010	2,492,101	106,924	1,190,164	4,028,205	6,158	453,887	1,023,198	1,156,339	346,673	406,784	11,210,433
Additions	2,227,531	172	4,761	16,383	705	27	-	324,906	-	39,618	2,614,103
Disposals	(55,184)	(198)	(14,981)	(26,520)	(523)	(6,820)	(8,838)	(26,957)	-	(57,506)	(197,527)
Capitalizations	(1,661,144)	55	166,091	923,208	6,361	105,288	335,136	4,901	107,015	13,089	-
Depreciation and amortization	-	-	(97,258)	(600,258)	(1,610)	(92,054)	(102,023)	(317,433)	(32,910)	(47,303)	(1,290,849)
Reclassifications	(242,132)	-	11,088	727	439	2,732	4,562	222,386	198	-	-
Impairment	-	-	-	1,867	-	-	-	-	-	-	1,867
Others	(4,379)	1,134	(1,075)	16,944	(53)	-	(4,938)	-	-	5,550	13,183
Total movements	264,692	1,163	68,626	332,571	5,319	9,173	223,899	207,803	74,303	(46,552)	1,140,997
Final balance 12/31/2010	2,756,793	108,087	1,258,790	4,360,776	11,477	463,060	1,247,097	1,364,142	420,976	360,232	12,351,430

c) The value of construction in progress, is directly associated with the operating activities of the Corporation and its subsidiaries, and relates to the acquisition of equipment and projects in construction.

d) The Corporation has contracted insurance policies to cover the potential risks to which the various elements of property, plant and equipment are subject to, and any claims that could arise from their activities. These policies provide adequate coverage of the potential risks.

e) Revaluation of property, plant an equipment assets at the date of transition to IFRS.

At the date of transition to IFRS (January 1, 2009), the Corporation revaluated certain property, plant and equipment assets invoking the exemptions included in IFRS 1. This valuation was mainly focused on assigning value to those assets that according to Chilean GAAP, had accumulated depreciation equal or close to the their gross value, but nevertheless continued to be employed in the Corporation's normal operations.

The work was performed by an independent consultant and was based mainly on the valuation model of Marston and Agg, which determined an increase in asset value of US$1,804 million at January 1, 2009.

Reconciliation of property, plant and equipment, net at January 1, 2009 between Chilean GAAP and IFRS	ThUS$
Property, plant and equipment, net under Chilean GAAP (net fixed assets) at January 1, 2009	8,460,452
Revaluation under IFRS 1 at January 1, 2009	1,803,700
Impairment of assets as of January 1, 2009	(38,597)
Capitalization of decomissioning costs at January 1, 2009	283,355
Other IFRS effects	(1,260)
Property, plant and equipment, net under IFRS at January 1, 2009	10,507,650

f) Restrictions on ownership and assets given in guarantee.

The Corporation currently has no ownership restrictions on Property, Plant and Equipment assets.

In addition, under no circumstance has management granted assets in guarantee to third parties to allow performance of its normal business activities or as a commitment to secure the payment of its obligations.

8. Investments Accounted for Using the Equity Method

The following table sets forth the carrying amount and the share of profit of the investments accounted for using the equity method:

	Equity Method			**Accrued net income**	
	December 31, 2010	**December 31, 2009**	**January 1, 2009**	**01-01-2010 12-31-2010**	**01-01-2009 12-31-2009**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Associates equity method accounted investments	1,234,139	1,100,156	966,870	287,607	287,633
Joint ventures	26,635	-	117,600	15,788	23,018
Total	1,260,774	1,100,156	1,084,470	303,395	310,651

a) Associates

Agua de la Falda S.A.

At December 31, 2010, Codelco has a 43.28% interest in Agua de la Falda S.A., with the remaining 56.72% 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 the country.

Sociedad Contractual Minera El Abra

Sociedad Contractual Minera El Abra was formed in 1994. At December 31, 2010, Codelco has a 49% interest in Sociedad Contractual Minera El Abra, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

Company activities involve the extraction, production and marketing of copper cathodes.

Sociedad Contractual Minera Purén

At December 31, 2010, Codelco has a 35% interest in Sociedad Contractual Minera Purén, with the remaining 65% owned by Compañía Minera Mantos de Oro.

Its object is to explore, identify, survey, investigate, develop and exploit mineral deposits in order to extract, produce and process ore.

Sociedad Contractual Minera Sierra Mariposa

At December 31, 2010 and January 1, 2009, Codelco has a 23.73% interest in Sociedad Contractual Minera Sierra Mariposa**,** with the remaining 76.27% owned by Exploraciones e Inversiones PD Chile Limitada.

Its object is to explore, identify, survey, investigate, develop and exploit mineral deposits in order to extract, produce and process ore concentrates or other mineral products.

Kairos Mining S.A.

At December 31, 2010, Codelco has a 40% interest in Kairos Mining S.A., with the remaining 60% owned by Honeywell Chile S.A.

Its corporate purpose is to provide automation and control services for industrial and mining activities and to license technology and software licenses.

Mining Industry Robotic Solutions S.A.

As at 31 December 2010, Codelco has a 36% interest in Mining Industry Robotic Solutions S.A., with the remainder owned by Support Company Limited 53%, Nippon Mining & Metals Co. Ltd., 9% and Kuka Roboter GmbH, 2%.

The company's corporate purpose is the research, design, creation, invention, manufacture, installation, supply, maintenance and marketing in any form or type of robot products, technology products of a robotic nature or complementary supplies necessary for the marketing and maintenance of those products that can be used in the mining and metals

industry and related services; to produce under license, license and market the licensing of products, processes and technology services of robotic nature for the mining and metallurgical industry, as well as any other form of use by third parties of products or services based on such technology. In addition the company can also form all types of companies and participate as a partner or shareholder in any existing company.

Sociedad GNL Mejillones S.A.

At December 31, 2010, Codelco has a 37% interest in Sociedad GNL Mejillones S.A., with the remaining 63% owned by Suez Energy Andino S.A. These interests were established on November 5, 2010 when the Corporation did not increase the capital agreed by the meeting of shareholders of such company. Before the actual increase, both the Corporation and Suez Energy Andino S.A. had a 50% interest each.

Its corporate purpose is the production, storage, marketing, transportation and distribution of all types or classes of fuel, and the acquisition, construction, maintenance and operation of infrastructure facilities and physical works necessary for transport, reception, processing and storage both in Chile and abroad, singly or in partnership with third parties.

Comotech S.A.

At December 31, 2010, Codelco has a 33.33% interest in Comotech S.A. through its indirect subsidiary Innovaciones en Cobre S.A., Molibdenos y Metales S.A. and Universidad de Chile, each own a 33.33% interest.

The company's corporate purpose is to carry out research activities to increase the demand of molybdenum at the national and international level through new and better applications, uses and/or markets.

Merger of Electric Energy Assets

On November 6, 2009, Codelco and Suez Energy Andino S.A. (at that date, the indirect controller of E-CL S.A. through Inversiones Mejillones S.A. and Inversiones Tocopilla Ltda.) agreed to execute and sign the acts and contracts for the defined merger process to gather in a single company all of the shares and rights that Codelco and Suez Energy Andino S.A. own in E-CL SA, Electroandina SA, and other companies. This merge process included the following acts which directly affected the composition of the shareholders of this company:

The split on November 13, 2009, of Inversiones Mejillones S.A. (which until before this act was its direct controlling entity) into three entities: Inversiones Mejillones-1 S.A., Inversiones Mejillones- 2 S.A. and Inversiones Mejillones- 3 S.A., with the first two, as owners of 27.37% and 54.93% of E-CL S.A., respectively.

- The transformation on November 20, 2009, of Inversiones Tocopilla Ltda. (which until before the act was its indirect controlling entity through Mejillones- 1 S.A. e Inversiones Mejillones-2 S.A.) into Inversiones Tocopilla 1 S.A. and its split into three corporations: the continuing company Inversiones Tocopilla 1 S.A., Inversiones Tocopilla 2-A S.A. and Inversiones Tocopilla 2-B S.A., leaving the latter two as a direct controlling entities of 65.2% of Inversiones Mejillones-1 S.A. and Inversiones Mejillones-2 S.A. respectively.

- The December 29, 2009, merger between this company and Inversiones Tocopilla 1 S.A., where the latter was absorbed, which meant that the direct interest of Codelco in Inversiones Tocopilla 1 S.A., through a share swap, Codelco became a direct shareholder of E-CL S.A.

Therefore, at December 31, 2010, the ownership of E-CL S.A. is composed of a 16.35% direct interest held by Codelco, 11.78% by Inversiones Mejillones-1 S.A., 23.65% by Inversiones Mejillones 2 S.A. and 40.62% by Suez Energy Andino S.A., with a 7.6% remainder held by minority shareholders.

At December 31, 2010, the Corporation has a 16.3471% ownership interest in E-CL S.A., with 173,382,461 total shares. As a result the Corporation has the following ownership interest in the companies:

Inversiones Tocopilla 2-B S.A.

At December 30, 2010, Codelco holds a 100% direct and indirect interest in Inversiones Tocopilla 2-B S.A.

The company's corporate purpose is the investment in any class of shares, corporate rights and other forms of participation in companies of any nature and to exercise the corresponding rights.

Through this company the Corporation holds a 23.65% indirect interest in E-CL S.A.

E-CL S.A. (Formerly - Edelnor S.A.)

At December 31, 2010, Codelco holds a 16.35% direct interest in E-CL S.A.

Its corporate purpose is the production, distribution and supply of electricity to industrial customers and mining companies established in the Northern part of Chile.

Associates	Taxpayer number	Functional currency	Ownership percentage			Equity Method of Accounting			Accrued net income	
			12-31-2010	12-31-2009	01-01-2009	12-31-2010	12-31-2009	01-01-2009	01-01-2010 12-31-2010	01-01-2009 12-31-2009
			%	%	%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Deutsche Geissdraht GmbH	Foreign	EURO	40.00%	40.00%	40.00%	4,141	3,961	5,143	1,816	1,429
Agua de la Falda S.A.	96.801.450-1	USD	43.00%	43.00%	43,28%	5,810	5,783	6,111	28	(328)
Sociedad Contractual Minera El Abra	96.701.340-4	USD	49.00%	49.00%	49.00%	542,625	448,014	202,101	236,833	230,447
Minera Puren SCM	76.028.880-2	USD	35.00%	35.00%	35.00%	5,407	7,810	7,653	(2,403)	157
Sociedad GNL Mejillones S.A.	76.775.710-7	USD	37.00%	50.00%	50.00%	-	-	201,424	(28,927)	(87,507)
Kairos Mining S.A.	76.781.030-K	CLP	40.00%	40.00%	40.00%	105	94	45	1	39
MI Robotic Solutions S.A.	76.869.100-2	CLP	36.00%	36.00%	36.00%	2,537	2,238	1,688	45	86
E - CL S.A.	88.006.900-4	USD	40.00%	16.35%	0.00%	672,409	258,011	-	80,096	15,889
Inversiones Tocopilla 2A S.A.	76.082.781-9	USD	0.00%	49.00%	0.00%	-	59,410	-	-	3,659
Inversiones Tocopilla 2B S.A.	76.082.774-6	USD	0.00%	49.00%	0.00%	-	119,274	-	-	7,345
Inversiones Mejillones 1 S.A. (1)	96.990.660-0	USD	0.00%	34.80%	0.00%	-	64,714	-	-	3,985
Inversiones Mejillones 2 S.A. (1)	76.082.158-6	USD	0.00%	34.80%	0.00%	-	129,921	-	-	8,000
Electroandina S.A. (2)	96.731.500-1	USD	0.00%	0.00%	34.80%	-	-	143,805	-	26,077
Inversiones Tocopilla Ltda.	78.835.420-7	USD	0.00%	0.00%	49.00%	-	-	259,457	-	50,767
Inversiones Mejillones S.A. (2)	96.990.660-0	USD	0.00%	0.00%	34.80%	-	-	138,288	-	29,225
Sociedad Contractual Minera Sierra Mariposa	76.913.610-K	USD	0.00%	23.73%	23.73%	-	-	1,030	-	(1,126)
Others						1,105	926	125	118	(511)
TOTAL						1,234,139	1,100,156	966,870	287,607	287,633

(1) At December 31, 2009, although as a result of the division of Inversiones Mejillones S.A. (existing at January 1, 2009), Codelco had directly and indirectly a 66.75% interest in Inversiones Mejillones-1 S.A. and Inversiones Mejillones-2 S.A., it did not have control or management of these; therefore, according to IFRS, they did not satisfy the conditions for inclusion in the consolidation of the Corporation's financial statements.

(2) Although at January 1, 2009 Codelco had directly and indirectly a 66.75% interest in Electroandina S.A. and Inversiones Mejillones S.A., it did not have control or management of these. Therefore, according to IFRS, they did not satisfy the conditions for inclusion in the consolidation of the Corporation's financial statements.

The following tables provide details of the assets, liabilities and major movements in investments in associates accounted for under the equity method and their respective results during 2009 and 2010:

Assets and Liabilities	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Current Assets	1,725,246	1,642,794	597,649
Non-Current Assets	3,611,736	3,163,332	2,289,867
Current Liabilities	892,494	1,211,534	416,370
Non-Current Liabilities	1,371,759	572,775	101,734

Net income		**01-01-2010 12-31-2010**	**01-01-2009 12-31-2009**
		ThUS$	ThUS$
Revenue		2,694,143	2,327,259
Recurrent Expenses		2,048,076	1,387,278
Profit (Loss) for the period		646,067	939,981

Movements of Investments in Associates	**01-01-2010 12-31-2010**	**01-01-2009 12-31-2009**
	ThUS$	ThUS$
Opening balance	1,100,156	966,870
Contributions	-	67,700
Dividends	(179,040)	(61,780)
Capital Reduction / Write-offs	(2)	(200,500)
Net income for the period	287,607	287,633
Exchange differences	262	1,076
Realized gains	4,778	15,465
Transfer of negative equities	42,977	41,922
Energy Group Merger	-	(20,576)
Other comprehensive income	-	348
Others	(22,599)	1,998
Final Balance	1,234,139	1,100,156

b) Joint Ventures

At December 31, 2010, the Corporation participates in the Copper Partners Investment Company Limited Joint venture. This partnership dates from March 2006 when Codelco Chile through its subsidiary Codelco International Ltd., executed the agreement with Album Enterprises Limited (a subsidiary of Minmetals) to form the company, in which both companies hold equal interests.

Joint venture	Tax payer number	Functional currency	Ownership porcentage			Equity value			Accrued net income	
			12-31-2010	12-31-2009	01-01-2009	12-31-2010	12-31-2009	01-01-2009	01-01-2010	01-01-2009
			%	%	%	ThUS$	ThUS$	ThUS$	12-31-2010 ThUS$	12-31-2009 ThUS$
Copper Partners Investment Company	Foreign	USD	50%	50%	50%	26,635	-	117,600	15,788	23,018

Assets and Liabilities	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Current assets	138,824	116,362	108,032
Non-current assets	345,324	381,975	418,636
Current liabilities	258,021	296,917	46,639
Non-current liabilities	172,858	330,103	244,829

Income	**01-01-2010 12-31-2010**	**01-01-2009 12-31-2009**
	ThUS$	ThUS$
Revenue	434,426	309,902
Costs of sales	(402,850)	(263,867)
Profit (Loss)	31,576	46,035

Movements of investments in joint ventures	**01-01-2010 12-31-2010** ThUS$	**01-01-2009 12-31-2009** ThUS$
Opening Balance	-	117,600
Net income for the period	15,788	23,018
Distribution	(12,431)	(17,679)
Transfer of negative equities	(64,342)	64,342
Other comprehensive income	87,620	(187,281)
Final balance	26,635	-

c) Fair Value of Investments for Which There Are Published Price Quotations

Investments in associates for which there are public quoted prices, have the following value for the Corporation, as set forth in the following table[1]:

Entity	December 31, 2010 ThUS$	December 31, 2009 ThUS$
E-CL S.A. (Formerly Edelnor S.A.)	2,755,536	1,942,616
Investment attributable to the Corporation 40%	1,102,214	777,046

d) Interest in Negative Equities

The Corporation, at December 31, 2010 and December 31, 2009, has an interest in the following negative equities (amounts expressed in ThUS$):

		Negative equity	
Entity	Ownership percentage	December 31, 2010 ThUS$	December 31, 2009 ThUS$
Sociedad GNL Mejillones S.A.	37%	(116,152)	(41,924)
Copper Partners Investment Company Limited	50%	-	(128,683)

e) Additional Information about Unrealized Profit

The Corporation has recognized unrealized profit for purchases and sales of products, mining properties, fixed assets and ownership rights. The most significant transactions include the transaction carried out in 1994 for the initial contribution of mining properties to Sociedad Contractual Minera El Abra.

The balance of the unrealized profit to be recognized as of December 31, 2010 is ThUS$86,240 (12/31/2009: ThUS$91,018; 1/1/2009: ThUS$106,483). This figure is shown deducting the investing in this company. The recognition of profit is performed in accordance with the depletion of the ore reserves of the company. In 2010 profit for ThUS$4,778 (2009: ThUS$15,465) was recognized.

Codelco carries out copper purchases and sales with this company. At December 31, 2001, December 31, 2009 and January 1, 2009, the value of finished products in Inventories does not have an unrealized profit provision.

[1] The fair value is determined from the quoted prices and the company's market presence, provided as financial background on the site http://www.bolsadesantiago.com

9. Subsidiaries

The following tables present a detail of the assets, liabilities and results of the Corporation's subsidiaries, prior to consolidation adjustments:

Assets and Liabilities	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Current Assets	338,871	304,403	238,925
Non-Current Assets	721,681	303,346	360,581
Current Liabilities	231,351	302,655	196,135
Non-Current Liabilities	297,303	248,441	256,084

Income	**01-01-2010 12-31-2010** ThUS$	**01-01-2009 12-31-2009** ThUS$
Revenue	1,273,466	923,882
Costs	1,216,205	897,294
Profit (Loss) for the period	57,261	26,588

10. Intangible Assets Other Than Goodwill

a) Balance of Intangible Assets

Intangibles assets, gross	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Software Licenses	474	536	950
Water Rights	12,172	12,172	10,627
Others	15,806	15,540	13,310
Total	28,452	28,248	24,887

Intangibles assets, acumulated amortization	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Software Licenses	346	318	229
Water Rights	6,550	6,550	6,550
Others	-	-	-
Total	6,896	6,868	6,779

Intangibles assets, neto	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Software Licenses	128	218	721
Water Rights	5,622	5,622	4,077
Others	15,806	15,540	13,310
Total	21,556	21,380	18,108

b) Movement of Intangible Assets

Movements of Intangible Assets **Movements**	**Software licenses** ThUS$	**Water rights** ThUS$	**Others** ThUS$	**Total** ThUS$
Opening balance 01.01.2009	721	4,077	13,310	18,108
Additions	16	1,545	2,027	3,588
Disposal	(10)	-	-	(10)
Capitalized costs	9	-	-	9
Amortization	(526)	-	(1,237)	(1,763)
Reclassifications	-	-	-	-
Impairment	-	-	-	-
Other	8	-	1,440	1,448
Total movements	(503)	1,545	2,230	3,272
Final balance 12.31.2009	218	5,622	15,540	21,380
Opening balance 01.01.2010	218	5,622	15,540	21,380
Additions	18	-	-	18
Disposal	(1)	-	-	(1)
Capitalized costs	(90)	-	(352)	(442)
Amortization	(21)	-	-	(21)
Reclassifications	-	-	-	-
Impairment	-	-	618	618
Other	4	-	-	4
Total movements	(90)	-	266	176
Final balance 12.31.2010	128	5,622	15,806	21,556

c) Research and Development

Research and development	**1-1-2010 12-31-2010** ThUS$	**1-1-2009 12-31-2009** ThUS$
Disbursements for research and development recognized as expenses in the period	72,375	86,864

11. Other Non-Current Non-Financial Assets

The detail of the item Other non-current non-financial assets of the Statement of Financial Position at December 31, 2010, December 31, 2009 and January 1, 2009 is as follows:

Other non-current non-financial assets	December 31, 2010	December 31, 2009	January 1, 2009
	ThUS$	ThUS$	ThUS$
Anglo American Purchase Option (1)	155,700	155,700	155,700
Reserved Law Asset (2)	38,199	41,864	45,530
Others	9,606	8,568	25,684
Total	**203,505**	**206,132**	**226,914**

(1) On December 19, 2008, Empresa Nacional de Minería (ENAMI) assigned Codelco Chile the right to acquire up to 49% of the shares of Anglo American Sur S.A. This right may be exercised by the Corporation until 2027, deciding whether or not to exercise every three years.

(2) It corresponds to the recording of the commitment related to Law 13,196, for the advance received for the copper sales contract signed with Copper Partners Investment Company Limited. This amount will be amortized according to the shipments made.

12. Current and Non-Current Financial Assets

The following tables show the breakdown of the current and non-current financial assets included in the statement of financial position:

	December 31, 2010				
Classification in the statement of financial position	**At fair value through profit or loss**	**Loans and receivables**	**Hedging derivatives**	**Available for sale**	**Total Financial Assets**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	61,855	812,184	-	-	874,039
Trade and other current receivables	2,303,951	410,055	-	-	2,714,006
Rights receivable, non - current	-	198,785	-	-	198,785
Due from related companies, current	-	157,954	-	-	157,954
Due from related companies, non-current	-	104,896	-	-	104,896
Other current financial assets	-	8,117	187,021	-	195,138
Other non-current financial assets	-	7,826	173,299	-	181,125
Total	2,365,806	1,699,817	360,320	-	4,425,943

	December 31, 2009				
Classification in the statement of financial position	**At fair value through profit or loss**	**Loans and receivables**	**Hedging derivatives**	**Available for sale**	**Total Financial Assets**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	16,454	756,622	-	-	773,076
Trade and other current receivables	1,684,147	377,879	-	-	2,062,026
Rights receivable, non - current	-	198,102	-	-	198,102
Due from related companies, current	-	229,181	-	-	229,181
Due from related companies, non-current	-	358,259	-	-	358,259
Other current financial assets	-	7,920	284,964	-	292,884
Other non-current financial assets	-	7,600	150,601	-	158,201
Total	1,700,601	1,935,563	435,565	-	4,071,729

	January 1, 2009				
Classification in the statement of financial position	**At fair value through profit or loss**	**Loans and receivables**	**Hedging derivatives**	**Available for sale**	**Total Financial Assets**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	9,414	383,783	-	-	393,197
Trade and other current receivables	483,737	351,630	-	-	835,367
Rights receivable, non - current	-	149,234	-	-	149,234
Due from related companies, current	-	115,694	-	-	115,694
Due from related companies, non-current	-	224	-	-	224
Other current financial assets	-	5,712	380,301	-	386,013
Other non-current financial assets	-	6,279	6,278	-	12,557
Total	493,151	1,012,556	386,579	-	1,892,286

- **Financial assets designated as fair value through profit or loss:** At December 31, 2010, this category mainly includes unfinished product sale invoices and mutual fund investments made by Codelco Chile subsidiaries.

- **Loans granted and receivables:** These correspond to financial assets with fixed or determinable payments that are not traded in an active market.

  No material impairments were recognized in accounts receivable.

- **Hedging derivatives:** Correspond to the receivable balances for derivative contracts, for the exposure generated by existing operations. The detail of derivative transactions is included in Note 27.

- **Available-for-sale financial assets:** These correspond primarily to non-derivative financial assets that are specifically designated as available for sale or are not classified as: a) loans and receivables, b) investments held to maturity or c) financial assets carried at fair value through profit or loss.

  Within the period presented, there was no reclassification of financial instruments among the different categories established under IAS 39.

13. Interest-Bearing Borrowings

Current and non-current interest-bearing borrowings correspond to Borrowings from financial institutions, Bond obligations and Financial leases, which are recorded by the Corporation at amortized cost using the effective interest rate method.

These items are generated by the following situations:

- ***Borrowings from financial institutions:***

  The loans obtained by the Corporation for up to a twelve-month term, contracted at the market interest rate to finance its production operations oriented to for the foreign market.

  The loans obtained by the Corporation for terms that exceed twelve month are mainly to finance the investments required for the production process.

- ***Bond obligations:***

On May 4, 1999, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$300,000. These bonds were payable in a single installment on May 1, 2009, with a 7.375% annual interest rate and with six-monthly interest payments.

On November 18, 2002, the Corporation issued and placed bonds in the domestic market, under the rules of the Superintendency of Securities and Insurance. These bonds were issued for a nominal amount of UF7,000,000, in a single series denominated Series A, and consists of 70,000 bonds for UF100 each. These bonds are payable in a single installment on September 1, 2012, with a 4.0% annual interest rate and with six-monthly interest payments.

On November 30, 2002, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$435,000. These bonds are payable in a single installment on November 30, 2012, with a 6.375% annual interest rate and with six-monthly interest payments.

On October 15, 2003, 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 15, 2013, with a 5.5% annual interest rate and with six-monthly interest payments.

On October 15, 2004, 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 15, 2014, with a 4.750% annual interest rate and with six-monthly interest payments.

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF6,900,000, in a single series denominated Series B, and consists of 6,900 bonds for UF1,000 each. These bonds are payable in a single installment on April 1, 2025, with a 3.29% annual interest rate and with six-monthly 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, with a 5.6250% annual interest rate and with six-monthly 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, with a 6.15% annual interest rate and with six-monthly 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 mature in a single installment on January 15, 2019, at an interest rate of 7.5% per annum with interest paid semi-annually.

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 mature in a single installment on November 4, 2020, at an interest rate of 3.75% per annum with interest paid semi-annually.

- ***Financial debt commissions and expenses:***

  Obtaining financial resources generates, in addition to the interest rate, fees and other expenses charged by the financial institutions, and the Corporation receives the net value of the loans. These expenses are amortized based on the effective interest rate by the amortized cost method.

- ***Finance leases:***

  Financial leasing transactions are generated for service contracts, principally for buildings and machinery.

The following tables detail the composition of the Other financial liabilities, current and non-current.

	December 31, 2010					
	Current			Non-Current		
Items	**Loans and other payables**	**Hedge derivatives**	**Total**	**Loans and other payables**	**Hedge derivatives**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans from financial entities	340,613	-	340,613	1,296,050	-	1,296,050
Bonds	61,933	-	61,933	4,647,841	-	4,647,841
Financal lease	17,367	-	17,367	122,503	-	122,503
Hedge obligations	-	1,493,312	1,493,312	-	1,028,308	1,028,308
Other financial liabilities	5,683	-	5,683	94,780	-	94,780
Total	425,596	1,493,312	1,918,908	6,161,174	1,028,308	7,189,482

	December 31, 2009					
	Current			Non-Current		
Items	**Loans and other payables**	**Hedge derivatives**	**Total**	**Loans and other payables**	**Hedge derivatives**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans from financial entities	215,026	-	215,026	795,779	-	795,779
Bonds	55,183	-	55,183	3,601,966	-	3,601,966
Financal lease	20,734	-	20,734	132,318	-	132,318
Hedge obligations	-	1,097,233	1,097,233	-	1,736,546	1,736,546
Other financial liabilities	6,246	-	6,246	71,917	-	71,917
Total	297,189	1,097,233	1,394,422	4,601,980	1,736,546	6,338,526

	January 1, 2009					
	Current			Non-Current		
Items	**Loans and other payables**	**Hedge derivatives**	**Total**	**Loans and other payables**	**Hedge derivatives**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans from financial entities	858,054	-	858,054	646,924	-	646,924
Bonds	336,849	-	336,849	2,901,237	-	2,901,237
Financal lease	14,609	-	14,609	130,832	-	130,832
Hedge obligations	-	14,740	14,740	-	246,920	246,920
Other financial liabilities	8,531	-	8,531	48,480	-	48,480
Total	1,218,043	14,740	1,232,783	3,727,473	246,920	3,974,393

At December 31, 2010, the detail of Borrowings from financial institutions and Bond obligations is as follows:

Type of Debt	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current balance ThUS$	Non-current balance ThUS$
Loans with financial entities:											
Export Pre-Funding Credit	Bank of Tokyo-Mitsubishi	12-22-2015	Floating	US$	100,000	Maturity	Quarterly	1.05%	1.15%	-	99,602
Export Pre-Funding Credit	HSBC Bank Bermuda Limited	12-17-2015	Floating	US$	162,500	Maturity	Quarterly	1.15%	1.27%	-	161,695
Export Pre-Funding Credit	BBVA Bancomer	09-27-2014	Floating	US$	400,000	Maturity	Quarterly	0.45%	0.45%	-	399,509
Export Pre-Funding Credit	Bank of Tokyo-Mitsubishi	06-29-2011	Floating	US$	100,000	Maturity	Quarterly	0.65%	0.65%	100,005	-
Export Pre-Funding Credit	Banco Santander	12-09-2011	Floating	US$	200,000	Maturity	Quarterly	0.95%	0.95%	200,030	-
Export Pre-Funding Credit	Export. Dev. Canada	12-28-2015	Floating	US$	250,000	Maturity	Quarterly	1.10%	1.22%	-	248,752
Export Pre-Funding Credit	Export. Dev. Canada	03-26-2012	Floating	US$	200,000	Maturity	Quarterly	0.95%	0.95%	-	200,000
Export Pre-Funding Credit	Banco Santander Londres	11-30-2015	Floating	US$	75,000	Maturity	Quarterly	1.14%	1.26%	-	74,639
Export Pre-Funding Credit	Banco Santander	12-23-2015	Floating	US$	100,000	Maturity	Quarterly	1.15%	1.27%	-	99,503
	Other institutions									40,578	12,350
Total										340,613	1,296,050
Bonds:											
BCODE-A	Banco de Chile - B. in UF	09-01-2012	Fixed	U.F.	7,000,000	Maturity	Semi-annual	3.96%	4.45%	4,389	319,000
144-A REG.S	JP - Morgan	11-30-2012	Fixed	US$	435,000	Maturity	Semi-annual	6.38%	6.48%	2,528	434,222
144-A REG.S	JP - Morgan	10-15-2013	Fixed	US$	500,000	Maturity	Semi-annual	5.50%	5.57%	6,044	499,092
144-A REG.S	HSBC USA	10-15-2014	Fixed	US$	500,000	Maturity	Semi-annual	4.75%	4.99%	5,219	495,913
BCODE-B	Banco de Chile - B. in UF	04-01-2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	3,196	342,976
144-A REG.S	JP - Morgan	09-21-2035	Fixed	US$	500,000	Maturity	Semi-annual	5.63%	5.78%	8,003	489,931
144-A REG.S	The Deutsche Bank	10-24-2036	Fixed	US$	500,000	Maturity	Semi-annual	6.15%	6.22%	5,914	495,730
114-A REG.S	JP - Morgan	01-15-2019	Fixed	US$	600,000	Maturity	Semi-annual	7.50%	7.79%	20,665	589,839
114-A REG.S	HSBC USA	11-04-2020	Fixed	US$	1,000,000	Maturity	Semi-annual	3.75%	3.98%	5,975	981,138
Total										61,933	4,647,841

Type of Debt	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current balance ThUS$	Non-current balance ThUS$
Loans with financial entities:											
Export Pre-Funding Credit	Bank of Tokyo-Mitsubishi	12-23-2010	Floating	US$	100,000	Maturity	Quarterly	0.63%	0.63%	100,004	-
Export Pre-Funding Credit	HSBC Bank USA	12-30-2010	Floating	US$	100,000	Maturity	Monthly	0.79%	0.79%	100,015	-
Export Pre-Funding Credit	BBVA Bancomer	09-27-2014	Floating	US$	400,000	Maturity	Semi-annual	0.44%	0.46%	-	398,593
Export Pre-Funding Credit	Export. Dev. Canada	03-26-2012	Floating	US$	200,000	Maturity	Quarterly	1.24%	1.21%	-	198,593
Export Pre-Funding Credit	Banco Santander	12-09-2011	Floating	US$	200,000	Maturity	Quarterly	1.20%	1.20%	153	198,593
	Other institutions									14,854	-
Total										215,026	795,779
Bonds:											
BCODE-A	Banco de Chile - B. in UF	09-01-2012	Fixed	U.F.	7,000,000	Maturity	Semi-annual	4.00%	4.45%	3,920	300,373
144-A REG.S	JP - Morgan	11-30-2012	Fixed	US$	435,000	Maturity	Semi-annual	6.38%	6.48%	2,605	430,058
144-A REG.S	JP - Morgan	10-15-2013	Fixed	US$	500,000	Maturity	Semi-annual	5.50%	5.57%	6,044	495,058
144-A REG.S	HSBC USA	10-15-2014	Fixed	US$	500,000	Maturity	Semi-annual	4.75%	4.99%	5,220	495,058
BCODE-B	Banco de Chile - B. in UF	04-01-2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	3.29%	3.24%	2,960	296,243
144-A REG.S	JP - Morgan	09-21-2035	Fixed	US$	500,000	Maturity	Semi-annual	5.63%	5.78%	8,002	495,058
144-A REG.S	The Deutsche Bank	10-24-2036	Fixed	US$	500,000	Maturity	Semi-annual	6.15%	6.22%	5,766	495,059
114-A REG.S	JP - Morgan	01-15-2019	Fixed	US$	600,000	Maturity	Semi-annual	7.50%	7.79%	20,666	595,059
Total										55,183	3,601,966

Type of Debt	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current balance ThUS$	Non-current balance ThUS$
Loans with financial entities:											
Export Pre-Funding Credit	ABN AMRO Bank	12-24-2009	Floating	US$	200,000	Maturity	Monthly	2.65%	3.16%	200,121	-
Export Pre-Funding Credit	Export. Dev. Canada	03-31-2009	Floating	US$	100,000	Maturity	Monthly	1.81%	2.11%	301	98,975
Export Pre-Funding Credit	Export. Dev. Canada	11-30-2010	Floating	US$	150,000	Maturity	Quarterly	3.04%	3.16%	-	148,975
Export Pre-Funding Credit	Bank of Tokyo-Mitsubishi	06-25-2009	Floating	US$	350,000	Maturity	Quarterly	4.60%	4.60%	350,029	-
Export Pre-Funding Credit	HSBC Bank USA	01-27-2009	Floating	US$	250,000	Maturity	Monthly	2.68%	3.44%	250,031	-
Sindicated loan	BBVA Bancomer	09-27-2014	Floating	US$	400,000	Maturity	Semi-annual	3.30%	3.33%	35	398,974
	Other institutions									57,537	-
Total										858,054	646,924
Bonds:											
144-A REG. S	Merrill Lynch	05-04-2009	Fixed	US$	300,000	Maturity	Semi-annual	7.38%	7.47%	303,728	-
144-A REG. S	JP - Morgan	11-30-2012	Fixed	US$	435,000	Maturity	Semi-annual	6.38%	6.48%	2,528	435,000
144-A REG. S	JP - Morgan	10-15-2013	Fixed	US$	500,000	Maturity	Semi-annual	5.50%	5.57%	6,044	500,000
144-A REG. S	HSBC USA	10-15-2014	Fixed	US$	500,000	Maturity	Semi-annual	4.75%	4.99%	5,220	500,000
144-A REG. S	JP - Morgan	09-21-2035	Fixed	US$	500,000	Maturity	Semi-annual	5.63%	5.78%	8,002	500,000
144-A REG. S	The Deutsche Bank	10-24-2036	Fixed	US$	500,000	Maturity	Semi-annual	6.15%	6.22%	5,745	500,000
BCODE SERIES A	Banco de Chile - B. in UF	09-01-2012	Fixed	UF	7,000,000	Maturity	Semi-annual	3.96%	4.45%	3,166	235,946
BCODE SERIES B	Banco de Chile - B. in UF	04-01-2025	Fixed	UF	6,900,000	Maturity	Semi-annual	4%	4%	2,416	230,291
Total										336,849	2,901,237

The amounts due undiscounted that the Corporation has with financial institutions are summarized as follows:

								December 31, 2010							
								Current			Non current				
Debtor's name	The debtor country	Creditor's name	Creditor country	Currency	Effective interest rate	Nominal rate	Type of amortization	Less than 90 days ThUS$	Over 90 days ThUS$	Total current ThUS$	One to three years ThUS$	Three to five years ThUS$	More than five years ThUS$	Total non-current ThUS$
Codelco Chile	Chile	BBVA Bancomer S.A.	United states of America	US$	0.45280%	0.45280%	Semi annual	453	1,358	1,811	405,061	-	-	405,061
Codelco Chile	Chile	BBVA Santander S.A.	United states of America	US$	0.95219%	0.95219%	Semi annual	360	201,465	201,825	-	-	-	-
Codelco Chile	Chile	EDC	Canada	US$	0.95281%	0.95281%	Semi annual	471	1,435	1,906	200,482	-	-	200,482
Codelco Chile	Chile	Banco Santander Londres	United states of America	US$	1.14438%	1.14438%	Semi annual	141	718	859	2,575	75,846	-	78,421
Codelco Chile	Chile	HSBC Bank Bermuda Limited	Bermudas	US$	1.15188%	1.15188%	Semi annual	395	1,477	1,872	5,615	164,434	-	170,049
Codelco Chile	Chile	Bank of Tokyo Mitsubishi Ltd.	United states of America	US$	1.05281%	1.05281%	Semi annual	237	816	1,053	3,158	101,103	-	104,261
Codelco Chile	Chile	Banco Santander S.A.	United states of America	US$	1.15281%	1.15281%	Semi annual	263	890	1,153	3,458	101,210	-	104,668
Codelco Chile	Chile	EDC	Canada	US$	1.10281%	1.10281%	Semi annual	666	2,091	2,757	8,271	252,933	-	261,204
Codelco Chile	Chile	The Bank of New York	United states of America	US$	6.37500%	6.37500%	Semi annual	11,555	16,177	27,732	461,191	-	-	461,191
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.50000%	5.50000%	Semi annual	7,944	19,556	27,500	550,340	-	-	550,340
Codelco Chile	Chile	The Bank of New York	United states of America	US$	4.75000%	4.75000%	Semi annual	6,861	16,889	23,750	567,556	-	-	567,556
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.62500%	5.62500%	Semi annual	6,094	22,031	28,125	84,375	84,375	1,008,594	1,177,344
Codelco Chile	Chile	Deutsche Bank Securities Inc.	United states of America	US$	6.15000%	6.15000%	Semi annual	9,738	21,013	30,751	92,250	92,250	1,090,144	1,274,644
Codelco Chile	Chile	HSBC	United states of America	US$	7.50000%	7.50000%	Semi annual	1,750	43,250	45,000	135,000	35,000	652,125	822,125
Codelco Chile	Chile	The Bank of New York	United states of America	US$	3.75000%	3.75000%	Semi annual	12,917	24,583	37,500	112,500	112,500	1,112,083	1,337,083
							Total ThUS$	59,845	373,749	433,594	2,631,832	1,019,651	3,862,946	7,514,429
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	3.96080%	3.96080%	Semi annual	43,899	233,357	277,256	-	7,191,769	-	7,191,769
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	4.00000%	4.00000%	Semi annual	92,000	184,000	276,000	-	828,000	828,000	1,656,000
							Total U.F.	135,899	417,357	553,256	-	8,019,769	828,000	8,847,769
							Subtotal ThUS$	6,230	19,133	25,363	367,660	37,959	410,695	816,314
							Total ThUS$	66,075	392,882	458,957	2,999,492	1,057,610	4,273,641	8,330,743

								December 31, 2009						
								Current			Non current			
Debtor's name	The debtor country	Creditor's name	Creditor country	Currency	Effective interest rate	Nominal rate	Type of amortization	Less than 90 days ThUS$	Over 90 days ThUS$	Total current ThUS$	One to three years ThUS$	Three to five years ThUS$	More than five years ThUS$	Total non-current ThUS$
Codelco Chile	Chile	The Bank of Tokyo-Mitsubishi	United states of America	US$	0.59875%	0.59875%	Quartely	136	321	457	-	-	-	-
Codelco Chile	Chile	HSBC Bank US National	United states of America	US$	0.75063%	0.75063%	Quartely	186	573	759	-	-	-	-
Codelco Chile	Chile	BBVA Bancomer S.A.	United states of America	US$	0.43250%	0.43250%	Quartely	433	1,298	1,731	5,190	401,398	-	406,588
Codelco Chile	Chile	Banco Santander S.A.	United states of America	US$	1.20656%	1.20656%	Quartely	456	1,957	2,413	202,333	-	-	202,333
Codelco Chile	Chile	EDC	Canada	US$	1.58250%	1.58250%	Quartely	791	2,374	3,165	204,009	-	-	204,009
Codelco Chile	Chile	The Bank of New York	United states of America	US$	6.37500%	6.37500%	Semi annual	6,933	20,798	27,731	489,307	-	-	489,307
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.50000%	5.50000%	Semi annual	6,875	20,625	27,500	578,222	-	-	578,222
Codelco Chile	Chile	The Bank of New York	United states of America	US$	4.75000%	4.75000%	Semi annual	5,938	17,813	23,751	71,250	520,385	-	591,635
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.62500%	5.62500%	Semi annual	7,031	21,094	28,125	84,375	84,375	1,037,109	1,205,859
Codelco Chile	Chile	Deutsche Bank Securities Inc.	United states of America	US$	6.15000%	6.15000%	Semi annual	7,688	23,063	30,751	92,250	92,250	1,121,321	1,305,821
Codelco Chile	Chile	HSBC	United states of America	US$	7.50000%	7.50000%	Semi annual	11,250	33,750	45,000	135,000	135,000	697,750	967,750
							Total ThUS$	47,717	143,666	191,383	1,861,936	1,233,408	2,856,180	5,951,524
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	3.96800%	3.96080%	Semi annual	69,314	207,942	277,256	7,472,876	-	-	7,472,876
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	4.00000%	4.00000%	Semi annual	69,000	207,000	276,000	828,000	828,000	9,238,333	10,894,333
							Total U.F.	138,314	414,942	553,256	8,300,876	828,000	9,238,333	18,367,209
							Subtotal ThUS$	5,712	17,137	22,849	342,820	34,196	381,537	758,553
							Total ThUS$	53,429	160,803	214,232	2,204,756	1,267,604	3,237,717	6,710,077

December 31, 2008								Current			Non current			
Debtor's name	The debtor country	Creditor's name	Creditor country	Currency	Effective interest rate	Nominal rate	Type of amortization	Less than 90 days	Over 90 days	Total current	One to three years	Three to five years	More than five years	Total non-current
								ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Codelco Chile	Chile	ABN-AMOR Bank N.V.	United states of America	US$	3.11625%	3.11625%	Quartely	60,467	-	60,467	-	-	-	-
Codelco Chile	Chile	ABN-AMOR Bank N.V.	United states of America	US$	3.11625%	3.11625%	Quartely	141,091	-	141,091	-	-	-	-
Codelco Chile	Chile	The Bank of Tokyo-Mitsubishi	United states of America	US$	3.56625%	3.56625%	Quartely	50,436	-	50,436	-	-	-	-
Codelco Chile	Chile	HSBC Bank	United states of America	US$	2.22125%	2.22125%	Monthly	250,478	-	250,478	-	-	-	-
Codelco Chile	Chile	EDC	Canada	US$	1.80625%	1.80625%	Monthly	100,161	-	100,161	-	-	-	-
Codelco Chile	Chile	EDC	Canada	US$	0.84625%	0.84625%	Monthly	100,073	-	100,073	-	-	-	-
Codelco Chile	Chile	EDC	Canada	US$	3.03563%	3.03563%	Quartely	1,138	3,415	4,553	154,946	-	-	154,946
Codelco Chile	Chile	BBVA Bancomer	United states of America	US$	1.59130%	1.59130%	Quartely	1,609	4,774	6,383	19,096	19,096	400,619	438,811
Codelco Chile	Chile	The Bank of Tokyo	United states of America	US$	1.71625%	1.71625%	Quartely	1,301	3,862	5,163	15,446	305,521	-	320,967
Codelco Chile	Chile	The Bank of New York	United states of America	US$	7.37500%	7.37500%	Semi annual	5,531	301,905	307,436	-	-	-	-
Codelco Chile	Chile	The Bank of New York	United states of America	US$	6.37500%	6.37500%	Semi annual	6,933	20,798	27,731	517,423	-	-	517,423
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.50000%	5.50000%	Semi annual	6,875	20,625	27,500	82,500	523,604	-	606,104
Codelco Chile	Chile	The Bank of New York	United states of America	US$	4.75000%	4.75000%	Semi annual	5,938	17,813	23,751	71,250	544,465	-	615,715
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.62500%	5.62500%	Semi annual	7,031	21,094	28,125	84,375	84,375	1,065,625	1,234,375
Codelco Chile	Chile	Deutsche Bank Securities Inc.	United states of America	US$	6.15000%	6.15000%	Semi annual	7,688	23,063	30,751	92,250	92,250	1,152,498	1,336,998
							Total ThUS$	746,750	417,349	1,164,099	1,037,286	1,569,311	2,618,742	5,225,339
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	3.96800%	3.96800%	Semi annual	69,440	208,320	277,760	7,755,353	-	-	7,755,353
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	4.00000%	4.00000%	Semi annual	69,000	207,000	276,000	828,000	828,000	9,518,167	11,174,167
							Total U.F.	138,440	415,320	553,760	8,583,353	828,000	9,518,167	18,929,520
							Subtotal ThUS$	4,666	13,999	18,665	289,316	27,909	320,825	638,050
							Total ThUS$	751,416	431,348	1,182,764	1,326,602	1,597,220	2,939,567	5,863,389

Payment commitments for financial leasing transactions are summarized in the following table:

	December 31, 2010			December 31, 2009			January 1, 2009		
Financial Lease	**Gross** ThUS$	**Interest** ThUS$	**Net** ThUS$	**Gross** ThUS$	**Interest** ThUS$	**Net** ThUS$	**Gross** ThUS$	**Interest** ThUS$	**Net** ThUS$
Less than one year	36,810	(19,443)	17,367	40,094	(19,360)	20,734	32,918	(18,309)	14,609
Between one year and five years	99,176	(48,376)	50,800	179,491	(62,312)	117,179	136,990	(80,498)	56,492
More than five years	123,539	(51,836)	71,703	57,866	(42,727)	15,139	121,534	(47,194)	74,340
Total	259,525	(119,655)	139,870	277,451	(124,399)	153,052	291,442	(146,001)	145,441

14. Fair Value of Items Recorded at Amortized Cost

The fair values of the principal financial assets and liabilities that in the Statement of Financial Position are not presented at fair value are as follows:

	Carrying amount			
12-31-2010	**Current** ThUS$	**Non-current** ThUS$	**Total** ThUS$	**Fair value** ThUS$
Assets	5,951,476	14,327,565	20,279,041	20,279,041
Liabilities				
Loans and bonds	402,546	5,943,891	6,346,437	6,629,248
Other	4,841,281	4,560,111	9,401,392	9,401,392

	Carrying amount			
12-31-2009	**Current** ThUS$	**Non-current** ThUS$	**Total** ThUS$	**Fair value** ThUS$
Assets	4,995,564	13,258,316	18,253,880	18,253,880
Liabilities				
Loans and bonds	270,209	4,397,745	4,667,954	4,941,050
Other	3,826,406	5,316,293	9,142,699	9,142,699

The methodology and assumptions used in fair value calculation are as follows:

- The Fair Value of the Bonds was determined based on market reference prices, as these instruments are traded in the market under standard conditions and are highly liquid.

- Other items measured at Amortized Cost are a good approximation of Fair Value.

15. Fair Value Hierarchy

Each of the estimated market values for the Corporation's portfolio of financial instruments, is based on a calculation and data input methodology. Each of these methodologies has been analyzed to determine to which of the following levels they can be assigned:

- Level 1 corresponds to Fair Value measurement methodologies through market quotes (unadjusted) in active markets and considering the same valued Assets and Liabilities.

- Level 2 corresponds to Fair Value measurement methodologies using market quote data, not included in Level 1, that are either directly (prices) or indirectly (derived from the prices) observable for the valued Assets and Liabilities.

- Level 3 corresponds to Fair Value measurement methodologies that use valuation techniques that include data on the valued Assets and Liabilities that are not supported by observable market data.

Based on the methodologies, inputs, and previous definitions the following market levels have been established for the financial instruments portfolio held by the Corporation at December 31, 2010:

Financial Assets and Liabilities at Fair Value Ranked	**December 31, 2010**			
	Level 1	**Level 2**	**Level 3**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$
Financial assets at far value recorded in profit/loss				
Unfinished invoices for sale of products	2,303,951	-	-	2,303,951
Cross Currency Swap	-	173,299	-	173,299
Mutual fund unit	61,855	-	-	61,855
Futures	187,021	-	-	187,021
Financial liabilities at fair value recorded in profit/loss				
Futures	2,441,236	-	-	2,441,236

No transfers between different levels of markets values were observed for the reporting period.

16. Trade and Other Payables

Total trade payables, current and non-current, are shown in the following table:

	Current Liabilities		
Item	**12-31-2010** ThUS$	**12-31-2009** ThUS$	**01-01-2009** ThUS$
Trade payables	1,292,895	843,436	779,270
Dividends payable	173,134	503,738	84,671
Payables to employees	31,310	197,138	29,769
Other payables	305,937	278,440	259,410
Total	1,803,276	1,822,752	1,153,120

17. Other Provisions

The detail of Other short-term provisions and non-current liabilities at the indicated dates is as follows:

Item	**Current**			**Non-Current**		
	12-31-2010 ThUS$	**12-31-2009** ThUS$	**01-01-2009** ThUS$	**12-31-2010** ThUS$	**12-31-2009** ThUS$	**01-01-2009** ThUS$
Other provisions, current / non-current						
Trade (1)	38,191	42,502	8,335	-	-	-
Operating (2)	22,835	20,751	42,115	-	-	-
Law 13,196	202,711	130,197	110,431	-	-	-
Sundry (3)	32,976	15,283	24,252	48,466	26,620	5,548
Closure (4)	-	-	1,040	887,142	942,093	843,011
Contingencies	-	-	-	121,864	90,024	117,131
Total	296,713	208,733	186,173	1,057,472	1,058,737	965,690
Current provisions for employees' benefits						
Employees according to collective bargaining agreements	203,301	104,511	116,998	-	-	-
Severance indemnity	37,283	34,321	24,227	809,177	685,264	479,314
Bonus	4,524	3,144	2,601	-	-	-
Compensations (5)	-	-	-	-	-	-
Vacations	150,000	140,425	110,879	-	-	-
Health programs (6)	480	488	134	304,876	212,739	197,098
Retirement plans (7)	282,414	11,881	33,042	-	-	-
Others	11,073	12,760	7,714	77,059	99,821	62,367
Total	689,075	307,530	295,595	1,191,112	997,824	738,779

(1) Corresponds to a sales related provision, which includes charges for freight, loading, and unloading, which were not invoiced at end of the period.
(2) Corresponds to a provision for customs duties, freight on purchases, electricity, among others.
(3) Includes a provision of uncompleted invoices for product purchases, which lowers the current provision balance.
(4) Corresponds to a provision for future closing costs primarily related to tailing dams, mine closure and other asset.

(5) Corresponds to commitments with the Corporation's employees which have been accrued at the date of closure of the financial statements.
(6) Corresponds to a provision for contributions to health institutions agreed with employees and former employees.
(7) Corresponds to a provision for employees who have agreed to retire in accordance with plans in force for personnel retirement.

18. Employee Benefits

Severance Indemnity and Health Plans

The severance indemnity provision covers the severance indemnity liabilities to be paid to employees when they leave the Corporation based on the agreements in the employment contracts or collective bargaining agreements.

The health plans provision is to cover payment obligations that the Corporation has contracted with its employees, according to contracts or collective bargaining agreements, to partially cover the costs of medical services.

These provisions are recorded in the statement of financial position, at the present value of estimated future obligations. These obligations are calculated using actuarial methods and assumptions defined by independent actuaries. The discount rate applied is determined on the basis of the rates of financial instruments in the same currency in which the obligations are to be paid and with similar maturities.

The results from adjustments and changes in actuarial variables are charged or credited to the income statement of the period in which they occur.

i. Actuarial Assumptions for Determining the Severance Indemnity Provision

Actuarial Assumptions	
Discount rate	5.16% - Annual
Turnover Rate - resignation	1.5% - Annual
(Average) wage increase	0.9% - Annual
Men's Retirement Age	65
Women's Retirement Age	60

ii. Reconciliation of Service Indemnity balances

Movements	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Opening balance	719,585	503,541
Cost	43,187	32,498
Financial expense	35,976	28,261
Taxes Paid	(22,379)	(25,579)
Subtotal	776,369	538,721
(Gains) Losses from exchange differences	70,091	180,864
Final balance	846,460	719,585

iii. Expenses by Nature of the Benefits

Movements of Expenses according to the Nature of the Benefits	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Benefits:		
Short-Term Benefits	1,640,202	1,303,336
Post-Employment Benefits	59,410	7,176
Termination Benefits	254,669	8,825
Benefits for Years of Service	25,691	-
Total	1,979,972	1,319,337

19. Net Equity

Article 6 of Decree Law 1,350, stipulates that the profit generated by the Corporation belong to the State and must be credited to general government revenue, after deduction of the amounts authorized for capitalization and reserves through the procedure specified in the Article.

The balance of payable dividends in the respective periods is presented reducing the equity of the Corporation and recognizing a liability under Trade and other payables in current liabilities. At December 31, 2010 the Corporation has a liability for ThUS$173,134.

The Corporation has recorded this liability as a provision for the difference that exists in the respective periods between the financial profit generated and the dividends and advances paid to the Treasury of Chile, charged to the same periods as established in article 6 of DL 1,350 and its amendments, which govern the Corporation. The law referred to above allows the Board of the Corporation - at the end of this fiscal year - to propose the capitalization of part of this year's profit, which must be approved by a joint decree of the Ministries of Finance and Mining.

As a reference, by agreements of the Board and by the issue of the respective decrees referred to above, in 2007 and 2008 the Corporation capitalized approximately US$500 million, with charge to the respective period's profit. Additionally, for the same purpose of financing the Corporation's investment plan, in 2009 the Corporation received a capital increase of US$1,000 million, as stipulated in transitory Article 6 of Law No.20,392.

The "Statement of Changes in Equity" discloses the changes in the Corporation's equity.

The movement and composition of other reserves in equity is presented in the Interim Consolidated Statement of Changes in Equity.

a) Other Reserves

The details of the other reserves in equity, are listed in the table below, at the dates indicated in each case.

Other Reserves	**12-31-2010** ThUS$	**12-31-2009** ThUS$	**01-01-2009** ThUS$
Exchange differences on translation reserves	2,916	2,426	-
Cash flow hedges reserves	(969,571)	(1,017,519)	28,404
Other reserves	1,642,058	1,637,733	1,764,325
Total	**675,403**	**622,640**	**1,792,729**

b) IFRS First-Time Adoption Adjustments in Net Equity

The balance to be realized of the main IFRS first-time adoption adjustments that were recorded in the Corporation's net equity and the amount that has been realized in 2010 and 2009, is as follows:

	Opening balance	Unrealized balance		Realized balance in the period	
	01.01.2009	12-31-2009	12-31-2010	12-31-2009	12-31-2010
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Main IFRS adjustments credited/(debited) to retained earnings					
Fair value of property, plant and equipment as deemed cost	1,803,700	1,545,971	1,327,497	(257,729)	(218,474)
Defined benefit obligations with employees	279,739	244,560	187,776	(35,179)	(56,784)
Effect on Deferred Taxes	(1,291,732)	(1,110,129)	(939,469)	181,603	170,660
Total	791,707	680,402	575,804	(111,305)	(104,598)

c) Non-Controlling Ownership Interest

The details of non-controlling ownership interest, included in liabilities and net income are listed in the table below, at the dates indicated in each case.

	Net equity			Profit (Loss)	
Entity	**12-31-2010**	**12-31-2009**	**01-01-2009**	**01-01-2010 12-31-2010**	**01-01-2009 12-31-2009**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Asociación Garantizadora de Pensiones	24	25	21	(2)	(1)
Biosigma S.A.	1,023	987	1,805	(1,284)	(1,898)
Instituto de Innovación en Minería y Metalurgia S.A.	4	3	2	-	1
Clínica San Lorenzo Ltda.	11	13	11	3	-
Micomo S.A.	914	967	1,103	(53)	(136)
Fundación de Salud El Teniente	18	12	9	(2)	(1)
Total	1,994	2,007	2,951	(1,338)	(2,035)

20. Revenue

The following table shows the sources of the Corporation's consolidated revenue.

Item	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Revenue from sales of the Company's copper	14,501,055	10,684,457
Revenue from sale of third parties' copper	1,255,682	826,320
Revenue from sales of molybdenum	719,831	512,031
Revenue from sales of Other Products	631,447	743,433
Loss in Futures Market	(1,042,069)	(387,104)
Total	16,065,946	12,379,137

21. Other Revenues and Expenses by Function

Other revenues and expenses by function are detailed in the following tables:

a) Other Revenues by Function

Item	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Penalties to suppliers	8,111	7,175
Realized income	4,778	15,465
Outsourcing	6,295	5,129
Miscellaneous sales (net)	98,168	65,894
Other sundry income	24,121	214,700
Total	141,473	308,363

b) Other Expenses by Function

Item	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Law No.13,196	(1,331,012)	(979,906)
Year-end expenses	(14,810)	(128,286)
Bonus for the end of collective bargaining	(208,083)	(127,226)
Early retirement plan	(288,246)	(15,622)
Other expenses	(216,716)	(207,401)
Total	(2,058,867)	(1,458,441)

22. Finance Costs

Item	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Bond interest	(208,925)	(182,887)
Bank loan interest	(11,756)	(28,325)
Exchange differenciacion severance indemnity provision	(35,976)	(28,261)
Exchange differences on other non-current provisions	(56,139)	(50,967)
Other	(18,336)	(28,317)
Total	(331,132)	(318,757)

23. Operating Segments

In Section II, "Summary of Significant Accounting Policies" it has been indicated that, for purposes of IFRS No. 8, "Operating Segments", these are determined according to the Divisions that make up Codelco. On the other hand, the revenues and expenses of the headquarters, are distributed among the defined segments.

The mining sites in operation, in which the Corporation carries out its extractive and processing production processes, are managed by Chuquicamata, Radomiro Tomic, Salvador, Andina and El Teniente divisions. The Ventanas division is dedicated exclusively to smelting and refining processes. These divisions operate under separate management, which report to the Executive President. Additionally, in May 2008, the Gabriela Mistral mine site was added. The characteristics of each division and their respective mine sites are detailed below:

Chuquicamata
Type of mine sites: open pit mines
Operating: since 1915
Location: Calama - Region II
Products: electrorefined and electro-obtained copper cathodes and copper concentrate

Radomiro Tomic
Types of mine sites: open pit mines
Operating: since 1997.
Location: Calama - Region II
Products: electrorefined and electro-obtained copper cathodes and copper concentrate

Salvador
Type of mine: underground mine
Operating: since 1926
Location: Salvador - Region III
Products: electrorefined and 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

Gabriela Mistral
Type of mine: open pit mine
Operating: since 2008
Location: Calama - Region II
Products: electro-obtained cathodes

Headquarters Distribution

The revenue and expenses of the headquarters and the Corporation's Subsidiaries are added to the direct revenue and expenses of the operating divisions, according to bases established for each year, as evidenced by the Statement of Income and Expenses of the headquarters and the Subsidiaries. In addition, revenue and costs between operating segments are eliminated. Principal items are allocated as the criteria:

The Sales and Selling Costs of Headquarters Commercial Transactions

- The distribution to the Operating Divisions is made proportionally to the value of the products and sub-products invoiced by each Division.

Administration and Sales Expenses

- The cost centers identified with each Division are allocated directly.
- The cost centers associated with the sales function and administration and sales expenses are allocated in proportion to the invoiced and recorded value of products and byproducts shipped by each Division.
- The cost centers associated to the supply function are allocated in relation to the warehouse accounting balances of each Operating Division.
- The remaining cost centers are allocated in relation to the operating expenditures of the respective Divisions.

Other Revenue

- The revenue associated and identified with each specific Division is allocated directly.
- The recognition of realized revenue and other revenue of the headquarters are allocated in proportion to the invoiced and recorded value of products and byproducts shipped by each Division.
- The remainder is distributed in proportion to the sum of the balances of the "Other revenue" and the "Financial revenue" items of the respective Divisions.

Other Expenses

- The expenses associated and identified with each specific Division are allocated directly.
- The expenses of pre-investment studies and the non-operating expenses of the Subsidiaries are allocated in proportion to the invoiced and recorded value of the shipped products and byproducts invoiced by each Division.

- The remainder is allocated in proportion to the sum of the balances of the "Other expenses" and the "Financial costs" items of each Division.

The following tables detail the information according to the Corporation's operating segments:

	At December 31, 2010										
Segments	**Chuquicamata** ThUS$	**R. Tomic** ThUS$	**Salvador** ThUS$	**Andina** ThUS$	**El Teniente** ThUS$	**Ventanas** ThUS$	**G. Mistral** ThUS$	**M. Hales** ThUS$	**Total Codelco** ThUS$	**Sunsidiaries (1) and Headquarters Net** ThUS$	**Consolidated Total** ThUS$
Revenue from sales of copper	5,094,736	2,373,076	1,088,075	1,341,566	3,159,811	621,224	919,008	-	14,597,496	513,680	15,111,176
Revenue from sale of third parties' copper	-	-	-	-	-	153,129	-	-	153,129	1,102,553	1,255,682
Revenue from sales of molybdenum	381,074	-	44,032	98,916	195,809	-	-	-	719,831	-	719,831
Revenue from sales of Other Products	210,421	-	110,140	17,768	91,835	286,256	-	-	716,420	(84,973)	631,447
Revenue from Futures Market	(401,061)	(168,938)	(78,597)	(96,208)	(231,889)	-	(64,582)	-	(1,041,275)	(794)	(1,042,069)
Revenue between segments	-	-	-	-	-	-	-	-	-	(610,121)	(610,121)
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Income from regular activities	5,285,170	2,204,138	1,163,650	1,362,042	3,215,566	1,060,609	854,426	-	15,145,601	920,345	16,065,946
Cost of sales of the Company's copper	(2,899,503)	(744,202)	(784,451)	(598,133)	(1,184,452)	(635,176)	(400,401)	-	(7,246,318)	(553,174)	(7,799,492)
Cost of sales of Third Parties' Copper	-	-	-	-	(329)	(160,077)	-	-	(160,406)	(1,096,325)	(1,256,731)
Cost of sales of Molybdenum	(74,460)	-	(13,993)	(17,891)	(34,721)	-	-	-	(141,065)	-	(141,065)
Cost of sales of Other Products	(95,586)	-	(104,310)	20,790	(97,220)	(309,157)	-	-	(585,483)	85,161	(500,322)
Costs of sales between segments	(13,570)	(5,659)	(2,988)	(3,497)	(8,256)	(2,723)	(2,194)	-	(38,887)	959,473	920,586
Other Costs of sales	-	-	-	-	-	-	-	-	-	(311,716)	(311,716)
Cost of sales	(3,083,119)	(749,861)	(905,742)	(598,731)	(1,324,978)	(1,107,133)	(402,595)	-	(8,172,159)	(916,581)	(9,088,740)
Gross profit	2,202,051	1,454,277	257,908	763,311	1,890,588	(46,524)	451,831	-	6,973,442	3,764	6,977,206
Other revenue per function	27,110	11,536	10,839	27,601	54,161	3,757	196	-	135,200	6,273	141,473
Distribution costs	(3,081)	(1,295)	(3,832)	(866)	(2,241)	(622)	(485)	-	(12,422)	(2,572)	(14,994)
Administrative expenses	(116,492)	(33,189)	(30,926)	(33,644)	(95,651)	(19,560)	(24,157)	(210)	(353,829)	(36,405)	(390,234)
Other expenses per function	(906,468)	(250,084)	(156,173)	(154,340)	(424,539)	(81,402)	(83,459)	-	(2,056,465)	(2,402)	(2,058,867)
Other gains (losses)	-	-	-	-	-	-	-	-	-	28,040	28,040
Finance income	14,536	3,705	2,735	4,248	7,885	1,054	1,564	-	35,727	(168)	35,559
Finance costs	(107,456)	(11,630)	(6,092)	(61,745)	(88,041)	(15,309)	(36,162)	(2)	(326,437)	(4,695)	(331,132)
Share in the profit (loss) of associates and joint ventures accounted for by the equity method	114,589	43,491	22,832	27,203	63,448	20,928	2,080	-	294,571	8,824	303,395
Exchange differences	(56,628)	(9,410)	(15,220)	(24,192)	(82,960)	(8,618)	(4,747)	-	(201,775)	(749)	(202,524)
Profit (loss) before taxes	1,168,161	1,207,401	82,071	547,576	1,322,650	(146,296)	306,661	(212)	4,488,012	(90)	4,487,922
Income tax expenses	(676,240)	(711,367)	(37,259)	(322,324)	(781,162)	96,183	(178,313)	129	(2,610,353)	(1,248)	(2,611,601)
Profit (loss)	491,921	496,034	44,812	225,252	541,488	(50,113)	128,348	(83)	1,877,659	(1,338)	1,876,321

	At December 31, 2009										
Segments	**Chuquicamata** ThUS$	**R. Tomic** ThUS$	**Salvador** ThUS$	**Andina** ThUS$	**El Teniente** ThUS$	**Ventanas** ThUS$	**G. Mistral** ThUS$	**M. Hales** ThUS$	**Total Codelco** ThUS$	**Sunsidiaries (1) and Headquarters Net** ThUS$	**Consolidated Total** ThUS$
Revenue from sales of copper	3,600,541	1,740,864	770,923	1,222,116	2,178,028	386,749	805,959	-	10,705,180	409,438	11,114,618
Revenue from sale of third parties' copper	-	-	-	-	-	61,307	-	-	61,307	765,013	826,320
Revenue from sales of molybdenum	325,672	-	22,899	47,195	116,265	-	-	-	512,031	-	512,031
Revenue from sales of Other Products	174,116	-	118,762	23,544	152,004	275,012	(5)	-	743,433	-	743,433
Gain on Future Market	(141,137)	(67,977)	(27,340)	(47,382)	(70,889)	-	(32,253)	-	(386,978)	(126)	(387,104)
Revenue between segments			-					-		(430,161)	(430,161)
Other revenue			-					-		-	-
Income from regular activities	3,959,192	1,672,887	885,244	1,245,473	2,375,408	723,068	773,701	-	11,634,973	744,164	12,379,137
Cost of sales of the Company's copper	(1,903,304)	(787,452)	(263,934)	(528,630)	(1,091,510)	(64,702)	(371,781)	-	(5,011,313)	(442,452)	(5,453,765)
Cost of sales of Third Parties' Copper	(428,832)	-	(387,902)	-	-	(397,529)	-	-	(1,214,263)	(749,637)	(1,963,900)
Cost of sales of Molybdenum	(67,784)	-	(8,720)	(15,090)	(34,325)	-	-	-	(125,919)	-	(125,919)
Cost of Sales of Other Products	(42,395)	-	(107,697)	(492)	(115,512)	(283,842)	(1)	-	(549,939)	-	(549,939)
Costs of sales between segments	(8,561)	(3,606)	(1,916)	(2,689)	(5,136)	(1,552)	(1,668)	-	(25,128)	735,076	709,948
Other Costs of sales			-					-		(282,436)	(282,436)
Cost of sales	(2,450,876)	(791,058)	(770,169)	(546,901)	(1,246,483)	(747,625)	(373,450)	-	(6,926,562)	(739,449)	(7,666,011)
Gross profit	1,508,316	881,829	115,075	698,572	1,128,925	(24,557)	400,251	-	4,708,411	4,715	4,713,126
Other income per function	37,482	66,819	50,270	36,021	97,000	13,558	1,053	-	302,203	6,160	308,363
Distribution costs	(5,854)	(2,466)	(1,310)	(1,838)	(3,512)	(1,061)	(1,140)	-	(17,181)	(1,976)	(19,157)
Administrative expenses	(85,272)	(29,699)	(23,695)	(38,206)	(74,411)	(19,201)	(16,551)	-	(287,035)	(36,801)	(323,836)
Other expenses per function	(631,384)	(169,937)	(83,843)	(152,377)	(290,202)	(52,422)	(76,642)	-	(1,456,807)	(1,634)	(1,458,441)
Other profits (losses)	-	-	-	-	-	-	-	-	-	14,750	14,750
Finance income	9,721	2,745	2,042	2,689	7,423	899	638	-	26,157	1,509	27,666
Finance costs	(125,250)	(44,603)	(16,496)	(37,661)	(72,297)	(9,728)	(8,078)	-	(314,113)	(4,644)	(318,757)
Share in the profit (loss) of associates and joint ventures accounted for by the equity method	103,387	43,538	22,403	32,324	62,006	18,739	20,135	-	302,532	8,119	310,651
Exchange differences	(181,508)	7,524	(11,236)	(22,317)	(52,911)	(19,135)	2,255	-	(277,328)	10,797	(266,531)
Profit (loss) before taxes	629,638	755,750	53,210	517,207	802,021	(92,908)	321,921	-	2,986,839	(3,720)	2,987,834
Income tax expenses	(401,942)	(449,825)	(30,530)	(309,473)	(486,336)	56,702	(189,209)	-	(1,810,613)	(3,030)	(1,813,643)
Profit (loss)	227,696	305,925	22,680	207,734	315,685	(36,206)	132,712	-	1,176,226	(6,750)	1,174,191

The assets and liabilities related to each operating segment, including the Corporation's corporate center (headquarters) at December 31, 2010 and at December 31, 2009, are detailed in the following tables:

	At December 31, 2010									
Balance Sheet Item	**Chuquicamata** ThUS$	**R. Tomic** ThUS$	**Salvador** ThUS$	**Andina** ThUS$	**El Teniente** ThUS$	**Ventanas** ThUS$	**G. Mistral** ThUS$	**M. Hales** ThUS$	**Parent Company** ThUS$	**Consolidated** ThUS$
Current assets	1,697,367	524,568	489,662	467,567	795,830	310,335	251,597	4,318	1,410,232	5,951,476
Non-current assets	3,118,643	1,233,388	428,352	3,042,902	2,771,088	278,212	916,073	131,803	2,407,104	14,327,565
Current liabilities	696,405	93,134	113,621	285,423	459,953	138,851	541	42,692	3,413,207	5,243,827
Non-current liabilities	827,355	118,390	164,582	174,766	597,336	35,300	11,552	93,641	8,481,080	10,504,002

	At December 31, 2009									
Balance Sheet Item	**Chuquicamata** ThUS$	**R. Tomic** ThUS$	**Salvador** ThUS$	**Andina** ThUS$	**El Teniente** ThUS$	**Ventanas** ThUS$	**G. Mistral** ThUS$	**M. Hales** ThUS$	**Parent Company** ThUS$	**Consolidated** ThUS$
Current assets	1,329,738	513,156	407,270	279,741	579,670	270,398	186,260	-	1,429,329	4,995,564
Non-current assets	3,655,301	940,986	364,215	2,814,741	3,201,128	424,348	1,261,809	-	595,788	13,258,316
Current liabilities	761,808	64,517	82,019	228,870	365,324	158,492	3,525	-	2,432,059	4,096,615
Non-current liabilities	1,125,457	97,673	245,541	245,625	747,845	44,756	14,828	-	7,192,313	9,714,038

Revenue segregated by geographical area is as follows:

Revenue per geographical areas	**12-31-2010** ThUS$	**12-31-2009** ThUS$
Total revenue from local customers	1,211,955	985,679
Total revenue from foreign customers	14,853,991	11,393,458
Total	16,065,946	12,379,137

24. Exchange Differences

According to Decree Law 1,350, the Corporation keeps its accounting records in United States dollars (US$), recording transactions in currencies other than U.S. dollar at the current exchange rate at the date of each transaction and subsequently updating them, when necessary, according to the exchange rate determined by the Superintendency of Securities and Insurance at the reporting date of closure of each of the financial statements.

The following table summarizes the exchange differences in the Codelco Chile and subsidiaries consolidated statements of income:

Profit (Loss) from exchange differences recognized in income	**01-01-2010 12-31-2010** ThUS$	**01-01-2009 12-31-2009** ThUS$
Profit from exchange differences	84,996	188,478
Loss from exchange differences	(287,520)	(455,009)
Total exchange differences	(202,524)	(266,531)

25. Statement of Cash Flows

The following table shows the items that comprise other collections and payments from operating activities in the Statement of Cash Flows:

	12-31-2010 ThUS$	**12-31-2009** ThUS$
Other collections from operating activities:		
VAT refund	1,242,491	1,011,662
Others	524,660	508,503
Total	1,767,151	1,520,165

	12-31-2010 ThUS$	**12-31-2009** ThUS$
Other payments for operating activities:		
Contribution to the Chilean Treasury (Law No.13,196)	(1,270,940)	(912,498)
Financial hedges and sales	(986,624)	(324,025)
VAT and other similar paid	(1,267,851)	(1,003,727)
Total	(3,525,415)	(2,240,250)

26. Financial Risk Management

Codelco has created committees within its organization, to generate strategies to minimize the financial risks to which it may be exposed.

The Market Risk Management Committee and the Vice-presidency of Administration and Finance are responsible for this.

The Market Risk Management Committee is also responsible for analyzing and proposing financial hedging operations to the Corporation's Board of Directors, to issue standards and to control the execution of the authorizations given by the Board.

The following are the risks to which Codelco is exposed, along with a brief description of the actions that are implemented in each case.

a. Financial Risks

- **Exchange rate risk:**

According to IFRS 7, exchange rate risk is understood to be that which arises from financial instruments that are denominated in foreign currencies, that is, a currency other than the Corporation's functional currency (U.S. dollar).

Codelco's activities that generate this exposure correspond to funding in UF, accounts payable and receivable in Chilean pesos, other foreign currencies for its business operations and obligations with employees.

The transactions in currencies other than US$ are mainly in Chilean pesos.

Taking the assets and financial liabilities at December 31, 2010 as the base, a fluctuation (positive or negative) of 10 Chilean pesos against the U.S. dollar (keeping the other variables constant), could affect profit by + / - US$30 million.

- **Interest Rate Risk:**

This risk is generated by 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 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 at December 31, 2010 and 2009, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US$10 million change in financial expenses at 31 December 2010.

Total fixed and variable interest rate obligations maintained by Codelco at December 31, 2010, amount to ThUS$4,672,235 and ThUS$1,587,500, respectively.

b. Market Risks

- **Commodity Price Risk:**

As a result of its commercial operations and activities, the results of the Corporation are principally exposed to the volatility of copper prices and certain sub products such as gold and silver.

Revenues associated with sales contracts that provide for a provisional price at the date of shipment and whose final price is based on the price of the London Metal Exchange ("LME") are adjusted to their market value and recorded in net income for the period.

At December 31, 2010, if the future price of copper were to vary by + / - 5% (with the other variables constant), net income would vary + / - US$172 million as a result of the mark to market adjustment of sales revenue at provisional prices current at December 31, 2010 (ThTMF 401).

In order to protect its cash flows and, if necessary, adjust its sales contracts to its commercial policy, the Corporation performs transactions in the futures market, recording their results at maturity. These results are added or deducted from sales revenue. This addition or deduction is made because sales revenue incorporates the positive or negative effect of market prices.

The note "Derivative Contracts" describes the financial hedging instruments that exist at December 31, 2010 and December 31, 2009 to minimize market risk.

At December 31, 2010 and December 31, 2009, a one cent (US$) variation in the price of the pound of copper, because of the effect on derivative instrument contracts entered into by the Corporation, would mean a variation in revenue or payments for existing contracts (exposure) of US$7 and US$13 million, respectively.

No hedging contracts have been entered into for the specific purpose of mitigating the price risk caused by fluctuations in the price of production supplies.

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 availability, whether in cash, liquid financial instruments and credit facilities that are sufficient to meet its obligations.

In addition, the Finance Department constantly monitors the Company's cash flow projections based on short and long term projections and available financing alternatives. In addition, the Company estimates it has enough room to increase the level of borrowing for 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 presented in the statement of financial position are as follows:

Maturities of financial liabilities at December 31, 2010	**Less than one year** ThUS$	**Between one year and five years** ThUS$	**More than five years** ThUS$
Loans to financial institutions	340,613	1,296,050	-
Bonds	61,933	1,748,227	2,899,614
Financial leases	17,367	50,800	71,703
Derivatives	1,493,312	1,028,308	-
Other financial liabilities	5,683	94,780	-
Total	1,918,908	4,218,165	2,971,317

d. Credit Risk

This risk comprises the possibility that a third party does not fulfill its contractual obligations, thereby causing a loss to the Corporation.

Given the Corporation's sales policy, principally with cash and advance payments and bank letters of credit, the uncollectibility of client debt balances is minimal. This is complemented with the knowledge the Corporation has of its clients and the length of time it has operated with them. Therefore, the credit risk of these transactions is not significant.

In general, the Corporation's other receivables have a high credit quality according to the Corporation's valuations, based on each debtor's solvency analysis and payment history.

The maximum credit risk exposure at December 31, 2010 is reliably represented by the financial assets items that are 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.

The client items include provisions, which are not significant, based on the review of the debt balances and the clients' characteristics, to cover possible insolvencies.

Explanatory note 2 in "Trade and other receivables" presents overdue balances that have not been provided for.

The Corporation estimates that unimpaired amounts overdue over 30 days are recoverable, based on the clients' historical payment behavior and their existing credit ratings.

At December 31, 2010, December 31, 2009 and January 1, 2009, there are no receivable balances that have been renegotiated.

Codelco works with major banks, with 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 of its business.

During the third quarter of 2010 and 2009, no assets have been obtained as a result of the execution of guarantees contracted to insure the collection of third party debt.

Personnel loans are principally generated by mortgage loans, according to programs included in collective agreements, which are guaranteed by housing mortgages and payment is made through payroll discounts.

27. Derivatives Contracts

As stated in the Board of Directors' policy, ratified on March 27, 2009, the Corporation has operations to hedge cash flows, to minimize the risk of interest rate fluctuations, exchange rate variations and sales price variations, as follows:

a. Interest Rate Hedges

At December 31, 2010 and 2009, the Corporation has no current contracts.

b. Exchange Rate Hedges

The Corporation has interest rate hedging transactions for a total of ThUS$173,299, which mature in August 2012 and April 2025.

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

			December 31, 2010		
Hedged Item	**Bank**	**Type of Derivative Contract**	**Amount of hedged item**	**Swap Value**	**Exposure**
			ThUS$	ThUS$	ThUS$
Bond in UF maturing in 2012	Bco. Chile - Jp Morgan	Swap	320,909	164,482	34,665
Bond in UF maturing in 2025	Credit Suisse	Swap	316,326	208,519	138,634
Total			637,235	373,001	173,299

ThUS$67,030 at December 31, 2010 (December 31, 2009: ThUS$49,253; January 1, 2009: ThUS$59,338) are included in Other Non-Current Financial Liabilities. The collections originated by these contracts are recorded at the respective obligations maturity.

c. Cash Flow and Commercial Policy Adjustment Hedging Contracts

The Corporation performs transactions in the futures market, recording their results at maturity. These results are added to or deducted from sales revenue. This addition or deduction is made because sales revenue incorporates the positive or negative effect of market prices. At December 31, 2010, these operations generated lower net income of ThUS$1,043,294 (plus an effect of lower net income equivalent to ThUS$794 in subsidiaries), which is detailed below:

c.1. Commercial Operations of Current Copper Contracts

The purpose of these contracts is to adjust the price of shipments to the Corporation's related policy, defined in accordance with the London Metal Exchange (LME). In the January to December 2010 period, the Corporation has performed futures market transactions that represent 237,045 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

The current contracts at December 31, 2010 present a ThUS$153,947 positive exposure, 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 completed between January 1 and December 30, 2010 generated a net negative effect on net income of ThUS$28,419, which is deducted from the amounts paid for purchase contracts and added to the values received for sales contracts of the products affected by these pricing transactions.

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

At December 31, 2010 the Corporation maintains contracts for pricing the sale of gold for ThTOZ 3 and silver for ThTOZ 994.

The negative exposure at that date is ThUS$244.4.

The transactions completed between January 1 and December 30, 2010 generated a negative effect on net income of ThUS$9,194, which is deducted from the amounts received for the sales contracts of the products affected by these pricing transactions. These hedging transactions mature up to March 2012.

c.3. Cash Flow Hedging Operations Backed by Future Production

Also, to hedge future cash flows by ensuring the sale price of part of its production, copper futures transactions have been entered into for 365,550 tons of fine copper (TMF). The copper futures sales contracts mature up to March 2013.

The current futures contracts at December 31, 2010 present a ThUS$2,409,632 negative exposure, and their final result will only be known at their maturity, offsetting their effects with the sale of the hedged products.

The futures transactions completed between January 1 and December 31, 2010, related to production sold, generated a lower revenue of ThUS$1,005,680, which is the result of offsetting the hedging transaction and sales revenue from the sale of the products affected by this pricing. These results are presented reducing net operating results.

At December 31, 2010, the Corporation does not have any option contracts.

The following table summarizes the exposure of the metal hedges contracted by the Corporation:

	December 31, 2010						
	Maturity Date						
	2010	**2011**	**2012**	**2013**	**2014**	**Following**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Flex Com Copper (assets)	-	186,776	(3,637)	-	-	-	183,139
Flex Com Copper (liabilities)	-	(29,192)	-	-	-	-	(29,192)
Flex Com Gold/Silver	-	245	-	-	-	-	245
Cooper Pricing	-	(1,450,766)	(957,641)	-	-	-	(2,408,407)
Metal options	-	-	-	-	-	-	-
Total	-	(1,292,937)	(961,278)	-	-	-	(2,254,215)

	December 31, 2009						
	Maturity Date						
	2010	**2011**	**2012**	**2013**	**2014**	**Following**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Flex Com Copper (assets)	284,761	74	-	-	-	-	284,835
Flex Com Copper (liabilities)	(1,323)	-	-	-	-	-	(1,323)
Flex Com Gold/Silver	203	-	-	-	-	-	203
Cooper Pricing	(1,088,384)	(994,183)	(693,128)	-	-	-	(2,775,695)
Metal options	-	-	-	-	-	-	-
Total	(804,743)	(994,109)	(693,128)	-	-	-	(2,491,980)

	December 31, 2010						
	Maturity Date						
	2010	**2011**	**2012**	**2013**	**2014**	**Following**	**Total**
	Th MT/OZ	Th MT/OZ	Th MT/OZ	Th MT/OZ	Th MT/OZ	Th MT/OZ	Th MT/OZ
Copper Futures [MT]	-	422	26	-	1	-	449
Gold / Silver Futures [OZ]	-	997	-	-	-	-	997
Copper Pricing [MT]	-	202	150	-	-	-	352
Metal Options [MT]	-	-	-	-	-	-	-

	December 31, 2009						
	Maturity Date						
	2010	**2011**	**2012**	**2013**	**2014**	**Following**	**Total**
	Th MT/OZ	Th MT/OZ	Th MT/OZ	Th MT/OZ	Th MT/OZ	Th MT/OZ	Th MT/OZ
Copper Futures [MT]	360	22	-	-	-	-	382
Gold / Silver Futures [OZ]	260	-	-	-	-	-	260
Copper Pricing [MT]	252	216	150	-	-	-	618
Metal Options [MT]	-	-	-	-	-	-	-

28. Contingencies and Restrictions

i. Litigations and Contingencies

There are different lawsuits and legal actions initiated by or against the Company, which are derived 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 in which the Company is being sued do not represent significant loss contingencies. 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 Lawsuits: There are different tax lawsuits for Internal Revenue Service tax assessments for which the Corporation has filed the corresponding opposition.

- Labor Lawsuits: Labor lawsuits filed by workers of the Andina Division against the Corporation, referred to occupational illness (silicosis).

- Mining Lawsuits and others derived from operations: The Corporation has been participating and will probably continue to participate as a plaintiff and defendant in certain lawsuits relating to its operations and mining activities, through which it seeks to exercise or oppose certain actions or exceptions with regard to certain mining concessions that have been established or are pending constitution, and its other activities. The amounts related to these processes have not been currently determined and do not essentially affect Codelco's development.

A case by case analysis of these lawsuits has shown that there are a total of 302 cases that have an estimated value. It is estimated that 51 of these, that represent 17% of the universe and which amount to ThUS$33,623, could have a negative result for the Corporation. There are also 129 lawsuits, that represent 43% of the total and which amount to ThUS$81,777, about which there is no certainty that the outcome would be unfavorable for Codelco. For the 122 remaining cases, amounting to ThUS$13,825, the Corporation's legal advisors believe an unfavorable outcome is unlikely. In addition, there are 161 lawsuits for undetermined amounts; it is believed that the result of 27 of these could be unfavorable to Codelco.

Additionally the Corporation is in the process of answering, by the corresponding deadlines, a resolution of the Internal Revenue Service originated in a review of prior years' taxable income, related to a product sales contract signed with a related company.

The necessary provisions have been made for the lawsuits with probable losses and their legal costs. These provisions are recorded as contingency provisions.

As is public knowledge, the Corporation has submitted Appeals for Protection before the respective Courts of Appeals, challenging the records of finding notified by the Labor Department, for inspections performed under the framework of Law No.20,123, which regulates subcontracted work schemes and temporary service firms. Five of these appeals were accepted and one was rejected, the latter has been appealed by the Corporation. All appeals are currently pending in the Supreme Court.

ii. Other Commitments

a) On April 29, 2008, the Company jointly with other companies of the mining sector entered into an electricity generation supporting contract with Gas Atacama Generación S.A. in the Norte Grande Interconnected System (SING), in force from March 1, 2008 to December 31, 2011, whose expense will be accrued according to the participating companies' consumptions. Codelco is responsible for covering a maximum of US$194.71 million in that period.

b) On February 29, 2010, the Board agreed to continue the mining operations of the Salvador Division until 2016, and if market and operating conditions are maintained, until 2021. Both extensions are subject to the condition that management improvements and cost reductions commitments made by the Division are met. These commitments were filed at the Board of Directors in August 2010. And the extension was approved.

c) On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, Copper Partners Investment Company Ltd., in which both companies have equal participation. A 15-year copper cathode sales contract to that associated company was agreed, as well as a purchase contract from Minmetals to the latter for the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid by the buyer at a price formed by a fixed readjustable component plus a variable component, which depends on current copper prices at the time of shipment.

In addition, Codelco granted Minmetals an option to purchase, at market price, a minority interest in a company that would exploit the Gaby deposit, subject to the conditions established and authorized by Codelco to carry out this initiative.

On September 23, 2008, Codelco Chile and Minmetals agreed to indefinitely suspend the rights and obligations related to the option on the Gabriela Mistral Deposit. Any possible replacement of this option will require an agreement between both parties. Likewise, both companies agreed to work together, case by case, in the study of new

international copper mining business and exploration opportunities, principally in Latin America and Africa.

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 Copper Partners Investment Company Ltd. to make the US$550 million advance payment to Codelco in March 2006.

At December 31, 2010, the contract is operational, and monthly shipments began in June 2006.

On the basis of the agreements with Minmetals, Codelco's Board of Directors authorized hedging transactions for a total of 139,325 tons, by Copper Partners Investment Company Ltd., which were completed during the months of January and March 2006 (13,900 TMF outstanding at December 31, 2010), maturing until July 2011. Copper Partners Investment Company Ltd. assumes the results of the hedging transactions.

With regard to financial obligations incurred by the associate Copper Partners Investment Company Ltd. with the China Development Bank, Codelco Chile and Codelco International Ltd. must meet certain commitments, principally 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 Copper Partners Investment Company Limited as a guarantee to the China Development Bank.

d) On January 30, 2009, the Corporation informed Anglo American Sur S.A. of its decision to postpone the exercise of the option it has - initially belonging to Empresa Nacional de Minería (ENAMI) and transferred to Codelco for consideration - to acquire up to 49% of the shares of said company, for the next contract period from January 1 to 31, 2012.

On February 22, 2010, Codelco made an advance payment of ThUS$163,935 for the assignment of ENAMI’s option to purchase Anglo American Sur S.A. shares, in three installments, the first two of ThUS$60,000 were paid on February 22 and 25, 2010, respectively, and a third installment for the balance, was paid on March 1, 2010.

e) The Corporation has signed gas supply contracts with its associated company GNL Mejillones S.A., which begin to operate in October 2010, and through this contract, the associated company agrees to sell part of a minimum equivalent to 27 Tera BTU’s (British Thermal Units) per year during the 2010 - 2012 period. Additionally, the

Corporation has signed an option contract together with other participating mining companies that includes the option to:

- Acquire the right to the long-term use of the terminal's capacity from the end of the contract, or

- To acquire the company's shares; the companies are committed to choosing one or other of these two alternatives.

The Corporation has signed guarantees for 50% of the total exposure of the derivative transactions made by GNL Mejillones S.A., up to a maximum of ThUS$360,000.

f) Law 19,993 dated December 17, 2004, which authorized the purchase of the Fundición y Refinería Las Ventanas assets from ENAMI, established that the Corporation must ensure the smelting and refining capacity required, 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 mode or other form agreed by the parties.

g) The 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, at December 31, 2010 and 2009, has met these conditions.

h) On January 20, 2010, the Corporation signed two energy supply contracts with Colbún S.A., which includes energy and power purchases for a total of 351 MW. The contract provides a discount for that energy consumption due to lower demand 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.

In addition, through a supplementary agreement, Codelco has ensured the supply by Colbún of 159 MW, adapted to Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

This contract is based on energy production from Colbún's Santa María thermal power station that is currently under construction. This plant is coal-fired; therefore, the electric energy tariff rate applied for the energy supplied to Codelco is linked to the price of coal.

Through these contracts, which operate through take or pay, the Corporation agrees to pay for the contracted energy and Colbún undertakes to return at market price the energy not consumed by Codelco.

i) On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA SA:

- This Contract replaces the one signed on November 22, 1995, for the supply of electricity to the Chuquicamata work center, for a 15-year term beginning in January 2010 for between 200 and 280 MW in power and all associated electric energy. The approximate cost of the contract is US$1,380 million for the whole period.

- Modification of the contract dated December 21, 1995 for the Radomiro Tomic work center, for a maximum power of 110 MW, in which new prices are established, for the power and energy contemplated in the contract as well as their new adjustment formulas from January 2010.

j) On December 31, 2009, Codelco has signed a purchase contract with Empresa Nacional de Electricidad S.A., for the purchase of power and electricity from the Central Interconnected System (SIC) to meet Codelco's requirements for its Salvador Division.

The contract is effective as of April 1, 2010 and up to March 31, 2013. The agreed maximum power is HP 70 (MW) and HFP 71 (MW).

29. Guarantees

The Corporation has received and granted guarantees as a result of its activities.

The guarantees given by Codelco include those granted to financial institutions. The main ones are detailed in the following tables:

Creditor of the Guarantee	Type of Guarantee	Direct Guarantees Provided to Financial Institutions			
		December 31, 2010		December 31, 2009	January 1, 2009
		Maturity	Guaranteed Amount	Guaranteed Amount	Guaranteed Amount
			ThUS$	ThUS$	ThUS$
Macquarie Bank Limited	Standby Letter - Banco Intesa Sanpaolo	January, 2011	60,000	165,000	-
Macquarie Bank Limited	Standby Letter - Banco Intesa Sanpaolo	-	-	-	60,000
Sempra Metals Limited	Standby Letter - Banco Santander Chile	July, 2010	-	-	80,000
Macquarie Bank Limited	Standby Letter - Banco Intesa Sanpaolo	January, 2011	55,000	-	-
Koch Supply & Trading LP	Standby Letter - Banco Santander Chile	January, 2011	55,000	55,000	-
Koch Supply & Trading LP	Standby Letter - Banco Intesa Sanpaolo	March, 2011	30,000	-	-
Koch Supply & Trading LP	Standby Letter - Banco Intesa Sanpaolo	March, 2011	50,000	-	-

Creditor of the Guarantee	Guanranteed Debtor	Relatonship	Type of Guarantee	Indirect Guarantees Provided to Financial Institutions		
				December 31, 2010 Guaranteed Amount	December 31, 2009 Guaranteed Amount	January 1, 2009 Guaranteed Amount
				ThUS$	ThUS$	ThUS$
Barclays Bank PLC	Sociedad GNL Mejillones S.A.	Associate	Guarantor	100,000	100,000	100,000
Morgan Stanley Capital Group INC.	Sociedad GNL Mejillones S.A.	Associate	Guarantor	200,000	200,000	200,000
Koch Supply & Trading LP	Sociedad GNL Mejillones S.A.	Associate	Guarantor	60,000	60,000	60,000
China Development Bank	Copper Partners Investment Co. Ltd.	Joint Venture	Rights	26,635	-	117,600

The documents obtained as guarantees principally cover supplier and contractor obligations related to the various projects in progress. Considering the large amount of documents received and the large number of suppliers and contractors, the information regarding these guarantees, is grouped according to the Operating Divisions that have received them.

Division	Guarantees received from third parties		
	12-31-2010	12-31-2009	01-01-2009
	ThUS$	ThUS$	ThUS$
Andina	50,026	78,224	94,892
Chuquicamata	54,907	59,065	51,959
Casa Matriz	202,116	166,103	186,079
Salvador	536	190	188
El Teniente	67,026	81,841	77,506
Fundición Ventanas	2,127	2,167	897

30. Balance by Foreign Currency

a) Assets by Type of Currency

Item	12-31-2010 ThUS$	12-31-2009 ThUS$
US dollars	983,905	879,566
Euros	558	4,412
Other currencies	21,780	2,984
Non-indexed Ch$	62,934	171,745
U.F.	-	7,253
Liquid assets	1,069,177	1,065,960
US dollars	792,409	591,822
Euros	-	2,256
Other currencies	21,779	-
Non-indexed Ch$	59,851	171,745
U.F.	-	7,253
Cash and cash equivalents	874,039	773,076
US dollars	191,496	287,744
Euros	558	2,156
Other currencies	1	2,984
Non-indexed Ch$	3,083	-
U.F.	-	-
Other current financial assets	195,138	292,884
US dollars	2,628,357	2,247,579
Euros	67,926	34,933
Other currencies	459,333	1,643
Non-indexed Ch$	18,835	561,727
U.F.	1,190	1,686
Short and long-term receivables	3,175,641	2,847,568
US dollars	2,363,430	1,725,845
Euros	67,926	34,933
Other currencies	265,486	1,643
Non-indexed Ch$	15,974	297,919
U.F.	1,190	1,686
Trade and other receivables	2,714,006	2,062,026

Item	12-31-2010 ThUS$	12-31-2009 ThUS$
US dollars	3,585	3,742
Euros	-	-
Other currencies	193,847	-
Non-indexed Ch$	1,353	194,360
U.F.	-	-
Rights receivable, non-current	198,785	198,102
US dollars	156,446	159,733
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	1,508	69,448
U.F.	-	-
Due from related companies, current	157,954	229,181
US dollars	104,896	358,259
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Due from related companies, non-current	104,896	358,259
US dollars	11,754,576	12,724,782
Euros	460,807	-
Other currencies	3,530,536	-
Non-indexed Ch$	250,197	1,615,570
U.F.	38,107	-
Rest of assets	16,034,223	14,340,352
US dollars	15,366,838	15,851,927
Euros	529,291	39,345
Other currencies	4,011,649	4,627
Non-indexed Ch$	331,966	2,349,042
U.F.	39,297	8,939
Total Assets	20,279,041	18,253,880

b) Liability by Type of Currency

	December 31, 2010		December 31, 2009	
Current liabilities by currency	**Until 90 days** ThUS$	**From 90 days to 1 year** ThUS$	**Until 90 days** ThUS$	**From 90 days to 1 year** ThUS$
US dollars	3,072,346	1,904,206	-	3,205,916
Euros	-	3,979	-	44,102
Other currencies	95,386	25	-	366,324
Non-indexed Ch$	336	-	-	351,067
U.F.	156,851	10,698	-	129,206
Current liabilities	3,324,919	1,918,908	-	4,096,615
US dollars	-	1,904,206	-	1,375,981
Euros	-	3,979	-	2,217
Other currencies	-	25	-	856
Non-indexed Ch$	-	-	-	-
U.F.	-	10,698	-	15,368
Other current financial liabilities	-	1,918,908	-	1,394,422
US dollars	-	336,440	-	211,268
Euros	-	1,060	-	2,071
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	3,113	-	1,687
Bank loans	-	340,613	-	215,026
US dollars	-	54,348	-	48,303
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	7,585	-	6,880
Secured debentures	-	61,933	-	55,183

	December 31, 2010		December 31, 2009	
	Until 90 days	From 90 days to 1 year	Until 90 days	From 90 days to 1 year
Current liabilities by currency	ThUS$	ThUS$	ThUS$	ThUS$
US dollars	-	17,116	-	19,732
Euros	-	226	-	146
Other currencies	-	25	-	856
Non-indexed Ch$	-	-	-	-
U.F.	-	-	-	-
Financial lease	-	17,367	-	20,734
US dollars	-	1,496,302	-	1,096,678
Euros	-	2,693	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	-	-	6,801
Others	-	1,498,995	-	1,103,479
US dollars	3,072,346	-	-	1,829,935
Euros	-	-	-	41,885
Other currencies	95,386	-	-	365,468
Non-indexed Ch$	336	-	-	351,067
U.F.	156,851	-	-	113,838
Other current liabilities	3,324,919	-	-	2,702,193

	December 31, 2010				December 31, 2009			
Non-current liabilities by curency	**From 1 year to 3 years** ThUS$	**From 3 to 5 years** ThUS$	**From 5 to 10 years** ThUS$	**More than 10 years** ThUS$	**From 1 year to 3 years** ThUS$	**From 3 to 5 years** ThUS$	**From 5 to 10 years** ThUS$	**More than 10 years** ThUS$
US dollars	4,594,673	1,579,613	1,570,977	985,661	5,912,979	1,002,269	14,362	990,117
Euros	476	-	-	-	2,087	-	-	-
Other currencies	2,444	-	-	-	67	-	-	-
Non-indexed Ch$	1,022,154	-	-	-	1,094,174	-	-	-
U.F.	405,028	-	-	342,976	382,809	12,516	6,415	296,243
Non-current liabilities	6,024,775	1,579,613	1,570,977	1,328,637	7,392,116	1,014,785	20,777	1,286,360
US dollars	2,257,146	1,579,613	1,570,977	985,661	3,639,268	1,002,269	14,362	990,117
Euros	476	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	64,921	-	-	-	-	-	-	-
U.F.	387,712	-	-	342,976	377,336	12,516	6,415	296,243
Other non-current financial liabilities	2,710,255	1,579,613	1,570,977	1,328,637	4,016,604	1,014,785	20,777	1,286,360
US dollars	212,350	1,083,700	-	-	397,186	398,593	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	-	-	-	-	-	-
Bank loans	212,350	1,083,700	-	-	397,186	398,593	-	-
US dollars	933,314	495,913	1,570,977	985,661	1,420,174	595,059	-	990,117
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	319,000	-	-	342,976	300,373	-	-	296,243
Secured debentures	1,252,314	495,913	1,570,977	1,328,637	1,720,547	595,059	-	1,286,360
US dollars	53,315	-	-	-	67,871	-	-	-
Euros	476	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	68,712	-	-	-	64,447	-	-	-
Financial lease	122,503	-	-	-	132,318	-	-	-
US dollars	1,058,167	-	-	-	1,754,037	8,617	14,362	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	64,921	-	-	-	-	-	-	-
U.F.	-	-	-	-	12,516	12,516	6,415	-
Others	1,123,088	-	-	-	1,766,553	21,133	20,777	-
US dollars	2,337,527	-	-	-	2,273,711	-	-	-
Euros	-	-	-	-	2,087	-	-	-
Other currencies	2,444	-	-	-	67	-	-	-
Non-indexed Ch$	957,233	-	-	-	1,094,174	-	-	-
U.F.	17,316	-	-	-	5,473	-	-	-
Other non-current liabilities	3,314,520	-	-	-	3,375,512	-	-	-

31. Sanctions

At December 31, 2010 and 2009, neither Codelco Chile, nor its Directors and Managers, have been sanctioned by the Superintendency of Securities and Insurance or other administrative authorities.

32. Subsequent Events

a. On January 7, 2011, it was reported in a matter of material fact, that the Corporation's Board of Directors decided to approve the starting of the process to sell up to all the shares that it directly and indirectly has in E-CL S.A., a publicly traded company registered in the Securities Register under number 273, representing 40% of the shareholding of this company.

b. On January 7, 2011, it was reported that Mr. Waldo Fortín Cabezas will no longer be the Legal Counsel of Codelco Chile from March 1, 2011. He will be replaced by Mr. Patricio Enei Villagra.

c. On January 27, 2011, it was reported in a matter of material fact the placement of 424,251,415 shares issued by E-CL S.A. (representing 40% of the shareholding of this company) directly owned by Codelco Chile and its subsidiary Inversiones Mejillones 2 S.A. in E-CL S.A. The sale of shares was performed in Santiago Stock Exchange using the stock exchange method called "Auction Sale of One Order Book" and started on January Wednesday 19, 2011 and finished on January Thursday 27, 2011. As a result of the above, the total amount of the placement of shares is Ch$509,101,698,000, equivalent to ThUS$1,051,558 at the exchange rate at the corresponding current day. The resulting financial income after taxes for this transaction was ThUS$29,819.

d. On February 11, 2011, it was reported in a matter of material fact that Codelco Chile chose Ernst & Young as the Company's external auditors for the period 2011 - 2013, both years included. The selection process of the aforementioned auditing company considered a limited bidding where the main local companies were invited, excluding the current external auditors Deloitte, in accordance with the policy of turnover of this kind of services defined by the Corporation's Board of Directors. The appointment of Ernst & Young is subject to the approval of the Meeting of Shareholders. The related proposal has been filed at the aforementioned meeting in accordance with Article 11 of the Corporation's Statutory Decree Law 1,350 and Article 52 of Law 18,046.

e. On February 22, 2011, it was reported complementing a matter of material fact dated February 26, 2010 and March 8, 2010, that Supreme Decree No.1048 of the Treasury Department (the Chilean Treasury being aware of this on February 15, 2011), approved Codelco's partnership with Minera PanAust IDO Ltda., related to Inca de Oro deposit. This partnership will be executed through Sociedad Inca de Oro S.A. As a result of the above, there was a revised agreement with a valuation in accordance with the new market terms. This agreement stated that PanAust IDO Ltda. will have 66% of ownership in Inca de Oro S.A. and Codelco will have 34% of ownership in Inca de Oro S.A. PanAust IDO Ltda. will invest US$55.3 million of its own capital in Inca de Oro S.A. to purchase 66% of the company, which will be the owner of the efforts made and the properties of the project. Also, the agreement states that Inca de Oro S.A. will pay a royalty to Codelco for the net returns of smelting from Inca de Oro Project, with a maximum of US$30 million (at the exchange rate ruling in 2010). The financial effects of this transaction will result in profit after taxes for Codelco for US$ 22 million.

f. On March 16, 2011 it was reported that Codelco's Development Vice President, Juan Enrique Morales Jaramillo, submitted his letter of resignation from the Corporation. He will be in his position until March 31, 2011.

The Management of the Corporation is not aware of other significant financial events or events of other nature, occurred between January 1, 2011 and the date of issuance of these financial statements (March 23, 2011), that could materially affect them.

33. Environment

The environmentally sustainable exploitation, exploration and search for new resources has been an important concern for the Corporation. That is why since 1998 the Corporation has defined its environmental commitments. The Corporation controls its environmental commitments through an environmental management system used for its exploration and exploitation activities, which has been perfected over time to conform to the IS0 14001 Standard. This standard has been applied to the work performed in geology, geochemistry, geophysics and drilling in exploring for mineral resources in Chile and abroad.

In this respect, at December 31, 2010, Chuquicamata, Radomiro Tomic, Andina, Salvador, El Teniente divisions, and the headquarters have been certified under the ISO 14001 standard.

Below is a detail of the Corporation's principal expenditures related to the environment during the periods between January 1 and December 31, 2010 and 2009, respectively:

Environmental Investments **Projected Future Expenses**	**2011** ThUS$
Total Codelco-Chile	**21,066**
Andina	**18,096**
Infrastructure improvements for spill management - projected	1,000
Line enhancements for main wall stirrups	503
Construction of water trap for ballast deposit - projected	4,922
Improvement tunnel 3 handling of Ovejería residue - projected	1,000
Drainage construction DL D2 to port - projected	1,766
Acid water treatment DLN and projected	9,905
El Teniente	**2,970**
Online monitoring canal residue - Tte - projected	100
Liquid waste sewage solution - Sewel	2,870

Environmental Investments **Real Nominal Expense**	**12-31-2010** ThUS$	**12-31-2009** ThUS$
Total Codelco - Chile	**61,620**	**44,550**
Codelco Norte	**-**	**1,608**
Remodeling and construction of a warehouse for hazardous substances	-	1,608
Salvador	**1,334**	**2,942**
Implementation of solution for handling of liquid waste and water	1,006	1,471
Compliance with lighting standard	-	387
Construction of hazardous waste ditch	-	247
Solution to oxygen plant water treatment and water plants	328	837
Andina	**10,492**	**25,123**

Dispatch drainage dump for external use in the La Unión Stage 1 sector	-	1,026
Ovejería reservoir control	-	444
Improvement to control discharge of residue thickener	39	1
Enhance drainage and wall east of Ovejería reservoir	-	6,167
Remediation works - residue transport tunnels	1,670	2,686
Replacement of residue lines at Los Leones reservoir	-	665
Implementation of infrastructure for recovery of rejected concentrate	-	1,387
Construction of uptake tower N°3 for Ovejería reservoir	2,744	1,084
Line enhancement of main wall stirrup at Ovejería reservoir	292	185
Emergency construction hydraulic barrier	3,573	11,021
Construction of water trap for ballast deposit - projected	743	-
Improvement to Huechun irrigation water funneling	-	457
Construction of plug for evacuation tower N°1	691	-
Slope improvements and protection	209	-
Acquisition of independent pump equipment	6	-
Improvement to tunnel 3 handling of Ovejería residue - projected	26	-
Drainage construction DL D2 to port - projected	499	-
El Teniente	**48,399**	**14,493**
Enhancement of molybdenum abatement plant from Carén reservoir tributary	-	4,926
Increase of recirculation capacity of mine drainage waters to processes	-	4,772
Uplift of geotechnical vulnerabilities related to Colón residue canal for Cachapoal bridge	-	4,276
Construction of 5th stage in Caren reservoir	39,941	-
Decontamination and conditioning of laboratory	133	143
Liquid waste sewage solution - Sewel	8,325	376
Ventanas	**1,395**	**384**
Silencer discharge 3 and 4	-	53
Overhaul interchange W23	246	307
Construction of new temporary storage facility (respel)	1,149	24

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THE ISSUER

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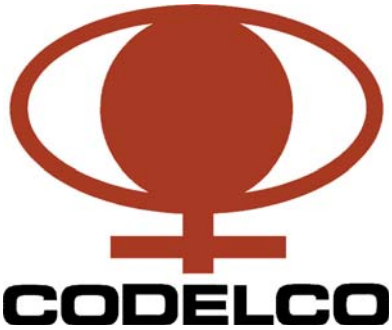

Corporación Nacional del Cobre de Chile

4.500% Notes due 2023

Offering Memorandum

Joint Book-Running Managers

HSBC **BofA Merrill Lynch** **Mitsubishi UFJ Securities**

August 6, 2013