



Annual Report 2014





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Letter from the Chairman

Óscar Landerretche Moreno

On May 12, 2014, I was honoured to be appointed Director and Chairman of Codelco by the President of the Republic. While it was very gratifying to be taking on the role as head of Chile's foremost company and the largest producer and world leader in the copper industry, at the same time I was taking on a great responsibility.



Codelco is at a critical moment in its illustrious history. The challenges we face as a company are perhaps the biggest we have ever come up against, and some would even argue they are the greatest a major mining company has ever faced at global level. So they are indeed enormous and challenging.

Given that the interests of the Chilean state and Codelco are the same, these challenges are, ultimately, the state's. And as such those who work for this company have been charged with carrying out a strategic task for Chile. We are public employees, but public employees with a mission of epic proportions.

With 2014 now at an end, I can report that we have worked hard and made significant progress in achieving the company's strategic goals.

Codelco generated profit, before tax and the reserve law, of US\$3.033 billion in 2014, bringing revenue generated for the state over the company's lifetime to more than US\$ 115 billion.

Over the year we increased production of copper in the divisions by 3.1%, and for the second year running we managed to significantly bring down costs. However the price of copper and various byproducts played against us, with the price of the metal falling again in 2014 by around 6.3% on the previous year.

We need Operational & Behavioural Changes

In 2014 Codelco had the second lowest accident frequency rate in its history with an overall rate of 1.32 accidents per million hours worked, though it was 4.5% up on the record-breaking figure for 2013. As for the severity rate, which includes both our own personnel and that of contractors, the figure of 230 for 2014 is significantly less than the 248 for 2013. Amongst the historic milestones in matters of safety, there have now been no fatalities in the Chuquicamata Division for the last three years.

Despite these achievements, we deeply regret that in 2014 there were fatal accidents of contractor workers in the El Teniente Division, namely Jaime Gutiérrez Correa and José Luis Orellana Ballesteros. We extend our condolences and sincere feelings of sadness to their loved ones.

Fatal accidents sound an alarm that makes us reflect on what operational and behavioural changes are necessary to achieve our goal of zero fatalities amongst workers at Codelco and its partner companies. Our new approach accentuates risk prevention and loss control and focuses on the operation, the line and on people, emphasising the leadership of supervisors, superintendents and managers.



Significant Progress in Structural Projects

It gives me satisfaction to note the progress made in the development and realisation of our structural mining projects. Along with the significant contribution in terms of production made by Ministro Hales in 2014, in December the Board approved US\$3.306 billion for the construction of the Chuquicamata Underground Project, one of seven mining projects totalling an investment of more than US\$ 23 billion over the next five years.

In addition to the above-mentioned milestones, progress has also been made in the five remaining structural projects: The El Teniente New Mine Level is being restructured to respond in the best way to effectively observed geomechanical conditions, which will mean a longer construction period and higher investment costs; the Radomiro Tomic Sulfides Project - Phase II is in the detailed engineering stage with its environmental permit in process; the Rajo Inca pit is currently undergoing a pre-feasibility study to provide continuity at the Salvador Division; the new mine-to-plant transfer system at the Andina mine will provide operational plant continuity for the base case of the Division; whilst the environmental qualification decision for the Andina Expansion project is being processed.

Historical Capitalisation

Codelco has the highest levels of investment in its history, which is also the highest level today amongst mining companies globally. This unprecedented investment plan will allow us to remain the primary point of reference in world copper mining, and, most importantly, will sustain our contribution to the fiscal health of the state, social policy and the education reform.

An historic landmark in the financing of these huge investments was the announcement by the President of the Republic of a multiannual capitalisation law for Codelco in 2014. As a result, the company will have the necessary resources to promote and realise its investment plan without risking its credit rating (investment grade).

The Big Picture: a New Codelco

These investments require the business model, along with the technologies and methods that Codelco has used for decades, to make way for new, more efficient and safer mining that respects the environment.

This creates challenges. First, a change of this magnitude can only be made through technical and strategic dialogue involving workers, management, professionals, engineers, scientists, communities and citizens, with the added difficulty that building alliances of this kind, in order to increase productivity, competitiveness and sustainability, is not usual in our country. But this is the only way to move from small-scale discussion on Codelco to getting the bigger picture.



With regard to this challenge, two important events from 2014 have been the work carried out by the administration with the National Board of the Federation of Copper Workers, in order to develop a proposal of shared objectives and content that ensure the viability of the corporation's strategic project, as well as the development of a new model for the relationship between the parties, establishing a new Strategic Compact.

Added to this, the management of issues concerning community development was significantly strengthened. Over the year a total of 41 workshops were set up with priority communities, comprising all the grassroots, functional and territorial organisations from the respective localities, in order to establish a fluid, transparent and direct dialogue concerning our operations and projects.

The second challenge is that ensuring profitability in a context of low prices and low ore grades and stubborn costs, requires productivity, optimisation, training, rationalisation and streamlining. This applies not only to our own employees but also to the whole production chain, ie suppliers of goods and services.

With this challenge in our sights, the progress made by Codelco is promising in terms of costs and competitiveness. In 2013 we managed to break the upward costs trend. In 2014 we achieved further reductions which, measured in terms of direct cost (C1) was 7.8% lower compared to the previous year.

Moreover, reacting promptly to the recent significant fall in copper prices, we have drawn up a plan for 2015 to reduce costs by a target of US\$ 1 billion through increasing efficiency and productivity and saving costs associated with a decrease in input prices.

In the medium term our strategy of increasing productivity and reducing costs is based on deepening our management capabilities in the area of maintenance; the application of a new productivity model for the services of third parties; and operational improvement through the development and implementation of Lean Methodology.

Third, facing the challenges we have in terms of water and energy resources requires restraint in their use and also the development or leveraging of investments in desalination and energy at competitive prices, favouring new clean energies. Also, Codelco's efforts in this area show that we cannot continue to regard electrical and water regulations separately. They are, essentially, parts of a single system, and our regulations should treat them as such.



Fourth, we must understand that Codelco's investment portfolio will generate local employment and wealth for decades, opening a unique opportunity to implement comprehensive territorial development policies with a long-term horizon, albeit a finite one given the nature of non-renewable resources. This requires moving from a pattern geared solely to compensating those communities impacted, to a long-term perspective focused on integral development. There is talk today of the social license for mining, and perhaps it is time to add a development license, ie the public conviction that mining is helping to build the economy and the society that comes after it.

An example of the efforts being made by Codelco in this area is the development of Calama Plus, a collaborative public-private scheme including infrastructure and urban development projects for Calama: the protection and expansion of the oasis, the enhancement of local heritage, the strengthening of education and the promotion of a sustainable society over a 14-year implementation period from 2012-2025.

Highlights of Calama Plus for 2014 include the ZEUS projects (Superior Urban Standard Zones), which seek to improve standards in towns through providing spaces open to the community in the Escuela Valentin Letelier and Liceo Minero America schools. Other priority projects are a high-performance sports centre aimed at providing services and facilities for assessment, preparation and training in different sports that take advantage of Calama's special climatic conditions; the design of a mining museum incorporating ideas of the citizenry, and the design draft for the Balmaceda Park Project.

Fifth, the profound changes to be implemented by the company as part of its production model will require scientific and technological solutions in areas such as robotics, security, communications, logistics, biotechnology and information technology. This is a challenging opportunity for scientists, entrepreneurs, innovators and engineers. Their solutions will generate advanced technological capabilities and new comparative advantages, and help build the Codelco of the future.

Technological achievements for 2014 show that we are moving in this direction. Over the year we invested heavily in these areas, to the tune of US\$ 102 million, with an emphasis both on initiatives in current operations and future projects, aiming at improving safety, the efficiency of processes, the productivity of people, and environmental protection. Amongst other projects we have continued with the process of validating technologies in underground mining and open-pit mining, evaluating innovative technologies for mineral processing and hydrometallurgy, and advancing technology transfer in pyrometallurgical processes.



Sixth, Codelco must move towards a sustainable business model that does not merely minimise impact on its design, or mitigate impact during implementation, but considers environmental development, especially in areas that for decades have felt the impact of our activities.

In 2014 we continued to invest in the advancement of the development and implementation of the new vision for sustainability that includes complying with high standards, closing critical gaps, managing priority targets and long-term fieldwork, integrating the various sectoral organisations. Progress made in the environmental field has been positive. For the second time in the history of the company there were no serious or very serious environmental incidents in our operations. This progress is confirmed by the fact that inspections by the Superintendent of the Environment resulted in zero penalties. In addition to the above, efficiency of water use and energy consumption has increased.

Accountability and Equal Opportunities

Finally, the company should be able to deal with these transformations giving guarantees through institutional and corporate practices, living up to what citizens demand today: transparency, probity, accountability and equal opportunities.

To this end we have worked hard over the year to improve the functioning of the Board, and on actions to raise the standards of corporate governance with the aim of achieving a world-class institutional structure.

A good example of this is the work we are doing on the issue of managing conflicts of interest in Codelco. Today, Codelco meets established legal requirements and has high standards with respect to the common practice in the industry. The regulations of the corporation constitute, in various respects, more than mere compliance with the laws.



Nevertheless, there are still areas for improvement, growth and the strengthening of internal regulations and systems that will allow these standards to be raised in line with international benchmarks.

The main areas of focus for the proposed improvements relate to the concept of conflict of interest, with an explicit definition that includes not only actual conflicts, but also potential and apparent disputes; the expansion of the concept of related persons; the regulation of recruitment; the expansion of processes for declarations of interests and assets; the practices of lobbying and advocacy; and the creation of a compliance organisation responsible for conducting regular audits on the implementation of internal procedures and reviewing the coherence, integrity and accuracy of information provided.

The growth of the corporation in the coming decades depends critically on the implementation of the structural projects, made possible only through exhaustive past exploration of the country.

New Chilean Mining

Today we have 10% of world copper reserves, a figure that exceeds the share even of major mining countries such as Mexico, Peru and the United States.

Our owner has instructed us to increase the scale of exploration and prospecting so that once the structural projects are deployed we are able to make use of the “big picture” and project even greater growth for our contribution to Chile's development.

We have also been instructed to consider the future possibility of significantly increasing endeavours concerning other mineral resources and other related business; in exporting mining services, in the challenge of solar energy, in the development of clusters and in advancing technology, innovation, education, science, training, local development and entrepreneurship, especially - though not exclusively - in areas where our company has a major presence. That is the big picture.

I reiterate, however, that none of this will be possible or feasible if today we are not able to implement structural projects efficiently and effectively, generating profit for the state with an internal climate of collaboration, excellence, productivity and commitment, all within proposed time and cost frameworks, whilst at the same time being able to respect, engage, protect and develop the natural, social and local environments of our productive activities.

We believe we should be, and that we are, moving in the direction of exemplary, inclusive and sustainable mining; starting to build the new Chilean mining industry.

A handwritten signature in black ink, appearing to read 'O. Landerretche Moreno', is positioned above the printed name and title.

Óscar Landerretche Moreno
Chairman

Letter from the President & CEO

Nelson Pizarro Contador

2014 was a positive year for Codelco with significant progress made at institutional and organisational levels and in terms of management results.



On September 1, after a search carried out by the new board, I was honoured to be appointed Chief Executive of the corporation. One of the first tasks we faced was to ensure compliance with production, cost and profit targets in the short term, taking into consideration an international market environment characterised by a further fall in the price of copper and a drop in the price of several byproducts such as gold, silver and sulphuric acid.

Indeed, the average annual price on the London Metal Exchange was 311.3 cents per pound (c/lb) for 2014, a decrease of 20.8 c/lb (6.3%) on the previous year, when copper was quoted at 332.1 c/lb.

The price trend over the year showed a close correlation with a number of factors, including the slowdown of the economies and the fall in the consumption of refined copper in China and other emerging countries; speculation regarding a rise in interest rates in the United States; the strong appreciation of the dollar; and, more recently, speculation about the impact of the decline in copper production costs associated with lower oil prices and other inputs and services. All this within a framework of relative consensus in terms of the shift in the situation of market stocks - from deficit to surplus. These elements resulted in a significant decline in expectations regarding future price trends.

Contribution to Chile

Codelco generated profit - before tax and the reserve law - of US\$3.033 billion in 2014, down on the US\$ 3.889 billion of the previous year. Lower profits can basically be explained by the fall in the sale price of copper, attenuated principally by increased production, an increase in the exchange rate (pesos per dollar), the lower price of electricity and other inputs, and the plans and efforts made to increase productivity and decrease costs and expenses for the period.

The corporation has thus generated pre-tax profit of more than US\$ 115 billion, in 2014 currency, since its founding in 1971.

Codelco's copper production, including its Divisions and share in El Abra and Anglo American Sur, reached a level of 1,841,000 fine metric tons. This represents an increase of 3.1% compared to production for 2013. The achievement is in part due to the productive contribution of the new Ministro Hales Division and the increased contribution from the El Teniente Division, helping to maintain Codelco's position as top producer within the group of mining companies operating in Chile, with 31% of national production, and the leading producer of copper in the world, with a 10% stake.

Break in Upward Trend of Costs Maintained

The decrease in profit for the year, affected by the lower price of copper prices and various byproducts, was offset by the hard work throughout the organisation to increase productivity and reduce costs, resulting in Codelco's achievement of the goal of the Cost Containment Plan and generating savings of around US\$ 600 million in the 2013-2014 period.

Leading on from the break in the trend of rising costs achieved in 2013, we have accomplished another decrease in 2014, which, in terms of direct cost (C1) is 7.8% down on the previous year. According to data which is still preliminary, Codelco was at the edge of the second quartile for direct costs (C1) in the industry in 2014.



Adding Momentum to the National Economy

Codelco did business with 3,821 suppliers in 2014, of which 3,562 were domestic suppliers and 259 foreign. The company allocated US\$4.667 billion for the procurement of goods and services, including the signing of long-term contracts for the supply of electricity and fuel. Notably, there was an 11% decrease in the consumption of goods and services compared to 2013, in line with the efforts made by the company to increase productivity and reduce costs.

In addition to this, and as a way of ensuring the quality and efficiency of companies providing services to us, we continued to work throughout the year on the World Class Supplier Development Programme which involves working on projects with different companies in order to resolve specific problems concerning our operations and projects. We implemented a total of 33 projects in late 2014 with a view to resolving operational challenges affecting our divisions, using the talents of, and working collaboratively with, innovative suppliers.

We are aligned with and committed to the goal set by the National Mining Programme which aims to develop 250 knowledge-intensive suppliers in order to export 10 billion dollars worth of goods and services related to mining by 2035.

Zero Fatalities: Task Pending

In terms of accidents during the period, Codelco deeply regrets the deaths of two workers, both from the El Teniente Division's New Mine Level Structural Project. Given that respect for people's lives and dignity is the central value of the company, not achieving the goal of zero fatalities means there is a task pending for the organisation, even though fatalities decreased by 50% over the year and in September 2014, for the first time in its history, Codelco celebrated 12 consecutive months without fatalities.

The overall frequency rate (direct employees and contractors) was 1.32 accidents per million hours worked, which represents an increase of 4.5% on 2013. The severity rate, meanwhile, (direct employees and contractors) amounted to 229 days lost per million hours worked, which is 8% down on 2013.

The above results once again highlight the need to redouble our efforts to eliminate events that result in the injury or death of workers, and persevere with and intensify the application of the different standards and tools we have been implementing since 2011 as part of the Occupational Health and Safety Structural Project.

In 2014 the management of this structural project was consolidated through the implementation of all standards in the areas of fatality control and critical controls, occupational health, behavioural safety, leadership and learning. We also continued to refine the Management System for Occupational Health and Safety, working to define and agree on a structure that will ensure coordinated and systematic management for the divisions and projects and will be formalized in 2015.



Codelco's Future

Along with our emphasis on meeting goals, progress was made in 2014 on another key objective of the Strategic Plan. Our main priority is to implement the structural mining projects according to schedule, budget, and with the promised quality, capacity and results. This is a necessary condition for ensuring Codelco's longevity and capturing the enormous potential value of its deposits.

To the implementation of these global-scale developments can be added our investments in other development projects - research and pre-investment studies, exploration projects, sustainability initiatives, innovation and technology, equipment replacement and the renovation of facilities; the costs of mine development and contribution to businesses. The projects portfolio thus demanded a high level of resources, totalling US\$ 3.364 billion for 2014.

Historical Capitalisation

The financing of these investments has been possible thanks to the support of the owner and Codelco's credit quality. The most important funding milestones for the year include the following:

- Bilateral loans worth US \$ 395 million at a 5-year term.
- First issue of eurobonds for EUR 600 million at a 10-year term.
- Issuance of bonds for US \$980 million at a 30-year term.
- Retained earnings of \$200 million.

An historic landmark for the company in terms of financing was the announcement by the President of the Republic of a multiannual capitalisation law for the corporation that provides a capital injection of up to US\$ 3 billion for the period 2014 – 2018 and the commitment to authorise the company to retain earnings for up to an additional US\$ 1 billion over the same period. As a result, Codelco will have the necessary resources to promote and realize its investment plan without risking its credit rating (investment grade).



40 more Years for Chuquicamata

In terms of progress made in mining projects, we continue working hard in the three main on-going projects: Ministro Hales, El Teniente New Mine Level and the Chuquicamata Underground project.

In January 2014, the Ministro Hales Division initiated the commissioning of the concentrator plant and in May, the administrative closure of the project took place.

In the case of Chuquicamata Underground, construction of the initial works continued, started in late 2011 and now nearing completion, that comprise access tunnels for personnel and ore transportation, two ventilation tunnels, an air extraction shaft and underground works inside the mine. In December the board approved US\$ 3.306 billion to begin the implementation phase of this structural project, which will mean 40 more years of useful life for the Chuquicamata mine.

Meanwhile, progress was made at the El Teniente New Mine Level with the construction of the main tunnels, ventilation adits, development within the mine and of above-ground ore transport, and reinforcing the electrical system. In December, after seeing the results of external audits, it was decided to reformulate the project in order to respond to observed geomechanical conditions, incorporating the latest know-how on primary rock operations.

Progress on the following projects should be highlighted:

- Initiation of the prefeasibility study of the Salvador Division Inca Pit Project
- Development of detailed engineering and Environmental Qualification for the Radomiro Tomic Sulfide Project - Phase II being processed.
- Continued processing of the Environmental Impact Study for Andina 244 Expansion Project.

Mining Strength

Looking at the longer term, we should mention achievements in the development of the mineral base and exploration. Total mineral resources included in the Business and Development Plan 2015 amount to 125 million tonnes of fine copper, translating into more than 70 years of further mining activity. This figure increases to 138.1 million tonnes if the resources associated with our share in Anglo American Sur, El Abra and Inca de Oro are included, data which indicates the strength of Codelco's mining base.

In terms of exploration, Codelco broadened its brownfield strategy in the search for new ore bodies in the vicinity of existing deposits. New resources of 1.3 million tonnes of fine copper were discovered in the La Huifa project in the El Teniente District, with a grade of 0.805% copper and 0.002% molybdenum with a cutoff grade of 0.5% Cu. In the Este Profundo sector of the Andina Division, around 2.9 million tonnes of copper were found with a grade of 0.77% copper and 0.03% molybdenum and with a cutoff of 0.5 CuT. Mineralisation was also discovered in the San Andrés NW and Don Felipe areas, both in the Codelco Norte District.

Internationally, Codelco sought business opportunities outside Chile, focusing principally on Latin America. In this context we currently carry out mining exploration in Brazil and Ecuador.

Since November 2011 we have had a mining exploration agreement with the state-run Ecuador National Mining Company (ENAMI EP). In December, Ecuador's Ministry of the Environment granted an environmental license to ENAMI EP, as owner of the Llurimagua concession, to begin drilling at the site. In 2015 Codelco, as a technical and operating partner, will begin geological studies which consist of 15,000 metres of drilling in order to verify the mining potential of Llurimagua, located in the Province of Imbabura in the north of Ecuador.



Promoting Innovation and Technology

In 2014 Codelco made a significant investment of US\$ 102 million in innovation and technology. In the project portfolio, challenges characteristic to the mining and metallurgical business that are currently not resolved by the market were prioritized; meanwhile, in support areas, the strategy has been to incorporate the best technology in the market and promote its development with specialized external companies. Of note are initiatives in current operations and future projects that aim to increase job security, the efficiency of processes, the productivity of people and environmental protection.

Codelco showed progress in its Technology and Innovation Strategic Plan 2012-2015 in all areas, especially in the validation process of technologies for underground and open pit mining operations, as well as evaluating innovative technologies for processing ores and hydrometallurgy, and advances in fostering technology transfer in pyrometallurgical processes.

Continuous mining is a technological breakthrough that will allow the company to increase its productivity by 50%, reduce operational costs by 20% and reduce the exposure of people to risks. In 2014 the mining works necessary for the industrial test in the Andina Division were concluded. Meanwhile civil engineering works are more than 90% completed; mechanical assembly, 50%, electrical installation and instrumentation, more than 37%. In 2015 we hope to begin testing by integrating all systems.

In biotechnology, we initiated the commercial application of BioSigma's technology - a subsidiary of Codelco - on low-grade sulphide at the Radomiro Tomic Division. In an initial phase, 1,000 tonnes of fine copper was produced.

As part of the smelting and refining business development strategy, the Technological Innovation Programme for the company's smelters was drawn up. Additionally, in response to new environmental regulations for smelters, action plans were made for the compliance of each smelter.



People

At the present stage of advancement of our strategy, the development of human resources constitutes a critical success factor. As such, we are creating conditions for our teams to reach higher levels of productivity through their specialized input, removing all barriers that hinder creative contributions to the improvement of processes and operational excellence. We are also developing complementary skills amongst our workforce which allow for debate to encourage the development and emergence of talent and the innovation needed to meet the demanding goals that lie ahead.

In the context of recruitment, Agreement No. 43 of the Board was implemented regarding receipt of external applications, recommendations, references or requests for hiring, dismissal, promotion or job offers received via any means, either verbal or written, at the different organisational levels of Codelco, putting in place a transparent, informed, traceable and auditable process so that the necessary people might be available at the right time, in the right quantity and of the right quality.

It might also be mentioned that Codelco leads the effort nationally to incorporate women in mining, with 8.7% female staff, whilst in 2014, 14% of contracted workers were women. With regards to the Graduate Programme, this played a significant role in the recruitment of young professionals, with 46 graduates joining Codelco. These graduates have a training plan, an instructor and a mentor for the whole process of cultural adaptation and professional development. This year, 39% of participants in the programme were women, up from 35% in 2013.

Also of note was the consolidation of the Individual Performance Evaluation cycle, strengthening the quality of goals and aligning consistency with business results. In 2014, 96.4% of executives, supervisors and professionals participated in the planning phase of the system; 95.5% in the follow-up stage and 99.1% in the evaluation phase.

In terms of people development, 16,086 people received a total of 765,095 hours training with an investment of close to US\$ 18.7 million, translating to 80% compliance with what was planned at corporate level and 85% coverage.



Strategic Pact with Workers

Codelco's governance framework incorporates participation and dialogue with the labour force as an important aspect of the company's management model.

In 2014, management and workers - represented by the Federation of Copper Workers (FTC) – made progress in deepening a relationship based on participation and constructive dialogue in an effort aimed at maintaining Codelco's position as leader within the industry and country. In this context, various initiatives considered relevant for the present and future viability of the company materialised over the period. Specifically, on January 20, 2014 the following documents were signed:

- Agreement on strategic labour relations for a state-run, competitive and sustainable Codelco.
- Agreement on strategic development and increasing business competitiveness of the smelter and refinery business.
- Agreement: commitment to the environmental license.

On September 11, 2014, a Joint Declaration was issued, articulating, amongst other issues, the following:

- The present and future of Codelco requires the sum of wills, capacities and commitments to improve the competitiveness of the company, which should be reflected through excellence in the management of our operations and the proper execution of structural projects.
- The creation of a corporate task group, consisting of the administration and the National Governing Board of the FTC, to draw up a proposal for contents and shared aims to ensure the viability of the strategic project of the Corporation, together with the development of a model for the relationship between parties, establishing a new Strategic Compact.

At the same time, progress continued to be made with the Federation of Copper Supervisors (FESUC) on the thematic agenda agreed upon between management and FESUC's Executive Committee. Important topics discussed included the functioning of working hours committees and the performance management system.

Finally, in 2014 seven collective bargaining negotiation processes took place; five of them in an anticipated manner, in the following Divisions: Chuquicamata (1), Gabriela Mistral (3) and El Teniente (1). Two scheduled collective negotiations took place in the Salvador Division and at Head Office.



Information & Transparency

Codelco has three channels for inquiries and complaints. One is the Reporting Hotline, which allows any worker to report - anonymously, securely and confidentially - potential violations of the Code of Business Conduct, via the Internet or by phone. In 2014, 229 complaints were received, of which 188 were fully investigated and the cases closed. In thirty-two cases sanctions were brought and in 13% of cases dismissal ensued. Forty-one cases are ongoing. Another channel is the Socio-environmental Contact Line which deals with questions and complaints on the environment and community and received 147 inquiries over the year.

The website www.codelco.com is another means of making contact, and received over 33,600 visits in 2014, mostly relating to issues of recruitment.

Territorial Sustainability

The company has designed its structural projects based around the idea of sustainable mining and territorial development. In 2014 Codelco continued with the development and execution of a new vision on sustainability, which incorporates five main areas:

- Rigorous compliance with social and environmental standards for operations and world class sustainability standards for projects.
- Elimination of critical vulnerabilities that place operations at risk.
- Management of priority socio-environmental focuses.
- Ensuring environmental and community standards for structural projects.
- Integrated long-term territorial management with different sectorial organisations.

Concerning environmental matters, in 2014 Codelco began implementing the new Environmental Risk Management System which integrates the achievements of the Environment and Communities Structural Project implemented in 2011-2013.

Codelco has focused on ensuring due compliance with the rules governing our operations and fully meeting the Environmental Qualification Resolutions.

As such, the company allocated US\$ 205 million to environmental investments, focusing on closing gaps and updating operations, and reduced socio-environmental vulnerabilities identified in 2011 from 92 to just 58.

Additionally, today we face the significant challenges of preparing our smelters to meet strict emissions regulations and continuing to reduce the consumption of resources through innovation and by designing and developing projects in the most efficient manner possible.

Codelco has made progress in its environmental performance, achieving, for the second time in our history, the absence of any serious or very serious environmental incident in our operations. Furthermore, a water recirculation rate of 70% for the company as a whole was achieved in 2014, whilst in Chuquicamata and Radomiro Tomic in the Antofagasta Region, the recirculation rate is greater than 80%.

It should also be noted that all audits conducted during the year by the Environmental Superintendency resulted in no penalties.



In terms of community development, the relationship and work with communities around our operations, along with investment projects, has been broadened. This commitment was reflected in the launch and implementation of standards and community guidelines (concerning relationships, community development and indigenous peoples), which establish ways to build relationships, fulfil commitments and work collaboratively with communities. The value of these new tools is reflected by their approval by more than 250 social leaders from the communities surrounding Codelco's eight divisions.

In this regard, a total of 41 round tables were set up with priority communities, including all functional and territorial grassroots organisations, in order to establish fluid, transparent and direct dialogue.

Codelco's investment in community for 2014 came to 2.57 billion pesos which was spent on the implementation of 154 cooperation agreements involving social organisations and public and private institutions.

In this context, and in the framework of the processing of the Environmental Impact Assessment for the Radomiro Tomic Sulfides project, the Division has led the process of indigenous consultation, in accordance with the regulations and being carried out by the Department of Environmental Assessment in the localities of Lasana and Chiu Chiu.



New Copper Markets

In terms of business sustainability, Codelco continued playing a leading role in issues relating to the promotion and development of markets, supporting the International Copper Association (ICA), the marketing arm of the global industry.

In 2014, a new Strategic Plan was devised to stimulate demand by 1 million tonnes up to 2016. The plan includes the implementation of over 100 initiatives around the world with four strategic focuses: sustainable and efficient energy; support of policies and regulations that benefit the use of copper in relevant markets; the construction sector, with a focus on public spaces; and environment and health.

Additionally, through its subsidiary Codelco Lab, the company encourages and promotes new uses of copper and molybdenum, with innovations that add value not only in mining but also in the dairy, food, forestry, health and aquaculture industries, and the development of products that have an impact on people's quality of life.

Our Commitment

To conclude this account, I would like to reiterate that although we set very demanding targets for 2014, Codelco made important progress in virtually all areas of management, demonstrating its tremendous capability and strength as a company.

We are committed to maximising our contribution to the country, for all Chileans, and supporting sustainable development across the regions and communities where we work. The strength of our commitment to continue boosting our contribution is reflected in the substantial investment plan we have for the coming years and the enormous effort we are making to improve management and increase our competitiveness. All this will allow us to not only maintain our productive capacity, but to increase it, improve productivity and reduce our costs to remain the leader of the copper industry worldwide, and Chile's foremost company.

A handwritten signature in black ink, consisting of several overlapping loops and strokes, positioned above the printed name and title.

Nelson Pizarro Contador
President & CEO

Board of Directors

As at March 2015

Óscar Landerretche Moreno /
Chairman of the Board

*Commercial Engineer
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Marcos Lima Aravena /
Director

*Industrial Engineer
Pontificia Universidad Católica de Chile
RUT/ 5.119.963-4*

Marcos Büchi Buc /
Director

*Structural Engineer
Universidad de Chile
RUT/ 7.383.017-6*

Board of Directors

As at March 2015



Blas Tomic Errázuriz /
Director

*Industrial Engineer
Universidad de Chile
RUT/ 5.390.891-8*



Gerardo Jofré Miranda /
Director

*Commercial Engineer
Pontificia Universidad Católica de Chile
RUT/ 5.672.444-3*



Laura Albornoz Pollmann /
Director

*Lawyer
Universidad de Chile
RUT/ 10.338.467-2*

Board of Directors

As at March 2015



Dante Contreras Guajardo /
Director

*Commercial Engineer
Universidad de Chile
RUT/ 9.976.475-9*



Raimundo Espinoza Concha /
Director

*Certified Electrician
Mining Engineering Studies
Universidad Técnica de Antofagasta
RUT/ 6.512.182-4*

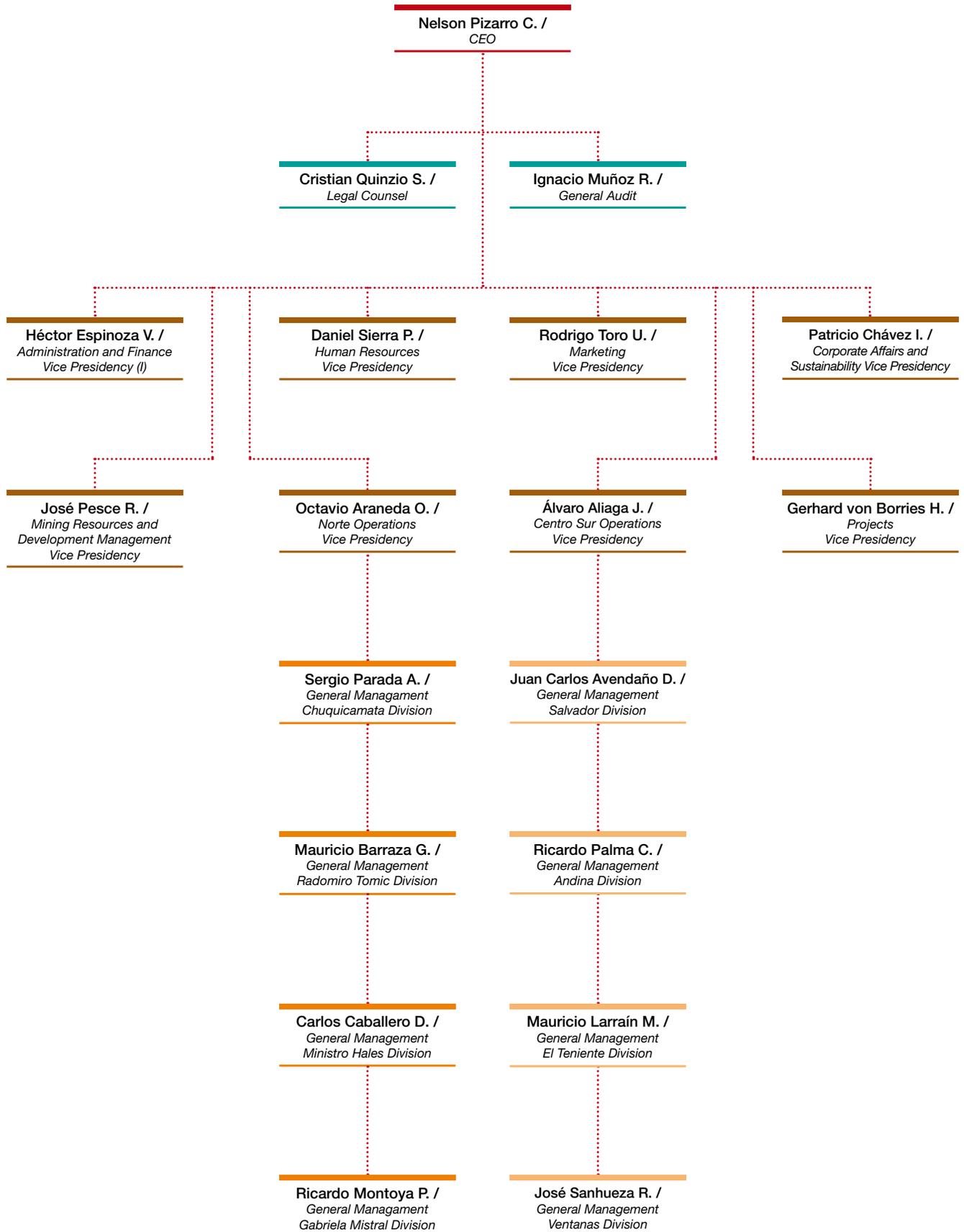


Augusto González Aguirre /
Director

*Mechanical Engineer
Universidad de Antofagasta and
Engineering Technician
Universidad de La Serena
RUT/ 6.826.386-7*

Organisation

As at March 2015



Senior Management

As at March 2015

Nelson Pizarro C. /
CEO

*Mining Engineer
Universidad de Chile
RUT/ 4.734.669-k*



Héctor Espinoza V. /
Vice President
Administration and Finance (I)

*Commercial Engineering
RUT/ 7.326.440-5*

Álvaro Aliaga J. /
Vice President
Centro Sur Operations

*Mining Engineer
RUT/ 8.366.217-4*

Senior Management

As at March 2015



Octavio Araneda O. /
*Vice President
Norte Operations*
Mining Engineer
RUT/ 8.088.228-9



Gerhard von Borries H. /
*Vice President
Projects*
Mining Engineer
RUT/ 6.372.610-9



Daniel Sierra P. /
*Vice President
of Human Resources*
*Bachelor in Education and
Master in Administration and
Human Resources*
RUT/ 7.334.294-5



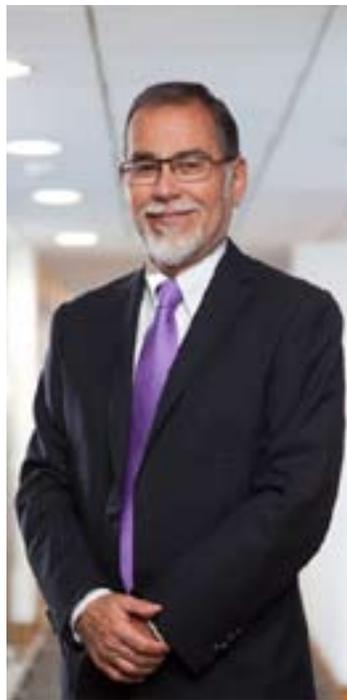
José Pesce R. /
*Vice President
of Mining Resources
and Development*
Mining Engineer
RUT/ 6.019.080-1

Senior Management

As at March 2015



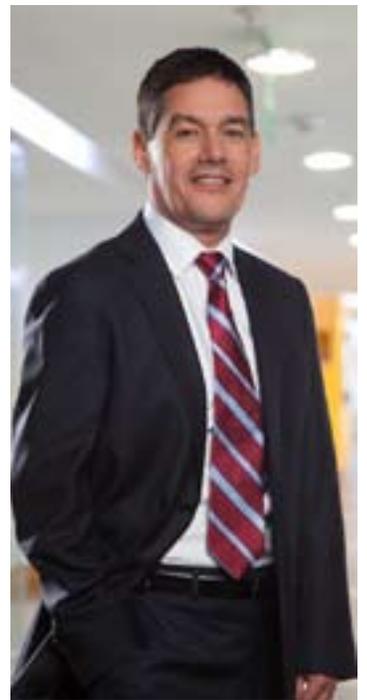
Rodrigo Toro U. /
*Vice President
of Marketing*
Industrial Civil Engineer
RUT/ 5.863.554-5



Patricio Chávez I. /
*Vice President
of Corporate Affairs
and Sustainability*
Psychologist
RUT/ 5.963.955-2



Sergio Parada A. /
*General Manager
Chuquicamata Division*
Metallurgical Engineer
RUT/ 7.932.663-1



Mauricio Barraza G. /
*General Manager
Radomiro Tomic Division*
Mining Engineer
RUT/ 9.467.943-5

Senior Management

As at March 2015



Carlos Caballero D. /
General Manager
Ministro Hales Division

Metallurgical Engineer
RUT/ 6.667.692-7



Ricardo Montoya P. /
General Manager
Gabriela Mistral Division

Mining Engineer
RUT/ 6.209.309-9



Juan Carlos Avendaño D. /
General Manager
Salvador Division

Mechanical Engineer
RUT/ 7.408.565-2



Ricardo Palma C. /
General Manager
Andina Division

Mining Engineer
RUT/ 5.208.147-5

Senior Management

As at March 2015



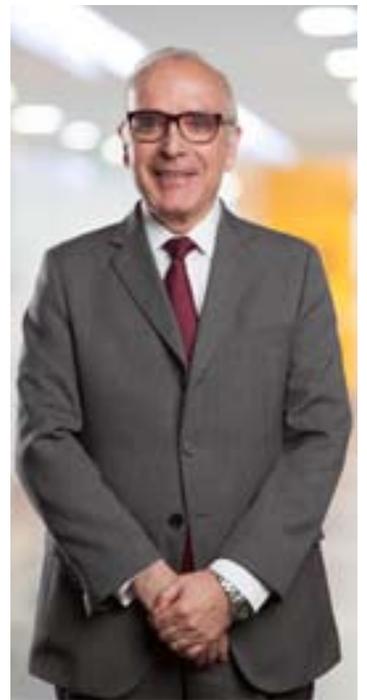
Mauricio Larrain N. /
General Manager
El Teniente Division
Mining Engineer
RUT/ 9.783.267-6



José Sanhueza R. /
General Manager
Ventanas Division
Metallurgical Engineer
RUT/ 6.525.034-9

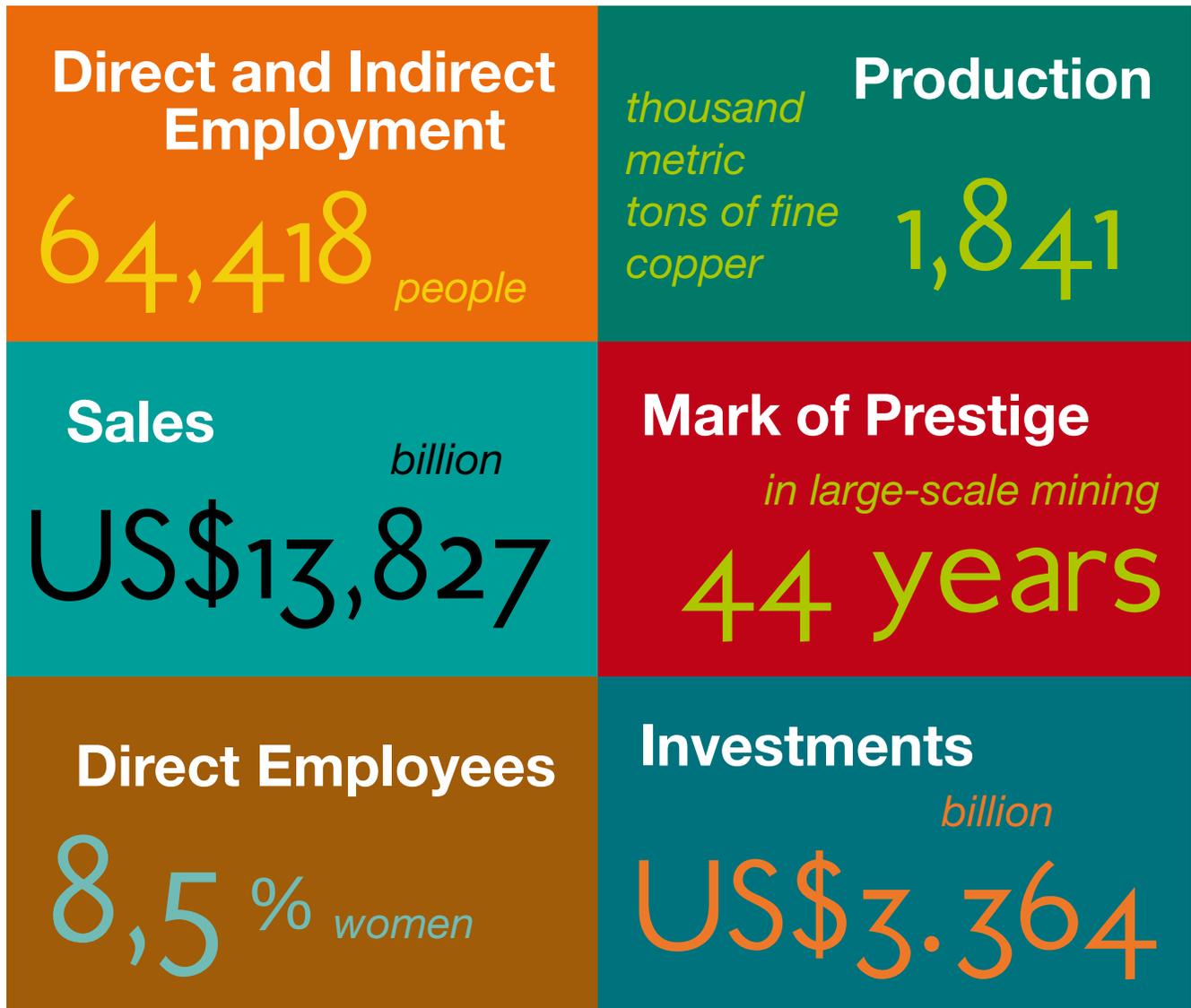


Cristian Quinzio S. /
Legal Adviser
Lawyer
RUT/ 6.388.158-9



Ignacio Muñoz R. /
General Auditor
Accountant
RUT/ 5.632.931-8

Key Performance Indicators



Profit **US\$3.033**
billion for Chile

Since 1971 **Codelco** has contributed more than **US\$ 115 billion** in profit to Chile over **44 years**.

Background

Economic Performance Indicators

(US\$ Million)	2010	2011	2012	2013	2014
Sales	16,066	17,515	15,860	14,956	13,827
Pre-tax profit	5,799	7,033	7,805	3,889	3,033
Treasury payments	6,069	6,981	3,177	2,856	2,234
Total assets	20,279	20,835	31,660	33,355	35,257
Total liabilities	15,748	14,770	19,481	20,948	23,731
Equity	4,531	6,065	12,179	12,408	11,526
Capital expenditure	2,309	2,252	3,687	4,437	3,800

Copper Production and Price

	2010	2011	2012	2013	2014
Copper production (1,000 metric tons of fine copper)*	1,760	1,796	1,758	1,792	1,841
Copper price (c/lb) (LME grade A cathodes)	342.0	399.7	360.6	332.1	311.3

Employment Indicators

Direct employment (as at December 31)	2010	2011	2012	2013	2014
Own employees*	19,347	18,247	19,019	19,242	19,078
Workers from operations and service contractor companies**	23,138	29,108	28,360	26,523	26,562
Workers from investment contractor companies**	18,103	15,956	27,347	21,214	18,778

* Includes employees of Gabriela Mistral, a new division since January 2013.

** Provide services under subcontracts (Law 20.123). Since 2012 CodeLco has measured the involvement of contractors with the Full Time Equivalent (FTE) indicator.

Divisions



Radomiro Tomic

Chuquicamata

Gabriela Mistral

Ministro Hales

Salvador

Andina

Ventanas

El Teniente

Head Office

CODELCO operates
8 Work Centres

located between the
Antofagasta Region
 and the **Libertador
 General Bernardo
 O'Higgins Region.**

Our Head Office is in
 Santiago, Chile.

Division Radomiro Tomic

TYPE OF OPERATION / Open-pit mine.

IN OPERATION / Since 1997.

LOCATION / Calama, Antofagasta Region.

PRODUCTS / Electro-won cathodes.

PRODUCTION /

327,278 metric tons of
fine copper.

WORKFORCE /

1,238 people as at
December 31, 2014.



Division Chuquicamata

TYPE OF OPERATION / Open-pit mine
IN OPERATION / Since 1915.

LOCATION / Calama, Antofagasta Region.

PRODUCTS / Electro-refined and electro-won cathodes and copper concentrate.

PRODUCTION /

340,363 metric tons of fine copper.

WORKFORCE /

6,214 people as at December 31, 2014.



Division Gabriela Mistral

TYPE OF OPERATION / Open-pit mine.

IN OPERATION / Since 2008.

LOCATION / Sierra Gorda, Antofagasta Region.

PRODUCTS / Electro-refined cathodes.

PRODUCTION /

121,012 metric tons of
fine copper.

WORKFORCE /

527 people as at
December 31, 2014.



Division Ministro Hales

TYPE OF OPERATION / Open-pit mine.

PRODUCTS / Copper calcine, copper concentrate and silver.

IN OPERATION / Since 2010.

LOCATION / Calama, Antofagasta Region.

PRODUCTION /

141,206 metric tons of fine copper.

WORKFORCE /

789 people as at December 31, 2014.



Division Salvador

TYPE OF OPERATION / Underground and open-pit mine.

IN OPERATION / Since 1959.

LOCATION / Diego de Almagro, Atacama Region.

PRODUCTS / Electro-refined and electro-won cathodes.

PRODUCTION /

54,015 metric tons of fine copper.

WORKFORCE /

1,444 people as at December 31, 2014.



Division Andina

TYPE OF OPERATION / Underground mine and open-pit mine.

IN OPERATION / Since 1970.

LOCATION / Los Andes, Valparaiso Region.

PRODUCTS / Copper concentrate.

PRODUCTION /

232,444 metric tons of fine copper.

WORKFORCE /

1,648 people as at December 31, 2014.



Division Ventanas

ACTIVITY / Smelter and refinery.

LOCATION / Puchuncavi, Valparaiso Region.

PRODUCTS / Copper cathodes.

IN OPERATION / Since 1964.

WORKFORCE /

974 people as at
December 31, 2014.



Division El Teniente

TYPE OF OPERATION / Underground mine and open-pit mine.

IN OPERATION / Since 1905.

LOCATION / Rancagua, Libertador General Bernardo O'Higgins Region.

PRODUCT / Copper anodes.

PRODUCTION /

455,444 metric tons of fine copper.

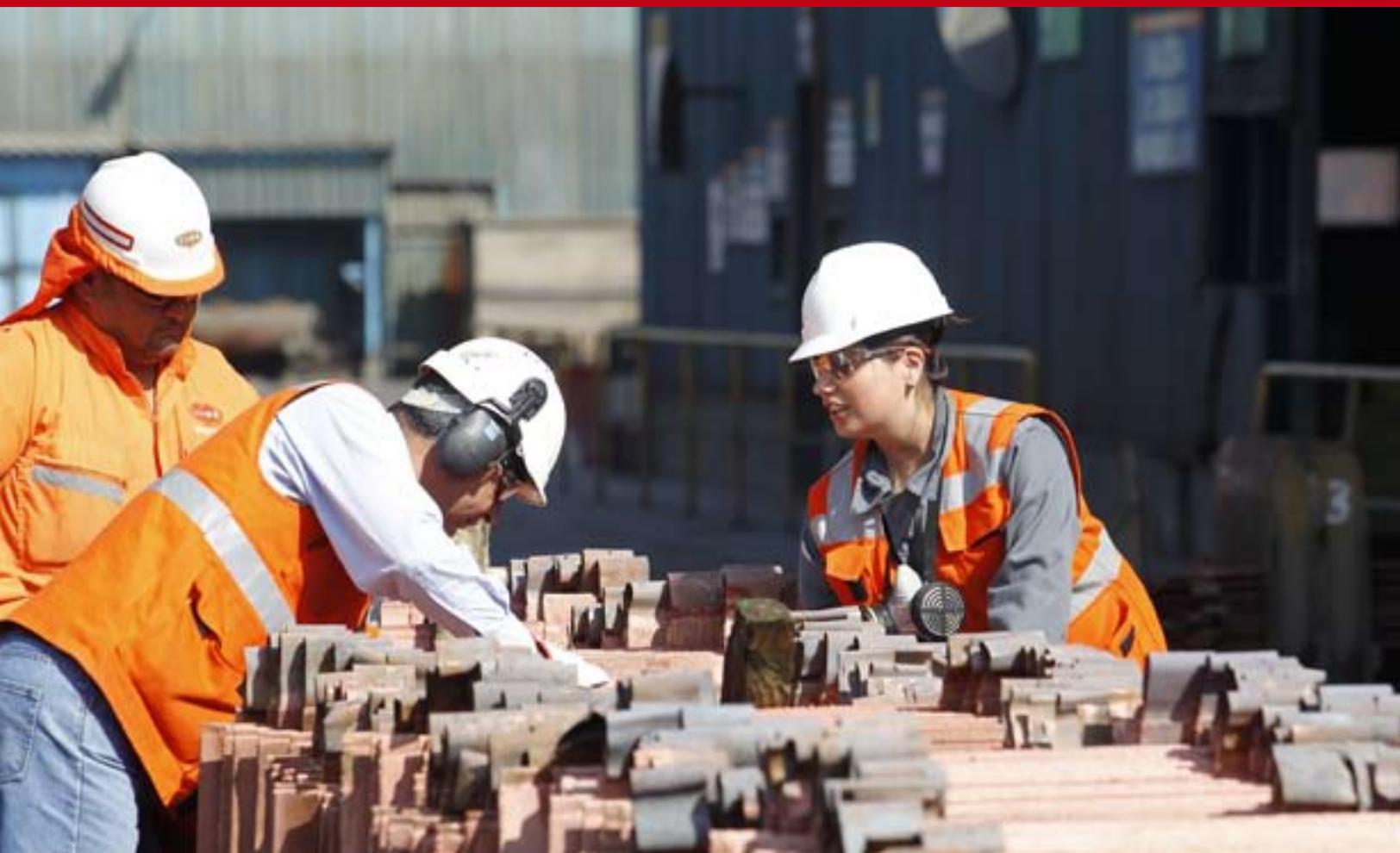
WORKFORCE /

4,921 people as at December 31, 2014.





Corporate Profile



Corporate Profile

The National Copper Corporation of Chile, Codelco, is the largest producer of copper in the world and one of the most profitable companies in the industry. It is Chile's foremost company and the country's engine of development.

Codelco is a state-run producer of copper and high quality byproducts, with low costs and constant growth. It carries out exploration for mineral resources which it develops and processes to be marketed in Chile and the rest of the world.

The rationale of Codelco is to remain the leader in global copper production and the company that contributes the most to the country and the environment in which it operates. Its key goal is to maximise financial contributions to the state of Chile.

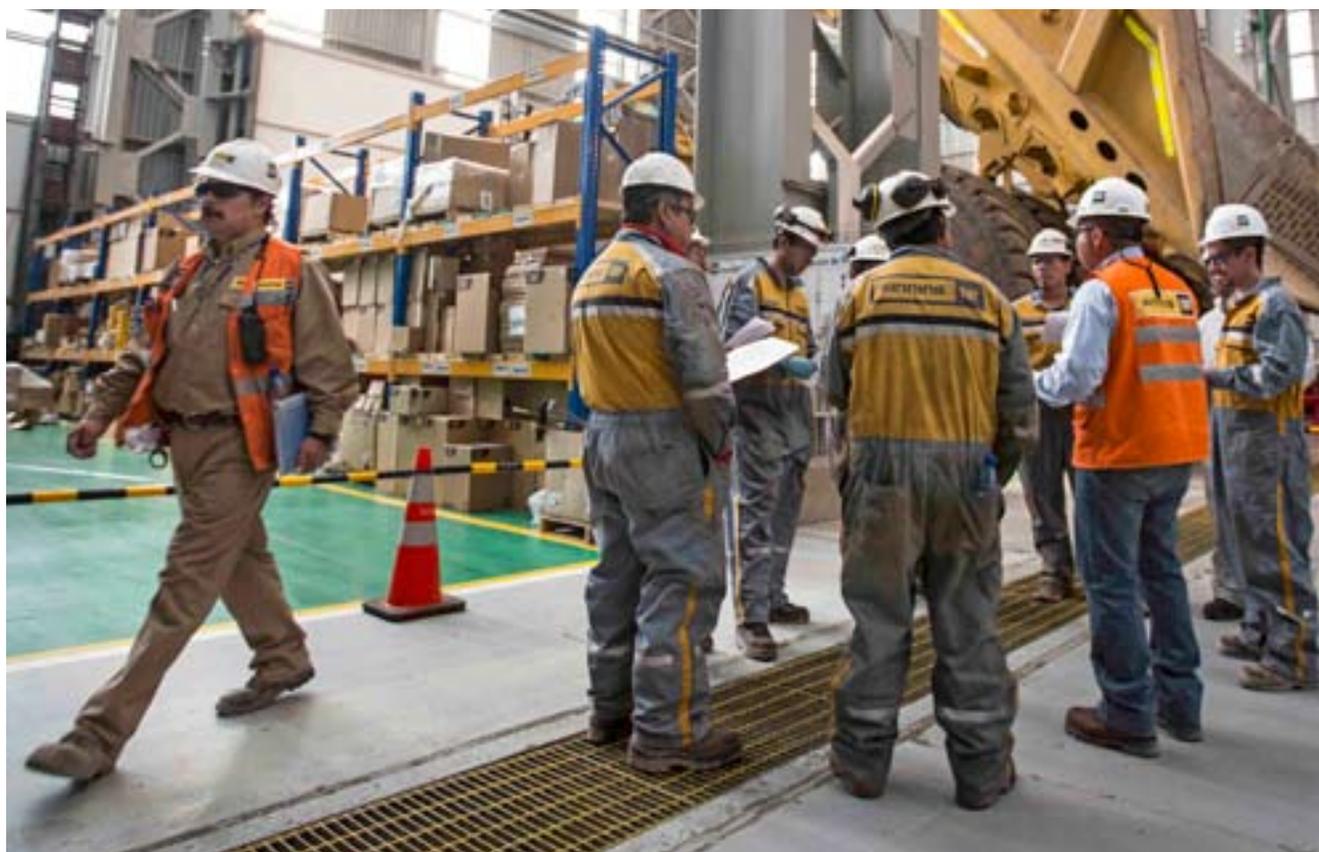
It has assets of US\$ 33.355 billion and equity that at the end of 2013 amounted to US\$12.408 billion. Its main commercial product is grade A copper cathode.

Codelco accounts for 9% of global reserves of copper, contained in world class deposits. Moreover, the estimated mineral resources of the Corporation allow for projected operations continuing for more than 70 years, a demonstration of the strength of its mining base.

As a state-owned enterprise it is committed to performing its endeavours in the best possible way, producing according to the highest industry standards, protecting the social license and taking care of the way the company is managed. For this reason we endeavour to make the corporate hallmark zero fatalities, excellence in processes, a passion for safety, product quality, financial strength, ongoing innovation and business sustainability.

It has a team of men and women who are committed to the future of the company and are proud of Codelco and dedicated to supporting progress, the development of the country and to meeting the needs of the most vulnerable Chileans.

Codelco fosters teamwork and responsible participation. Its workers are highly productive and its executives are highly skilled. It cultivates excellent relations with the unions and is developing the next generation of leadership for the company.



Shared Values

The Statement of Values and Code of Business Conduct provide guidelines for all decisions made in the company and guide the actions of everyone working at Codelco.

Everyone who works at Codelco strives to meet commitments and be recognised for how they do things, based on Codelco's *Statement of Values*:

Statement of Values

- Respect for the life and dignity of all individuals.
- Responsibility & commitment.
- Competence of persons.
- Teamwork.
- Excellence at work.
- Innovation.
- Sustainable development.

Business Pillars

Codelco is a company with a mining heritage in Chile that contributes to national and world engineering with innovation and the best professional staff. Codelco's business principles aim to develop efficient, innovative, transparent and responsible mining.

The company's management aims to ensure medium and long-term competitiveness, introducing new technologies, streamlining the organisation and improving the decision-making process.

The responsible performance of Codelco also focuses on maintaining its reputation and position as a global leader in order to continue with the social license to operate in Chile and abroad, according to the demands of the global market.

Sustainability is one of the company's strategic goals and priorities and it includes occupational health and safety, the environment, community management, the efficient use of natural resources and defence and development of markets.

Leading Presence



Codelco is the biggest producer of mine copper in the world. In 2014 Codelco's production reached **1,841,000** metric tons of fine copper, including its stake in the El Abra and Anglo American Sur mines. This equates to **10%** of the global mine copper output and **31%** of domestic production for 2014.

The Corporation is the world's second biggest producer of molybdenum, producing a total of **30,628,000** fine metric tons in 2014.

Products

- Grade A copper cathodes
- Copper concentrate
- Copper calcine
- Molybdenum
- Anodic bars
- Sulphuric acid
- Copper rod (semi-finished product)

Financial Strength

Easy access to both domestic and international capital markets, at competitive prices, significantly contributes to financing the Company's funding programme, and is therefore an integral part of Codelco's long term strategy.

A prudent funding policy, the good results obtained, the Corporation's competitive advantages and a favourable market outlook are reflected in the investment grade credit rating that Codelco has maintained consistently over time.

On this basis Codelco has developed long-term relationships with a stable and geographically diverse customer base, including some of the world's major manufacturing companies.



Technology and Innovation

Codelco is a leader in innovation, constantly incorporating new technologies in its mining processes. Innovation, development and technological breakthroughs are key to increasing competitiveness, which is why the Corporation is developing more underground mines and seeking to generate more productivity in the pits as well as developing technology with people's safety in mind, pursuing the most demanding environmental standards and the efficient use of key inputs such as energy and water.

It is also the largest consumer of electricity in the country and as such has an important role in developing new energy sources and renewable, non-conventional energy projects.

Codelco is working on and promoting the development of innovations in mining-metallurgical processes and is implementing actions to boost the generational turnover as well as attracting, retaining and managing talent.



Exploration

Codelco, in its more long-term outlook, is constantly undertaking exploration activities, both nationally and internationally in order to maintain and expand its mineral base. The company's experience and top level professional standards in this field provide a solid base for exploring new deposits.

Codelco's explorations both inside and outside Chile are conducted in accordance with the high standards of a leading mining company with respect for the communities where it has operations, fully complying with local legislation and applying the same values and business principles it has in Chile.



Future

The company faces the major challenge of implementing an historic investment plan. Codelco is developing a set of structural projects conforming to a timeline, budget, promised quality, capacity and results, which will enable it to continue generating wealth for Chile. These engineering developments will be the basis that will enable it to maintain its leadership in the future and are a necessary condition to ensure Codelco's sustainability.

The structural projects imply major changes for the Company and require huge investments. Codelco is the company that invests the most in Chile. In 2014 it invested US\$ 3.364 billion.

Creation and Legal Framework

Codelco is owned by the Chilean State and is dedicated to mining, trading and industrial activities. Decree Law No. 1.350 (1976) created the Corporación Nacional del Cobre de Chile, Codelco Chile, that took over the management of large-scale mines nationalised in 1971.

The Corporation reports to the Government through the Ministry of Mining and is governed by ordinary le-

gislation, except for specific provisions included in the aforementioned decree.

Through Law 20.392, published in the Official Gazette on November 14, 2009, amendments were made to the Basic Bylaws of Codelco Chile (D.L. 1.350, 1976) and the regulations on the provision of belongings that are not part of deposits currently being exploited (Law 19.137).

Business Name

Corporación Nacional del Cobre de Chile

RUT: 61.704.000 - K



Corporate Governance

From March 1, 2010, the date on which Law 20.392 came into force, the senior management and administration of Codelco is exercised by a board constituted as follows:

- **Three members** nominated by the President of the Republic.
- **Two representatives chosen from amongst Codelco employees**, appointed by the President of the Republic based on separate shortlists of candidates for each position, drawn up on the one hand proposed by the Copper Workers' Federation and on the other

jointly proposed by the Copper Workers' Federation and the National Association of Copper Supervisors.

- **Four members** appointed by the President of the Republic, based on a shortlist presented for each position by the Senior Public Management Council, with a favourable vote of four fifths of its members.

Codelco's CEO is appointed by the Board, who also delegate the powers required for his position. He is responsible for implementing the Board's agreements and overseeing all the company's productive, administrative and financial activities.

Budget and Oversight

Codelco's annual budget is approved by a Supreme Decree jointly issued by the Ministries of Mining and Finance.

The company is regulated by the Superintendency of Securities and Insurance and the Chilean Copper Commission, and also, indirectly, by the Office of the Comptroller General of the Republic, through the Commission mentioned.

The Company is registered with the Superintendency of Securities and Insurance, Securities Registry No. 785. It is subject to the provisions of the Securities Market Law, and is obliged to submit to the Superintendency and the general public the same information required from all publicly traded companies.





History



History



Copper is one of the pillars of economic and cultural development in Chile. Before we were a nation the indigenous cultures that lived in the Andean region used copper alloys, or copper alone, to make tools and utensils. The metal was of symbolic significance to the Incas, Aymaras, Tiahuanacos and Atacameños, who used it as a means of exchange and in cultural expressions and art.

With the passage of time, before the arrival of Christopher Columbus in America, metallurgy was advancing, expanding its economic and cultural influence, and as it did so copper and its alloys started to spread across the region. Indeed, countless archaeological finds across Latin America bear testimony to this.

The sole interest of the Spaniards, however, was gold, and as such during the colonial period there was only a small copper industry. In 1810, the year of Chile's independence, 19,000 tonnes of copper were produced. The industry continued to develop, however, and even though in 1897 saltpeter became the investment of interest, two million tonnes of copper were produced between 1820 and 1900.

Large-Scale Mining

At the beginning of the 20th century, North American capital was heavily invested in Chile's copper industry to start mining huge deposits, and as such large-scale copper mining in Chile started.

In this context, new, high-value projects began to take shape. The exploration, and then the development of, the El Teniente mine in 1904, by the American Braden Copper Company, provided the kick-start for the greater industrialisation of the sector. The Braden Company was subsidised by the Kennecott Copper Corporation. In 1910, the Chile Exploration Company began industrial operations to develop Chuquicamata.

In the 1920s, Andes Copper Mining started operations at Potrerillos mine and later at the Indio Muerto deposit, at the El Salvador ore body.

In 1923, the Chile Exploration Company was purchased by the Anaconda Copper Company, which also controlled Andes Copper, and as such the Chuquicamata and Potrerillos deposits (today Mina Vieja) and La Africana in Pudahuel, found themselves under the same management.

In 1955 the Cerro Corporation conducted studies and subsequently built the Río Blanco mine which was opened in 1970. Today it is the Andina Division. Developments known as mining camps were built around these deposits, one of which was Sewell – declared a Unesco World Heritage Site in 2006. Others include Coya, Chuquicamata, Potrerillos, Mina Vieja, Llanta and what is today the city of El Salvador.

Revenue for the country was scarce and in 1951 the Washington Convention was signed giving Chile control over 20% of copper production and significantly increasing state assets.

As a result of legislative work relating to the copper industry, in 1955 a series of laws were passed in order to guarantee a minimum revenue for the Chilean state and promote the development of the mining industry and capital investment in mining. On May 5, 1955, the Copper Department was created to oversee the national mining industry and the participation in international markets.



Chileanisation

In 1966, in the context of the “Chileanisation of Copper”, Law No. 16.425 was issued creating mining joint ventures between the Chilean state and those foreign mining companies that mined deposits that were part of the “gran minería del cobre”, or large-scale copper mining. Legislation set a minimum state share of 25 percent.

In 1967 the El Teniente, Chuquicamata and Salvador mines became joint ventures with the state owning 51%. In the case of Exótica and Andina, the State acquired 25%.

Nationalisation

In 1971 the National Congress, through Law 17.450, unanimously amended Article 10, number 10, of the Chilean Constitution, creating the possibility for nationalising large-scale copper mining. This took place through a transitory provision establishing that, as required by national interest and in exercising the state’s inalienable and sovereign interest to freely dispose of its natural resources and wealth, those companies involved in Chile’s large-scale copper mining were to be nationalised and declared wholly and exclusively property of the nation.

As such, large-scale mining became wholly owned by the Chilean state. In order to manage it, state-owned partnerships were created with the Copper Corporation, formerly the Copper Department (95%), and the Empresa Nacional de Minería (5%). The Copper Corporation was in charge of managing these partnerships.

On April 1, 1976, the Corporación Nacional del Cobre de Chile - Codelco Chile - was created. In conformity with Decree Law No. 1.350, Codelco took over the nationalised mining deposits, replacing the state-owned

partnerships that had been created for the purpose. As a result, the ore deposits at Chuquicamata, Exótica, El Teniente, Salvador and Andina were grouped together to form a single mining, industrial and trading company of indefinite duration, with legal capacity and its own equity.

Codelco's Head Office has been at Huérfanos 1270, Santiago, since 1982. The building previously housed the Private Employee Savings Bank (Caja de Empleados Particulares).



New Deposits and Operations

In 1997, the Radomiro Tomic Division was inaugurated as the first deposit to be fully developed by Codelco.

In January 2005, Codelco acquired the Empresa Nacional de Minería (National Mining Company, Enami). It was the property of the Ventanas Smelter and Refinery complex in the region of Valparaíso, and became Codelco's Ventanas Division.

In 2010 the Codelco Norte Division was divided into the Chuquicamata Division and the Radomiro Tomic Division. At this time the Ministro Hales Division was created to develop and operate the Ministro Hales mine.

In May 2008, the construction phase of plants and ancillary services of the project then known as "Gaby" was successfully completed. Operations at the Gabriela Mistral mine, a fully-owned subsidiary in the Antofagasta Region, approximately 100 kilometers from the city of Calama were begun. This is the second mine site developed entirely by the Corporation from its discovery through its engineering, construction and commissioning. On January 1, 2013, the Gaby project became the new Gabriela Mistral Division.

In October 2014 a law was passed capitalising Codelco for US\$ 4 billion over the next four years.

Timeline

1905

El Teniente

Operations start at the El Teniente mine, operated by the American Braden Copper Company, subsidiary of the Kennecott Copper Corporation.



1911

Chuquicamata

Chile Exploration Company (USA) develops Chuquicamata mining using the new open-pit method.

1927

Potrerillos

Andes Copper Mining (USA) begins operations at Potrerillos at 3,200 metres above sea level in what is now the Atacama Region.

1939

Production boosted

Corporación de Fomento de la Producción, Corfo, is created. The company currently implements government policies in the field of entrepreneurship and innovation.

1945

Smoke tragedy

On June 19, at El Teniente, the biggest fire in the modern history of copper mining in Chile starts. There are 355 fatalities and it becomes known as the Smoke Tragedy. The catastrophe precipitates the beginning of industrial safety.



1951

Washington agreement

The Washington Agreement is signed whereby Chile receives 20% of copper production, enabling the government to increase revenue from mining the metal.

1953

Ministry of Mining

In July the Ministry of Mining is created under the government of Carlos Ibáñez del Campo.

1955

New treaty law

In May Law N° 11.828 (New Treaty Law) is enacted, increasing investment in large-scale mining. The Department of Copper is created.



1959

Indio Muerto

US company Andes Copper Mining discovers new copper ore body at the Indio Muerto mountain in the Atacama Region. Today it is Codelco's Salvador Division.



1960

Empresa Nacional de Minería

A merger of the Caja de Crédito Minero and the Empresa Nacional de Fundiciones sees the birth of the Empresa Nacional de Minería, or National Mining Company, Enami.

1964

Ventanas

Enami's smelter and refinery Ventanas is inaugurated in Puchuncavi. Four decades later it will become Codelco's Ventanas Division.

1966

Corporación del Cobre

During the presidency of Eduardo Frei Montalva, the Chileanisation Act is approved and the Copper Corporation is created to oversee the production and international sales of the metal.



1970

Cerro Blanco

Sociedad Minera Andina starts operations at Cerro Blanco, 80 kilometres from Santiago at 4,000 metres above sea level.



1971

Nationalisation of Copper

On July 11, the National Congress approves Law No. 17.450 which nationalises the large-scale mining of copper in Chile, marking the birth of Codelco.

1976

Codelco formed

On 1 April, the Corporación Nacional del Cobre de Chile (Codelco, Chile) is founded, unifying the deposits administered by the Copper Corporation into a single company.

1983

New mining regulations

The Mining Code is adopted and Law 18.097 comes into force.



1992

Large-scale mining projects

Intensive expansion of investment and large-scale mining projects.



1997

Radomiro Tomic

Codelco designs, builds and starts operations at the Radomiro Tomic Division.

1998

Mining Council

Major copper mining companies form the Mining Council.

2005

Ventanas

Codelco creates the Ventanas Division after acquiring the smelter and refinery Las Ventanas from the Empresa Nacional de Minería, Enami.



2008

Gabriela Mistral mine

In May the Gabriela Mistral mine begins operations.



2009

Corporate governance law

Codelco's new Corporate Governance Law is approved and enters into force in March 2010.

2010

Ministro Hales

Codelco creates the Ministro Hales Division to be developed and operated as an open-pit mine.

2011

Record production

Codelco registers historic production of 1,796,000 tonnes of fine copper, equivalent to 11% of world production.



2012

Historic deal

Codelco exercises an option to purchase 24.5% of Anglo American Sur S.A.



2013

New divisions

Prestripping finalised and operations start at Ministro Hales Division. Gabriela Mistral becomes Codelco's new Division.

2014

Capitalisation law

President of the Republic Michelle Bachelet enacts a multiannual capitalisation, an historic milestone for the company.



Milestones



January 2

Commencement of the first structural project

Ministro Hales Division begins operational testing of the concentrator plant.

January 21

Construction starts on molybdenum plant

Codelco will invest US\$ 400 million in a molybdenum processing plant in the town of Mejillones, construction of which began January. The plant will produce 16 thousand tonnes of molybdenum trioxide per year.

March 8

More women in mining in Chile

On International Women's Day it is noted that 8.5% of Codelco's workforce is made up of women, a higher figure than that in the rest of the Chilean mining industry. Today there are 6 times more female executives and professionals than 15 years ago.



May 12

Board renewal

President of the Republic Michelle Bachelet appoints Óscar Landerretche, Laura Albornoz and Dante Contreras as her representatives on Codelco's Board, in accordance with the provisions of Article 8 of Law 20.392 which changes the Corporation's Corporate Governance. Oscar Landerretche is appointed Chairman of the Board.

July 2

Bonds in the European market

In London, Codelco issues 10-year bonds for 600 million euros in the international market as part of the plan for financing company investments. This is the first issue of bonds in euros.

September 1

New CEO

Nelson Pizarro Contador takes over as CEO of Codelco. In his opening speech he addresses the main issues of the management of the company such as capitalisation, the fulfilment of the Business Plan, implementation of structural projects, relations with neighbouring communities and participation in round table talks with the unions.

September 11

Dialogue with workers

Codelco's management and the Federation of Copper Workers agree on a joint declaration undertaking to set up a corporate task group to develop a proposal of content and shared objectives to ensure the viability of Codelco's strategic project, together with the development of a model for the relationship between the parties. The validation of this proposal will establish a new strategic agreement between the parties.



October 24

Capitalisation law

President of the Republic Michelle Bachelet enacts a law capitalising Codelco for US\$ 4 billion over the next four years. The signing ceremony at head office is attended by Minister of Finance Alberto Arenas, Minister of Mining Aurora Williams and Codelco CEO Nelson Pizarro, amongst others.

October 28

Successful placement of bonds

In New York, Codelco issues 30-year bonds for US\$ 980 million dollars in international financial markets. Excellent conditions are obtained, ratifying the company's investment grade.

December 18

Investment approved for Chuquicamata underground

The Board approves the US\$ 3.306 billion investment for implementing the Chuquicamata underground project, the largest allocation of resources in the history of the company, which, added to the US\$ 894 million for initial works, brings the total investment to US\$ 4.2 billion.



December 19

Extraordinary meeting of shareholders

With the participation of the Ministers of Finance, Alberto Arenas, and Mining, Aurora Williams, an extraordinary meeting of Codelco shareholders is held at head office, where the annual progress report on Codelco's business and development plan for 2014 - 2018 is approved, with a view to requesting congressional authorization for an increase in the company's capital.

Structural projects audit

At the extraordinary meeting of shareholders, CEO Nelson Pizarro presents the final report of the international audit on the projects, which concludes that there are no fatal flaws or failings that undermine the effectiveness of the projects, and provides recommendations for consideration. The audit offers an expert and independent view on the structural engineering projects and their implementation plans.



Mineral Resources and Reserves



Mineral Resources and Reserves

Codelco differentiates between mineral resources and mineral reserves on its inventory, in accordance with official regulations. It also reports on geological resources to show the potential of deposits identified to date.

Geological resources - which can be measured, indicated and inferred - are mineral concentrations identified and estimated through exploration, surveys, sampling and geoscientific models. When these geological resources are of economic interest and backed by a mining plan and have a reasonable prospect of eventual extraction, they are called mineral resources.

Proven and probable reserves represent the fraction of the measured and indicated mineral resource that

The estimated mineral resources of the Corporation amount to 125 million tonnes of fine copper, equating to more than 70 years of future exploitation, a fact that demonstrates the strength of Codelco's mining base.

can be extracted in accordance with a sustainable and economically profitable mining plan. The conversion of resources into reserves requires the projection of current operations and activities that include pre-feasibility and feasibility engineering of projects being studied in the production scenario.

The classification of Codelco's mining assets provides global definitions applicable to all the company's divisions. A clear and auditable monitoring of the classification process is carried out along with quality control of the geological modelling and estimation process.

In situ geological resource inventory

Division	Measured resources			Indicated resources			Inferred resources			Geological resources		
	Mineral	Cu	Fine	Mineral	Cu	Fine	Mineral	Cu	Fine	Mineral	Cu	Fine
	Mt	Grade %	Cu Mt	Mt	Grade %	Cu Mt	Mt	Grade %	Cu Mt	Mt	Grade %	Cu Mt
Radomiro Tomic	1,465	0.50	7.3	1,347	0.43	5.8	5,309	0.30	16.1	8,122	0.36	29.3
Chuquicamata	2,942	0.66	19.5	1,777	0.52	9.2	10,696	0.38	40.9	15,416	0.45	69.6
Ministro Hales	302	1.06	3.2	474	0.86	4.1	924	0.72	6.7	1,700	0.82	13.9
Gabriela Mistral	460	0.37	1.7	84	0.30	0.2	510	0.33	1.7	1,054	0.35	3.6
Salvador	496	0.51	2.5	545	0.42	2.3	2,514	0.42	10.5	3,555	0.43	15.3
Andina	2,785	0.73	20.4	2,192	0.67	14.6	14,790	0.57	83.9	19,766	0.60	118.9
El Teniente	2,704	0.86	23.2	2,819	0.57	16.0	9,948	0.48	48.2	15,471	0.56	87.3
Explorations, businesses and subsidiaries	161	0.26	0.4	64	0.25	0.2	2,718	0.35	9.6	2,943	0.35	10.2
Total	11,315	0.69	78.2	9,303	0.56	52.3	47,408	0.46	217.6	68,026	0.51	348.1

Note: Cut-off grade at 0.2% copper.

The inventory of mineral resources and mineral reserves for 2014 is determined from the mining plan corresponding to the business and development plan 2015 as it corresponds to a projection of the ore to be exploited from 2015.

The business and development plan 2015 includes, in addition to reserves, mineral resources whose contribution gradually increases, reaching 20%, 25 years into the mining plan, due to the fact that deeper areas of the ore bodies currently being exploited are included in the design of the long-term strategic plan, areas which are still in the complementarity process of the geological reconnaissance (in-fill campaigns) and development of engineering studies.

Resource inventory in artificial deposits

Division	Mineral Mt	Cu Grade %	Fine Cu Mt
Chuquicamata	830	0.27	2.3
Salvador	1,381	0.24	3.3
El Teniente	2,402	0.51	12.2
Total	4,613	0.38	17.7

Note: Cut-off grade at 0.0% copper.

Artificial ore deposits consist of:

- **Broken material:** resource not extracted; remains of total or partial extraction in underground mining.
- **Stock:** residual resources, extracted and piled, resulting from past and future operations of open-pit mining; this will depend on the cut-off grade defined in the mining plan (short and long term). Tailings and gravel are also included under the term stock.

Geological resources from the 2014 inventory increased by 3% in fine copper compared to the 2013 inventory, due to the updating of geological models and new resource estimates resulting from reconnaissance campaigns.

Meanwhile, artificial deposits increased 0.5% due to a new estimate of materials.



Business and Development Plan

Each year Codelco produces an annual Business and Development Plan which contains a business projection for the short, medium and long term. In the long term it represents a strategic plan that includes all mineral resources with economic potential and incorporates metallurgical, geo-mechanical, economic, financial, environmental, community and other factors of a technical-economic nature, with their corresponding degrees of reliability, required for the exploitation of all the mineral resources and reserves that support the business.

For the conversion of mineral resources into mineral reserves, drilling campaigns are carried out, information from which supports prefeasibility and feasibility engineering. This includes a number of specific activities identified in the corporate strategic agenda which have a timetable and budget. The division that has the least amount of resources has an exploitation projection of 12 years and Codelco's mega deposits, in some cases, of more than 70 years.

In situ resource inventory in business and development plan 2015

Division	Measured resources			Indicated resources			Inferred resources			Mineral resources		
	Mineral	Cu	Fine	Mineral	Cu	Fine	Mineral	Cu	Fine	Mineral	Cu	Fine
	Mt	Grade %	Cu Mt	Mt	Grade %	Cu Mt	Mt	Grade %	Cu Mt	Mt	Grade %	Cu Mt
Radomiro Tomic	1,386	0.49	6.9	1,021	0.46	4.7	1,011	0.41	4.2	3,419	0.46	15.7
Chuquicamata	523	0.86	4.5	380	0.79	3.0	856	0.71	6.1	1,758	0.77	13.6
Ministro Hales	143	1.28	1.8	40	1.13	0.4	683	0.90	6.2	866	0.97	8.4
Gabriela Mistral	375	0.37	1.4	57	0.31	0.2	4	0.25	0.0	436	0.36	1.6
Salvador	29	0.59	0.2	740	0.46	3.4	526	0.42	2.2	1,295	0.44	5.8
Andina	1,630	0.83	13.5	1,224	0.80	9.8	1,816	0.79	14.4	4,670	0.81	37.7
El Teniente	1,445	0.97	14.1	714	0.80	5.7	1,879	0.75	14.0	4,038	0.84	33.8
Total	5,531	0.77	42.3	4,175	0.65	27.2	6,775	0.70	47.1	16,481	0.71	116.6

Note: Cut-off grade in Mining Plan.

Inventory of artificial deposit resources in business and development plan 2015

Division	Mineral Mt	Cu Grade %	Fine Cu Mt
Radomiro Tomic	20	0.30	0.1
Chuquicamata	338	0.31	1.1
Ministro Hales	111	0.78	0.9
Gabriela Mistral	32	0.29	0.1
Salvador	387	0.46	1.8
Andina	221	0.70	1.5
El Teniente	464	0.65	3.0
Total	1,572	0.53	8.4

Note: Cut-off grade in Mining Plan.

Total mineral resources for Codelco

	Mineral Mt	Cu Grade %	Fine Cu Mt
Codelco business and development plan 2015	18,054	0.69	125.0
Anglo América Sur (20%)	1,864	0.60	11.2
Inca de Oro (35%)	161	0.41	0.7
El Abra (49%)	282	0.45	1.3
Share in other companies	2,307	0.57	13.1
Total Codelco	20,361	0.68	138.1

Note: Codelco's share in other companies includes ore bodies Los Bronces, El Soldado, Los Sulfatos, San Enrique Monolito, El Abra and Inca de Oro. Mineral reserves are included in mineral resources.

Information source: Anglo American Sur and Freeport McMoran Annual Reports, 2013, and Panaust Annual Report 2014.

Mineral resources from the Business and Development Plan 2015 show a decrease of 5.5 Mt of fine copper compared to the 2014 plan as a result of changes in design and updates of mining plans, mainly in the Andina Division. The 2014 inventory includes resources and reserves in line with Codelco's share in other companies, increasing mineral resources by 13.1 Mt of fine copper.

Inventory of mineral reserves in the business and development plan 2015 and Codelco's share in other companies

Division	Proven			Probable			Total Reserves		
	Mineral Mt	Cu Grade %	Fine Cu Mt	Mineral Mt	Cu Grade %	Fine Cu Mt	Mineral Mt	Cu Grade %	Fine Cu Mt
Radomiro Tomic	931	0.52	4.9	1,129	0.48	5.4	2,060	0.50	10.3
Chuquicamata	523	0.86	4.5	380	0.79	3.0	902	0.83	7.5
Ministro Hales	143	1.28	1.8	40	1.13	0.4	183	1.25	2.3
Gabriela Mistral	375	0.37	1.4	57	0.31	0.2	432	0.36	1.6
Salvador	29	0.59	0.2	14	0.60	0.1	42	0.59	0.3
Andina	1,115	0.81	9.0	826	0.82	6.8	1,941	0.81	15.8
El Teniente	649	1.06	6.9	1,024	0.84	8.6	1,673	0.93	15.5
Business and development plan 2015	3,765	0.76	28.6	3,469	0.71	24.6	7,234	0.73	53.2
Anglo América Sur (20%)							426	0.50	2.3
El Abra (49%)							282	0.45	1.3
Share in other companies							709	0.50	3.6
Total Codelco							7,943	0.71	56.7

Note: Codelco's share in other companies includes ore bodies Los Bronces, El Soldado, and El Abra.

Information source: Anglo American Sur and Freeport McMoran Annual Reports, 2013.

Note: Cut-off grade in Mining Plan.

Mineral reserves from the Business and Development Plan 2015 decreased by 6.1 million tonnes of fine copper with regard to the 2014 plan. This can be explained by changes in the plan for exploitation of the Sur-Sur underground project for economic and environmental considerations which account for explain 1.6 million tonnes of fine copper; a new engineering level requirement for categorizing reserves at the Rajo Inca project accounting for 3.3 million tonnes of fine copper; and the better economic performance of lower grade ores which will come from the Radomiro Tomic - Phase II Sulphides project and be allocated to the bioleaching project, currently in the study phase and as such the ore cannot be counted as reserves. This accounts for 1.2 million tonnes of fine copper.

The 2014 inventory of mineral reserves includes 3.6 Mt of fine copper, corresponding to Codelco's share in the companies El Abra and Anglo American Sur. Adding up to a total of 56.7 Mt of fine copper reserves.

At the meeting on March 27, 2014, the Board of the Commission for the Qualification of Competencies in Mineral Resources & Reserves adopted the following resolution: "Given that there are companies whose internal regulations do not require the provisions of the Chilean code 20.235, the board, in order to comply with those legal provisions by degrees, agrees to establish a transitional period of one year so that some companies, as judged by the board, adjust their regulations, methodology and procedures to the Chilean code 20.235" (agreement No. 10/2014). The certificates of good standing of competent persons make express reference to this agreement.

In the case of Codelco, the Commission established a transitional period of two years to comply with the regulations. During 2014, the company has incorporated changes in its rules and procedures designed to comply with this legal provision.



Competent Persons

The following Competent Persons in Resources and Reserves supplied and/or reviewed - depending on their area of responsibility, divisional or corporate - and subscribe to the information used in the preparation of the inventory of Codelco resources and reserves, and have sufficient experience relevant to the type of mineralization and deposits in question. These competent persons are registered and current in the Register of the Commission for the Qualification of Competencies in Mineral Resources & Reserves*.

Registration No.	Competent Person	Organisation
0087	Jaime Henríquez Molina	Head Office
0099	Patricio Zúñiga Rojas	
0084	Felipe Celhay Schoelermann	El Teniente Division
0198	Daniel Bustamante Valdés	
0254	Michel Galeb Nicolás	Andina Division
0239	Víctor Sandoval Zepeda	
0201	América Olivares Morales	Salvador Division
0094	Oliver Miranda Arenas	
0203	Claudio Nicolás Vargas	Gabriela Mistral Division
0098	Rafael Valenzuela Briceño	
0200	Alejandro Dagnino Espinoza	Ministro Hales Division
0197	Victorino Moyano Escobar	
0192	Raúl Cancino González	Radomiro Tomic Division
0206	Sebastián de la Fuente Alfaro	
0257	Renato Valdés Romo	Chuquicamata Division
0210	Marco Velásquez Lambert	

Note: The certification date of competent persons is January 2015.

The Law of the Republic of Chile No. 20.235 regulates the concept of competent persons and created the Commission for the Qualification of Competencies in Mineral Resources & Reserves.

The Commission for the Qualification of Competencies in Mineral Resources & Reserves is a member of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) that groups the organisations of Australia (JORC), Canada (Instrument 43-101), South Africa (SAMREC), USA (Society of Mining Engineers), Europe (PanEuropean Code), Russia (NAEN), which meet common international standards for reporting exploration prospects, mineral resources and reserves.



Exploration



Exploration

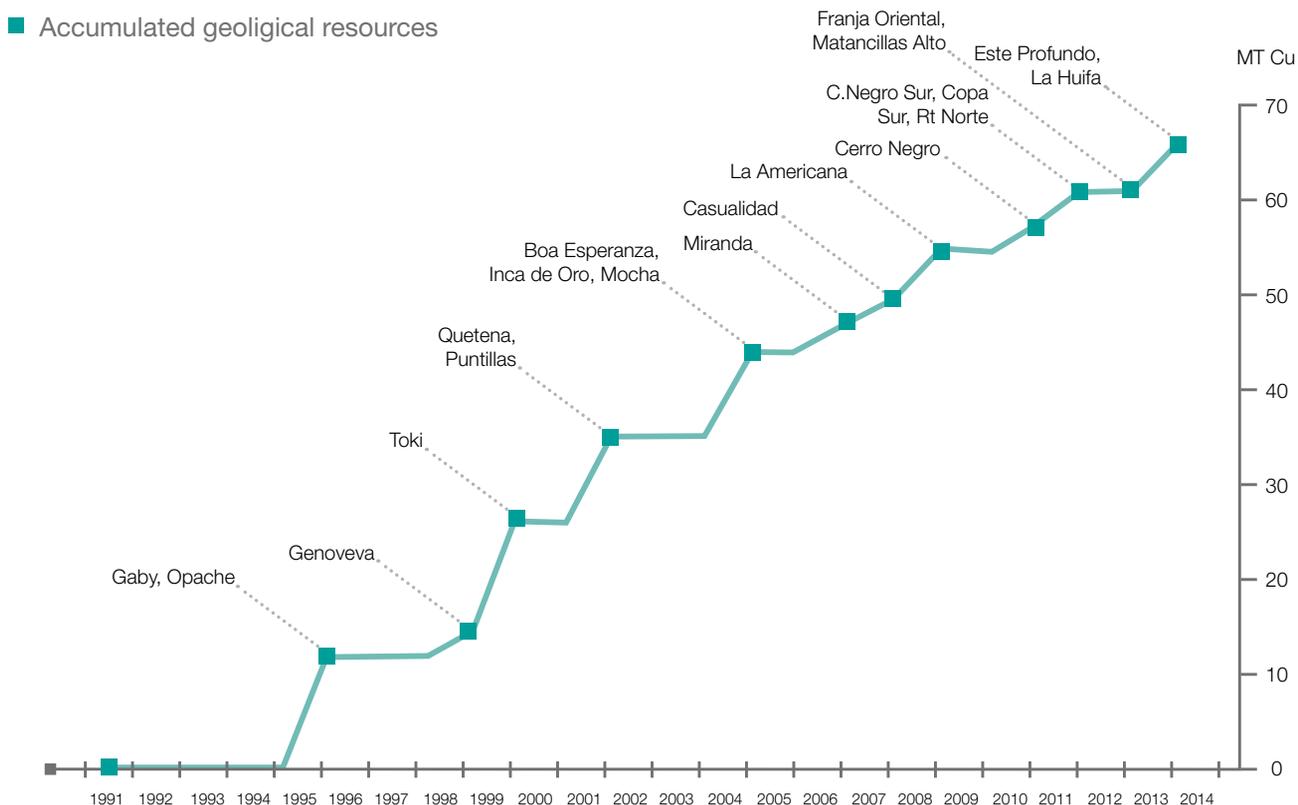
Codelco has defined brownfield exploration plans in the district surrounding the company, and greenfield exploration plans in the rest of the country (between Arica-Parinacota and Bio Bio). Internationally, it seeks business opportunities principally in Latin America.

Exploration is the first link in the value chain of Codelco's business model, and since 1991 has been part of the strategic plan of the company. Since that time it has been a fundamental, permanent and successful activity.

Over 24 years Codelco's mining explorations have contributed about 65 million tonnes of fine copper to the company's inventory of geological resources. In 2014 there were positive results in follow-up explorations in the La Huifa sector and the El Teniente District and in the Este Profundo sector of the Andino District.



*Contribution of geological resources to Codelco's inventory**



*Resources correspond to those delivered to the corporate inventory through exploration in an advanced studies phase.



Potential Geological Resources

The company manages a portfolio of exploration projects with potential geological resources of about 11 million tonnes of fine copper. These projects are in different study stages and will vary as exploration continues.

Potential geological resources status

	Phase of exploration	Location	Year
Regional exploration			
Vicky	Advanced	II Region	2002
District exploration			
Acceso Puquios	Follow-up	VI Region	2012
Carmen	Follow-up	II Region	2013
Jarosita	Follow-up	II Region	2013
Don Felipe	Follow-up	II Region	2014
San Andrés NW	Follow-up	II Region	2014
La Huifa	Advanced	VI Region	2014
International exploration			
Liberdade	Follow-up	Brasil	2013
Llurimagua	Follow-up	Ecuador	2014

Investments

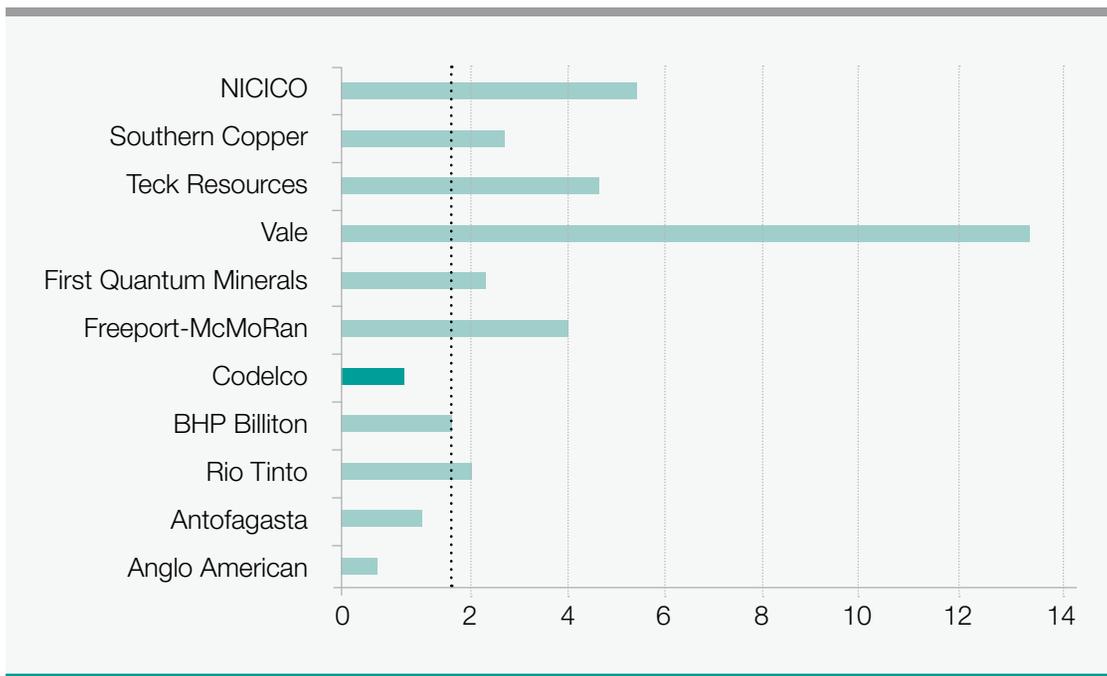
Globally, the budget for the exploration of non-ferrous metals totalled US\$ 10.7 billion in 2014, 26% down on the US\$ 14.4 billion invested in 2013.

For the fourth year in a row Chile was in fifth place worldwide with an investment of US\$ 707 million, down 22% on 2013.

Codelco invested US\$ 55 million on explorations in 2014, 6% less than in the previous year. Seventy-nine percent of this investment was focused on Chile.

With an average cost of 0.89 cents/lb copper discovered, Codelco ranks as one of the companies with the lowest exploration costs in the world, a good way ahead of the 1.9 cents/lb average amongst other producers.

Copper discovery exploration cost - cents/lb



Source: SNL Metals & Mining 2014.

	Codelco	Other main producers
Discovery cost (cents/lb)	0.89	1.9
Tonne produced (cents/tonne)	32	102

Source: SNL Metals & Mining 2014.



In 2014 innovative airborne geophysical technology identified areas of exploration interest directly related to mineralization system sites.

Development and Innovation

Codelco is constantly looking for more reliable and efficient technologies to detect geological formation processes and locations of mineral deposits.

In this regard we have used new, high-technology scanning tools to detect hidden ore bodies as part of the mining exploration development and innovation programme. The programme seeks to refine existing methods of detecting porphyry copper in covered areas with no surface evidence.

In 2014 Codelco implemented airborne geophysical technology to collect and process electromagnetic data, which has identified areas of exploration interest directly related to the sites of mineralization systems.

Using this methodology, the largest known deposits are clearly defined and in some cases a direct correlation has been found between geophysical anomalies detected and the areas of economic mineralization.

Being an airborne method, it is very functional in high mountain areas with difficult access and where Earth exploration is limited by adverse climatic periods. The methodology can be implemented directly to the brownfield and greenfield exploration programmes.

Chile

Codelco focuses explorations on the search for copper. The company currently has a portfolio of nearly 100 exploration areas in the country, located from the region of Arica and Parinacota to the Bío Bío region.

The implementation of the exploration programme takes into consideration the particular characteristics of each prospect, according to a prioritisation scheme that focuses efforts on the goal of finding more mineral resources to strengthen the Corporation's business plans.

During the period the strategy of prioritising brownfield sites around Codelco's operations was continued. The aim is to discover and evaluate new geological resources in the immediate vicinity of ore bodies already in production, and provide new geological information for mining development in accordance with divisional needs.



In line with this strategy, in 2014 a calculation of new resources was made for the La Huifa project, identifying 1.3 million tonnes of fine copper at a grade of 0.805% Cu + 0.022% Mo, with a cut-off grade of 0.5% Cu.

La Huifa provides sufficient potential resources to define an independent mining plan. However, due to its proximity to El Teniente (2 kilometres northeast), the possibility of being included in the Division's business and development plan is being evaluated.

In the Este Profundo sector of the Andino Division, new resources in the order of 2.9 million tonnes of fine copper were detected at a grade of 0.77% Cu + 0.03% Mo with a cut-off grade of 0.5% Cu.

On top of these results, mineralisation was detected in the San Andrés NW and Don Felipe sectors, both in the Codelco Norte District.

In terms of greenfield exploration, developed to generate new areas of interest and discover ore bodies in favourable geological zones throughout the country, geological surveys, geophysical studies and drilling was carried out in areas of interest.

International Exploration

Codelco carries out mining exploration in Brazil and Ecuador in 2014. In addition, it constantly monitors and evaluates mining business opportunities in other countries, both in Latin America and in the rest of the world. In order to expand its operations outside Chile and advance its goal of being a global company, exploration is an important activity.

Leader in world copper reserves



Brazil

The subsidiary Codelco do Brasil focuses on finding high potential opportunities in the early stages of exploration through joint ventures with local and international mining companies operating in Brazil. In this way Codelco seeks to generate targets of interest in its mining properties and in public tenders.

Exploration has focused mainly on the Gran Carajás District in the state of Para, which is the sector with most potential for copper mining in Brazil where most of the big mining companies are currently performing explorations or have mining interests.

In 2013 a mineralized body was discovered in the Proyecto Liberdade in the Gran Carajás District. This is part

of the joint venture between Codelco and local miner Pan Brazil. Preliminary estimates of resources in situ are in the order of 242 million tonnes with a copper grade of 0.77%.

In the same district, under the joint venture with Glencore Xstrata, potentially more than 1,200 tonnes of ore was detected at the Tancredo iron deposit, with a grade of 32%.

In 2014, activity focused on the management of sectoral exploration permits. Once obtained, these permits could substantially increase the portfolio of projects in 2015.



Ecuador

Codelco carries out mining exploration activities in Ecuador under an agreement signed with the Ecuador National Mining Company (Enami EP), in force since November 2011. Through this alliance, Codelco can have a 49% stake in mining projects of interest to them and is the technical partner who will bring knowledge, experience and high socio-environmental standards to this industry, in its early stages in Ecuador.

In the framework of this mining exploration agreement, more than 20 prospects have been investigated and evaluated. There is currently a portfolio of five areas of interest for Codelco, the main one being the Lurimagua project, located in the province of Imbabura, Intag, in northern Ecuador. State-owned Enami EP has the mining concession.

Lurimagua is a porphyry copper project whose potential exceeds 5 million tonnes of fine copper in situ. In

2014, permits were obtained which legally enable Enami EP to start drilling explorations. These permits involved carrying out an Environmental Impact Assessment which was approved in November by the Ministry of the Environment of Ecuador. In December the environmental license was granted to Enami EP as holder of the concession.

The whole licensing process was conducted according to Ecuadorian legislation and that country's institutional framework. Once the environmental permit was obtained, Codelco began exploration in the Lurimagua concession in its capacity as specialised technical partner and operator. To this end, geological studies have been planned that involve 15,000 metres of drilling to obtain information which will verify the mining potential of the project. These holes will be drilled in 2015 by Ecuador Mining Explorations (Emsaec), a subsidiary of Codelco and created for this purpose in 2013.

Codelco has developed partnerships in order to access third-party properties as an opportunity for discovering ore bodies, or to supply its own mining concessions for the development of the explorations of third parties.



Joint Ventures

Codelco also seeks joint ventures with third parties in order to share the risk of exploration for ore bodies in the large-scale mining sector in Chile. According to current regulations, the company seeks partnership opportunities with national or foreign companies that will provide access to third-party properties, and, in other cases, Codelco supplies its own mining concessions for a third party to carry out explorations. In both cases it seeks to maintain co-ownership of a possible discovery.

In 2014, the work done by the Corporation on third-party properties included geological surveys and drilling as well as reviewing the background of various offers.

In terms of joint ventures with third parties in Codelco properties, at the end of 2014 there was exploration activity taking place in five projects: Queen Elizabeth with Río Tinto; Puntilla Galenosa with Pucobre; Anillo with Fortune Valley Resources Inc.; Plazuela with Hot Chili, and Roberto with Anglo American Norte. These companies participated in geological and geophysical projects and drilled over 3,000 metres, investing some US\$ 4 million.

Exploration joint ventures

Projects in Chile	Partner	Type
Queen Elizabeth	Río Tinto	Copper
Anillo	Fortune Valley	Gold
Puntilla - Galenosa	Pucobre	Copper
Plazuela	Hot Chili	Copper
Roberto	Anglo American Norte	Copper
Projects abroad	Partner	Type
Liberdade	Pan Brasil	Copper
Tancredo and others	Xstrata Brasil	Copper
Grupo Propiedades	(ENAMI EP) of Ecuador	Copper



Investments and Projects



Investments and Projects

Codelco is carrying out the biggest investment programme in its history in order to transform the large reserves of ore deposits into wealth for the State of Chile. In 2014, the company invested approximately US\$ 3.4 billion in its portfolio of projects.

The Corporation has a portfolio of six structural projects that are in various stages of development. Realising these mega projects will offset the natural decline in ore grades of existing deposits, increase productivity and add new production, thereby strengthening Codelco's leadership in the global copper industry.

In addition to implementing these structural projects, there is a portfolio of studies and divisional projects to be carried out annually to keep assets operating with the appropriate standards and to improve competitiveness in the long term.

Investments

Codelco carried out pre-investment studies and projects costing US\$ 3.364 billion in 2014. This is the seventh consecutive year that the company has made such large-scale investments. The breakdown of investments for the year is detailed below:

Investments 2014

Projects	
Development	1,859
Replacement of equipment and refurbishment of facilities	170
Environment, occupational safety and welfare	339
Research and studies	143
Exploration	38
Mine development and deferred expenses	790
Other	25
Total	3,364

Note: Data obtained from real costs as at 2014 SAP/R3. Nominal currency subject to adjustments.

Codelco's investment in 2014 reached **US\$ 3.364** billion of which **US\$ 1.016** billion was allocated to structural projects



Global-Scale Projects

Codelco is carrying out six structural projects which aim to extend operations in the divisions by several decades. At the end of 2014 the following progress had been made:

- **Ministro Hales:** project closed and in operation.
- **Chuquicamata underground mine:** running.
- **Radomiro Tomic sulphide exploitation:** detailed engineering and environmental processing phase.
- **Rajo Inca:** pre-feasibility phase.
- **Expansión Andina 244:** environmental processing.
- **El Teniente new mine:** running.

Chuquicamata Division

Chuquicamata Underground Mine Structural Project



The Chuquicamata Underground mine project will transform the world's largest open-pit mine into one of the largest and most modern underground operations on the planet, extending its productive life by at least 40 years.

In December 2014, Codelco's board approved the investment of US \$ 3.306 billion on the Chuquicamata Underground project, the largest allocation of resources in the history of the company, which, added to the US\$ 894 million already spent on initial works, brings the total investment to US\$ 4.2 billion.

The project will transform the century-old open-pit mine, the world's largest, into a world-class underground operation, which will extend the life of the Chuquicamata Division by 40 years.

With the start of operations envisaged for 2019, production at Chuquicamata underground will be 320,000 tonnes of fine copper and 15 tonnes of fine molybdenum each year.

During 2014, the project continued with the construction of initial works, started in late 2011 and 92.4% completed. The works include tunnels for the access of personnel and the transportation of ore, two ventilation tunnels, an air-extraction shaft and underground works inside the mine.

Other Projects

In October, execution of the **Talabre Dam Expansion - eighth stage** began, which will run until mid 2018. The project consists of cambering the walls of the dam from a height of 2,490 m to 2,496 m above sea level, which will allow for the operational continuity of sulphide production in the Chuquicamata and Ministro Hales divisions and future production at Radomiro Tomic.

In parallel, a feasibility study was started for the construction of a **system to thicken Talabre tailings**.

In the concentrator plants, implementation of the **comprehensive investment plan** continued which encompasses all processes from the receipt of the ore, the comminution, to the flotation and thickening of tailings.

This plan includes process **optimisation projects in the concentrator** that include improvement of the secondary grinding of the SAG mill; replacement of flotation cells of the beneficiation plant for large cells, and the installation of a flotation plant for treating smelter slag.

The implementation of important projects at the smelter continued, such as the modernisation of load feeding and preparation systems, replacement and repair of the Pierce-Smith converters and gas collection hoods. Studies continued that incorporate double absorption and double contact technology in the sulphuric acid plants which will ensure compliance with the new emissions standards. Also, facilities to adapt the smelting of concentrates to treat calcines from the Ministro Hales Division were commissioned.

In the hydrometallurgical treatment of ores, developments focused on identifying options for extending plant supply, given the depletion of Mina Sur.

Radomiro Tomic Division

Radomiro Tomic Sulphide Exploitation Structural Project



The Radomiro Tomic Sulphide Exploitation Structural Project includes the extraction and processing of its reserves of sulphide ores, estimated at 2.6 billion tonnes with an average copper grade of 0.47%.

In 2014 the project progressed in the development of its detailed engineering as well as with the sanitation works in the area where the concentrator plant will be built.

At the same time we continue with the processing of the environmental qualification, specifically the presentation of Addendum No. 3. Over the year, an indigenous inquiry carried out by the Department of Environmental Assessment was successfully concluded and a similar process is being carried out with the second community in the second community in the project's area of influence.

This development consists of the extraction and processing of the sulphide ore reserves of the Radomiro Tomic Division, estimated at 2.6 billion tonnes, with an average copper grade of 0.47%. It is the first mega project of Codelco that includes the supply of desalinated seawater for its operation without affecting the use of other available and properly authorized sources.

Ore beneficiation will be carried out in its own concentrator plant, with a total nominal treatment capacity of 200,000 tonnes per day, which could be implemented in stages in two modules of 100,000 tons per day.

Other Projects

In the mining area, projects were authorized to support production and improve the safety of operations. For this, haul trucks and other mining equipment was acquired. Also, the expansion of the maintenance unit for haul trucks was continued in order to perform maintenance activities with high safety standards.

In the area of leaching and in view of its long-term development, a project to treat low grade sulphide ores by bioleaching was begun. In parallel, a pre-feasibility study for the hydrometallurgical treatment by other non-traditional means of the division's high and low grade sulphide minerals was started.

With regards to eliminating certain vulnerabilities at the hydrometallurgical plant, further improvements were made to the gravel extraction system and the secondary and tertiary crushers were replaced. In the area of solvent extraction and electro-winning, refurbishment projects were initiated such as the structural repair of the electro-winning unit and improvement of the solutions reservoirs.

In terms of geological exploration in the northern sector of the deposit, we continued with the drilling campaign and mining-metallurgical testing with promising results.

Additionally, the project was begun to connect the Colana water supply line to storage tanks, to more effectively support the division's water supply.

Ministro Hales Division

Ministro Hales Structural Project



This structural project aims to exploit and process minerals from the ore body which has total resources of about 1.3 billion tonnes (average copper grade of 0.96%), of which 289 million tonnes will be exploited through open-pit mining over the next 15 years.

Other Projects

The development of the **Exploitation of Leachable Resources** project proceeded, which will treat minerals extracted during the operation of the Ministro Hales mine. For this purpose the materials will be transported and amassed in dumps and then leached. Copper solutions will be sent to the solvent extraction and electrowinning plant at the Chuquicamata Division.

Over the period, projects within the **Ministro Hales underground mining master plan** were initiated, with approval to build a tunnel to explore the Cuerpo Norte sector of Ministro Hales. This work will provide information to set up future exploitation of reserves in the sector, estimated at 650 million tonnes of ore.

Another important project undertaken during the year was the acquisition of 10 haul trucks, which will shift more than 120 million tonnes per year.

Gabriela Mistral Division



In 2014 the **Gravel Dump** project continued in order to enable the required infrastructure, and studies to ensure long term operational continuity of the Gabriela Mistral deposit were concluded.

Also, the second phase of the geological exploration of sulphide minerals was begun, the results of which will establish the potential for mineralisation of the Gabriela Mistral deposit, above and beyond those resources treatable through hydrometallurgy. To this end, 29,000 metres of geological and geotechnical drilling will be carried out, which will allow long-term planning scenarios to be looked at and incorporate potential mining projects in the division's future business plans. Hydrogeological exploration of the basin was also carried out, with the aim of improving water supply for current and future operations.

Salvador Division

Rajo Inca Structural Project

In June 2014, a pre-feasibility study for this structural project was begun which will extend the life of the Salvador Division.

The Rajo Inca project will extend the life of the Salvador Division by exploiting remaining resources of the deposit through large-scale open-pit mining, at a rate of 130,000 tonnes per day.

Other Projects

The feasibility study for the construction of the **sixth stage of the Pampa Austral tailings deposit** was carried out. This will extend storage capacity in accordance with compliance with current environmental regulations.

In line with the above, implementation of the **Integral improvement project for the capturing and processing of gases** continued. This will provide an integral technical solution, from the mouth of the converter furnaces to the acid plant and will comply with the new emissions standards for copper smelters. Also, detailed engineering was begun, as well as the allocation of the main equipment. At the same time, the pre-feasibility study for the standardisation of smelter gantry cranes was authorised.

The implementation of the project for **floating slag from the smelter** was continued, to increase its overall metallurgical recovery. During the year the commissioning process began with slag from the El Teniente converter. It is currently in its final stage of implementation.

Andina Division

Andina 244 Expansion Project



The Andina 244 Expansion project - with an increase in ore treatment capacity to 244,000 tonnes per day - will allow for total production of approximately 600,000 tonnes of fine copper per year.

The Andina Expansion project is the largest of Codelco's structural projects. The development consists of increasing ore-processing capacity by 150,000 tonnes per day to hit 244,000 tonnes per day. This translates into total production at Andina of around 600,000 tonnes of fine copper per year.

This expansion includes new operations in facilities located in the regions of Valparaíso and Metropolitana. Given the scale of the works, they will take 8 years to complete.

Feasibility engineering for the project has been completed, however given the complexity of the expansion,

the company is evaluating alternatives for modular or phased implementation. Notwithstanding, processing of the Environmental Impact Assessment, which began in 2013, continues, specifically in preparation of Addendum No. 2, for which an extension has been requested of the Environmental Assessment Service until July 31, 2015.

In the context of the Environmental Impact Study on the Andina 244 Expansion project, permits are in process for the second phase of the project for the treatment of drainage water for a ballast tank for 540 million tonnes.

Other Projects

In November 2014, works on the **Andina Drainage Water Treatment project** were completed - the first stage, for the collection and treatment of contact water from the norte ballast tank. This will be the place for disposal of discards from the open-pit mining operation.

Progress was made in 2014 in implementing the new **Mine-to-Plant Transfer System** which will replace the current system of primary crushing and transport of ore, given that the current transfer shafts that feed the Don Luis crusher will be affected by future growth of the open pit. The project involves the construction of a new primary crushing station in the area called Node 3500, and a new transport system for ore to the cordillera plant, to maintain the current level of mineral processing of 94,500 tonnes per day.

In the concentrator plant, a **second thickener** came into operation. This project has facilitated continuous operation without restrictions in the process of thickening concentrates.

At the commercial products plant, projects to improve and maintain the quality of final products and plant capacity are being developed. Of note is the replacement of the dryer and the addition of new filters and cleaning cells.

Meanwhile, in the open-pit and underground mine, recently acquired trucks and support equipment are coming into operation, as scheduled.

Works began at the Ovejería Dam to provide operational continuity above an altitude 640 metres. Progress was also made on projects to improve the operational control of the pool of clear water. In this same industrial area, during 2014, the project to reinforce the hydraulic barrier

In terms of operational safety, the remote monitoring system for high- and medium-voltage equipment was implemented; progress was made with electrical standardisation and facilities; improvements to ventilation and in dust control were made, aimed at achieving the goal of the National Plan for the Eradication of Silicosis. These improvements in industrial enclosures demonstrate preventive management aligned with the occupational health and safety management system.

In terms of studies, the engineering to optimise the use of water in operations and an analysis of the strategic aspects of its use in the division were initiated.



Ventanas Division



The most important developments focused on the implementation of the investment stages of the project to **Capture Secondary Gases and Bleeds at the Teniente Converter**, along with the **Pierce Smith Converters and Electric Furnace**, and the **Treatment Plant for Tail Gases from the Acid Plant** projects.

Additionally, the pre-feasibility study on arsenic abatement in fire refining and in the electric furnace was performed. In late 2014, the **Fugitive Smelter Gases Treatment** project and the **Visible Smoke Elimination from Fire Refining** project were authorised.

On development issues, the prefeasibility study on the future project **Smelting Technology Change** was

initiated which will look into the possible implementation of a **Bottom Blowing Smelter reactor**. Amongst other advantages, we are looking to increase the treatment capacity and productivity of smelting concentrates, improve gas capture and reduce operating costs.

Regarding energy efficiency, the project to replace diesel burners with oxy-gas burners in the Pierce Smith converters was carried out, creating savings due to the lower price of natural gas compared to diesel. The success of this initiative led to the submission and approval by the end of 2014, of a project to replace the burners of the electric furnace. This project will be implemented in the first half of 2015. It is also expected to make way for the replacement of burners in area of fine refining.

El Teniente Division

New Mine Level Structural Project



This structural project will extend the exploitation of the El Teniente deposit, adding reserves totalling 2.02 billion tonnes at an average grade of 0.86% copper and 220 ppm (parts per million) molybdenum. This will enable the division to continue with the treatment of 137,000 tonnes per day of ore for more than 50 years, reaching in operation an output of around 434,000 tonnes of fine copper annually.

In 2014, the New Mine Level project progressed in the construction of two major tunnels (one for personnel access and another for the transportation of ore on belts); along with ventilation adits, development works inside the mine, works for ore transportation above ground and strengthening the electrical system.

By the end of the end of the year, studies had been initiated to incorporate recently acquired knowledge in primary rock exploitation into plans. Results of analyses could have an effect on the cost and length of the project.

The New Mine Level project will allow El Teniente to continue with the treatment of 137,000 tonnes of ore per day for more than 50 years, reaching an output in operation of around 434,000 tonnes of fine copper annually.

Other Projects

In 2014, construction started on the **Carén Reservoir project - sixth stage**, consisting of cambering the wall to provide operational continuity until the first half of 2019 with production rates as estimated in the Business and Development Plan 2014. This project will require additional works such as roads, flood catchment and drainage, and the construction of camp facilities.

During the year significant progress was made on mining projects that will restore the production capacity of the mine, replacing sectors in the process of exhaustion and mitigating divisional mining plan risks.

The **Diablo Regimiento project - fourth phase** - began operations in early 2014, providing around 10,000 tonnes of ore per day to the beneficiation plant. In turn, the feasibility studies of the fifth stage were initiated; this is the last of the stages planned for the exploitation of the sector.

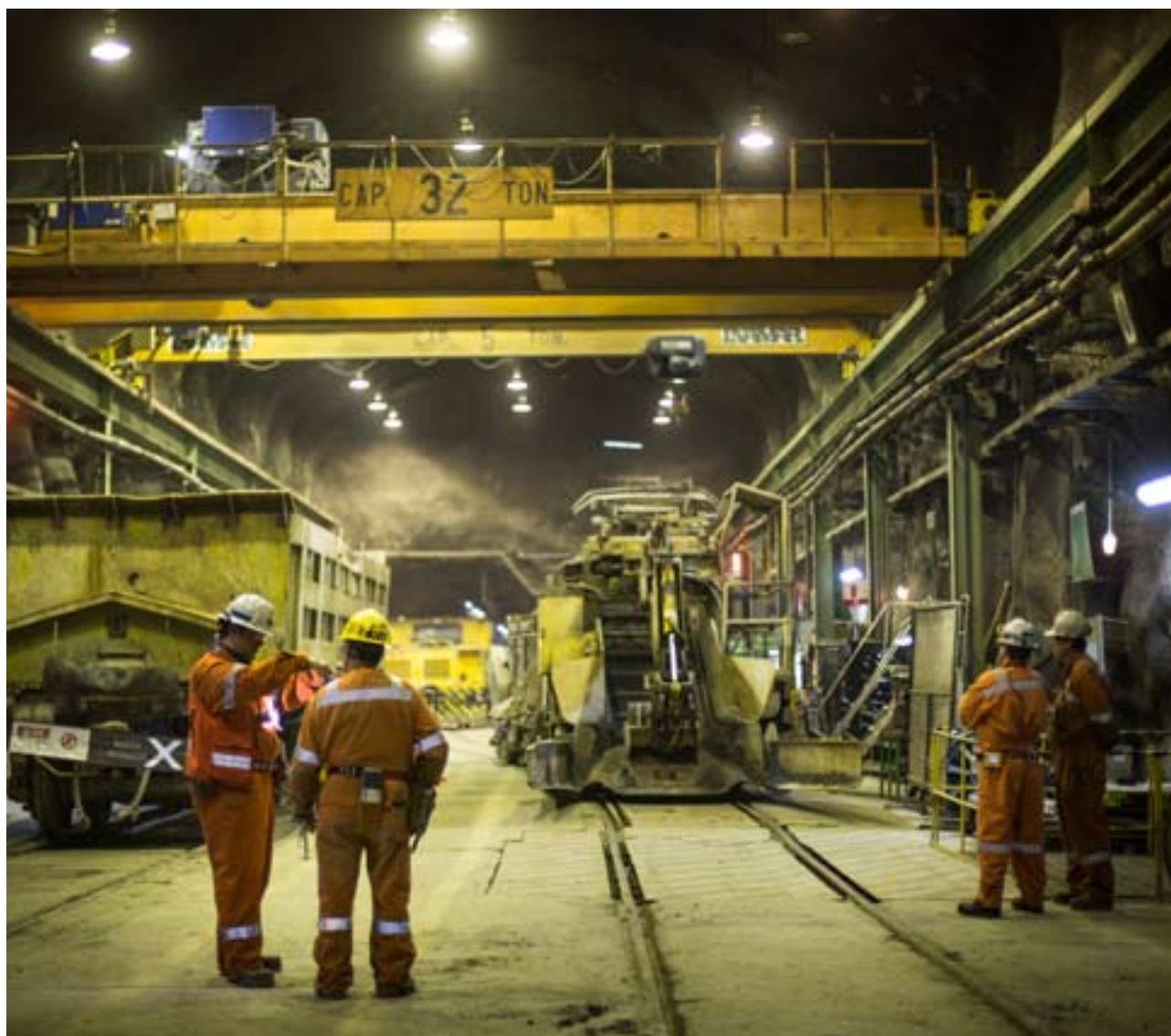
The **Dacite Exploitation** project, meanwhile, is in full swing and set to produce 17,000 tonnes of ore per day in operation, with a copper grade of 1% and an average of 40,000 tonnes of fine copper annually, for a period of nine years. The sector began the production of coarse ore at the end of 2013 and plans to produce fine ore from June 2015, after the commissioning of the crusher inside the mine.

Construction of the **Pacífico Superior** project continued, scheduled to start operations by the end of 2015. It has reserves of 21.9 million tonnes and will contribute 199,000 of fine copper over a period of eight years.

Finally, in 2014 pre-feasibility studies were finished for the project to **exploit resources from the north sector** of the El Teniente ore body, making way for the next feasibility phase. From 2021, this area will contribute 1,120,000 tonnes of fine copper over 22 years.

As for the Caletones smelter, in late 2014 the work of connecting the Pierce Smith No. 4 converter to the smelter's gas management and cleaning system was completed. This will increase the smelting capacity of concentrates to 36,000 dmt per year.

Additionally, pre-feasibility studies were completed for the project to **reduce emissions from gas cleansing plants, and the project for the treatment plant for slag** from converters at El Teniente, which, once the investment phase has been realised, will enable the Caletones smelter to meet emissions regulations for smelters with regard to sulphur dioxide and arsenic.





Innovation and Technology



Innovation and technology

Innovation is fundamental for maintaining Codelco's global leadership in the copper industry. In the face of variations and changes in the market, innovation plays an important role in strengthening competitiveness and creating value to maximize the company's contribution to Chile.

During 2014, Codelco invested heavily in innovation and technology, to the tune of US\$ 102 million. In the investment portfolio, priority was given to challenges specific to the business that are currently not resolved by the market. In the areas of support, the strategy focused on incorporating the best available technology and promoting its development with external companies. Also of note are initiatives in current operations and future projects that aim to increase safety at work, process efficiency, the productivity of people and environmental protection.

Codelco made progress with its Strategic Plan 2012-2015 in all areas, especially in the validation process for technologies for the exploitation of underground mining, open-pit mining, autonomous mining and process integration. In addition, innovative technologies for processing ore and hydrometallurgy were assessed and advances were made in the technology transfer between divisions in pyrometallurgical processes.

Cross-cutting initiatives continued to be promoted for automating processes and for teleoperation, to improve efficiency, productivity and reduce exposure of workers to occupational hazards.

The main initiatives and projects of 2014 were the following:

Underground Mining

Continuous Mining Project

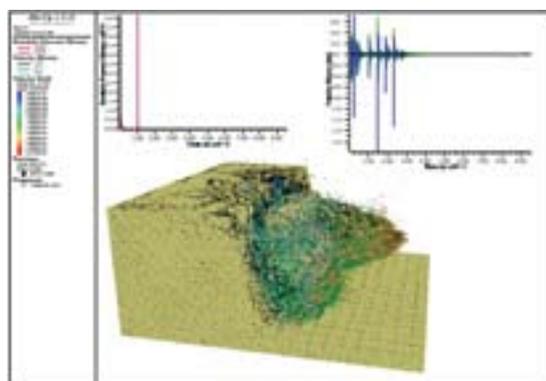
Continuous mining represents a technological breakthrough that will allow Codelco to increase its productivity by 50%, reduce operational costs by 20% and reduce people being exposed to risks. Basically, the new technology is an automated process, remotely operated, that extracts ore continuously and simultaneously from different extraction points. After designing and testing new extraction and transport equipment, a test at the Andina Division was programmed for industrial validation of the technology.

During 2014, the mining works necessary for the industrial test were completed. Construction of civil works reached over 90% in terms of progress; mechanical assembly, 50%, and for the electrical and instrumentation installation, progress stood at over 37% in terms of completion. Given the above, the test is planned to be started in 2015, integrating all the systems.



Complementary Studies

- **Theoretical blasting model:** Codelco continues to participate with important mining companies and the University of Queensland on a project to develop and refine the theoretical blast model “Hybrid Stress Blast Model”. The model has been used to optimise precut blasting in the development of vertical slopes, the blasting of continuous mining shafts and in preconditioning designs, using precise electronic detonation.



- **Vertical development:** Codelco, together with its subsidiary IM2 and the company Herrenknecht, developed a new methodology for excavation, fortification and casing for vertical mining developments (shafts), which involves applying Raise Borer technology as well as mechanising the fortification and casing process. The main advantages over the conventional methods is better operating safety through withdrawing personnel currently performing manual tasks within the shaft and a significant decrease in associated construction time.

Open-Pit Mining

Codelco is carrying out an innovation and technology plan in open-pit mining - 2012-2018 - which aims to incorporate and stimulate the generation of technologies for the control of slopes, optimise their design and develop a new method of open pit exploitation. This development focuses on two lines of work:

- **Open-pit mining design optimisation:** in 2014 the mine plan study was carried out, confirming potential profit of around US\$ 1 billion from integrating and incorporating technologies available in the market for the control and monitoring of slopes. This represents a short-term business opportunity and a technological proposal to recommend and include in the next planning cycle of Codelco’s Exploration Plan 2016.
- **Technological breakthrough:** in the area of development, a technological breakthrough is being pursued with a new method of open pit mining exploitation. The first stage was initiated with an experimental test on vertical slopes, with remote-controlled operations in the Sur Mine of the Chuquicamata Division. The test involved the construction of a vertical wall of 52 metres to validate the characteristics of the gravel rock mass, with remote controlled operation of mining equipment.

The next proposed stage of the research is the industrial validation test and its application in the Corporation’s pits.



Processing of Ores

Here, innovation focused on projects aimed at reducing energy consumption and improving the recovery of copper from the ore, increasing efficiency in the use of assets and the competitiveness of the company.

Additionally, technology transfer between divisions is being fostered, along with maintaining and strengthening work between divisions, with regular meetings to advance the structuring of a corporate innovation plan that places Codelco in the first quartile in the industry in terms of costs.



Mineral Comminution

MicroHammer testing, which is a new technology for mineral comminution at Codelco, was carried out. Comminution is the general term used to indicate shrinkage of a material. Innovation tests showed reduction in energy use, given that the MicroHammer makes microfractures by applying high frequency microwaves in the processing of minerals, weakening their strength. Lower consumption of steel and a better release of the mineralised particles are also expected to allow greater recovery of the materials of value.

In 2014, mineral release tests were performed for different sizes of material to verify the effects of MicroHammer technology (samples from the Rio Blanco and Don Luis deposits of the Andina Division were extracted and classified). The final report will be available in 2015. Subsequently, the samples tested will be analysed and evaluated in laboratories, by comminution and flotation tests.

Concentration

Separation Technology Assisted by Magnetic Particles was developed by the German company BASF and consists of adding fine particles (5 micrometres) of hydrophobic magnetite to mineral pulps, which stick to the copper and molybdenum through the action of a specific reactive collector. Afterwards, a magnetic field is applied to the pulp which separates the magnetite particles from the copper and molybdenum sulphides.



In 2014 work was undertaken for the commissioning of the BASF pilot plant. Tests were carried out on the technology for separation assisted with magnetic particles. For these tests 30 tonnes of ore samples from the Andina Division were used and six types of magnetite were assessed along with two magnetic separators and varying amounts of reagents. Ninety percent recovery was achieved using the magnetic separator. The laboratory tests show the interesting potential of the technology.

Pre-Concentration of Sulphide Ores

Codelco worked on developing technology for the pre-concentration of copper and molybdenum ore. With this development, sulphide ores can be selectively grouped.

NuWave technology involves subjecting crushed ore (100% -1/2") to the confined field of a beam of high frequency microwaves with wavelengths of low penetration, for a brief amount of time (5 seconds or less). The ore is then classified according to the temperature absorbed, allowing its pre-concentration. The process does not use water and circulates continuously, via a conveyor belt or by other means.

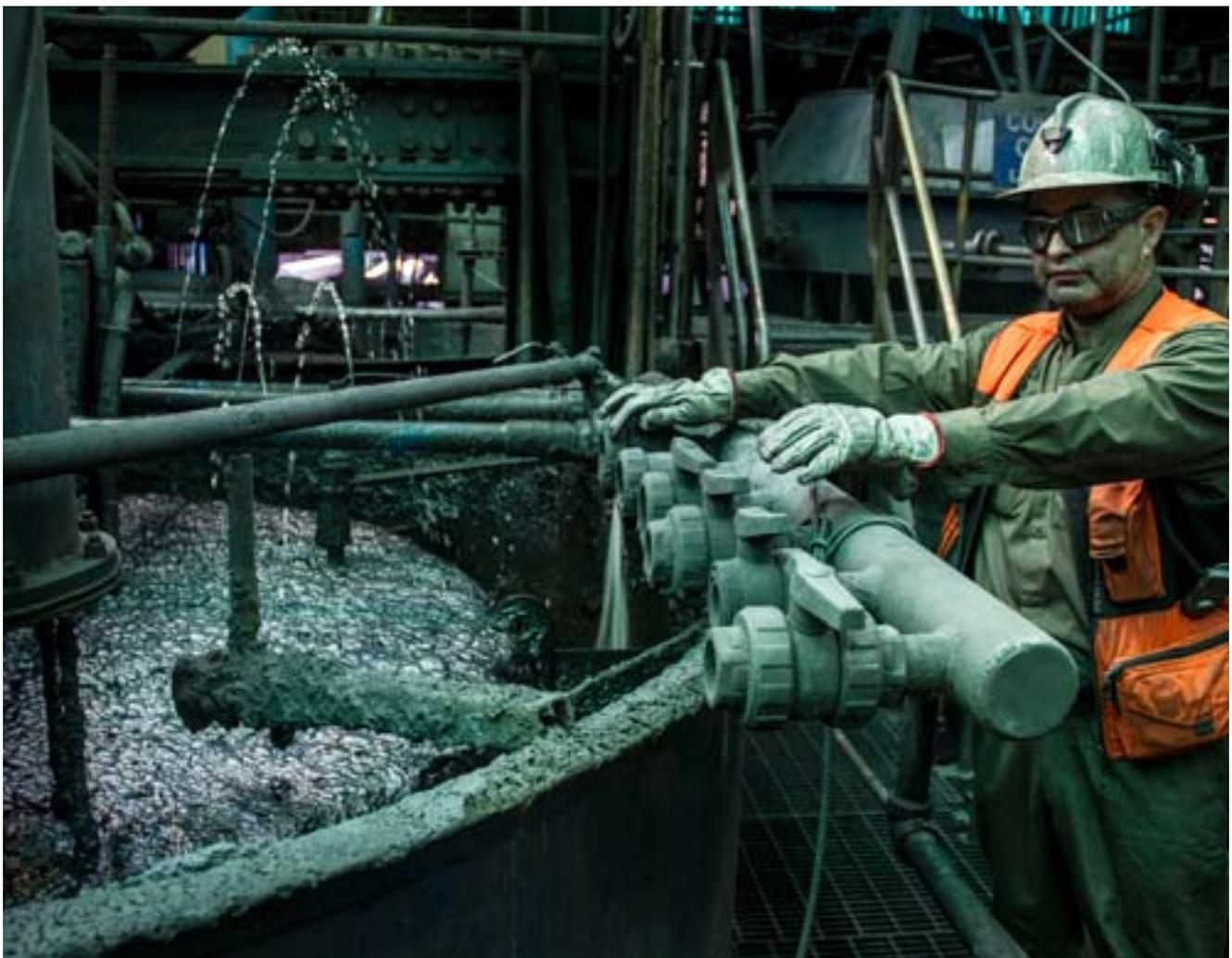
In 2014 the experimental trials were completed, showing promising results for ores around the cutoff grade. Furthermore, IM2 made advances in developing a model for the economic evaluation of the technology, which will be calibrated with the results reported. The feasibility of installing a pilot plant for NuWave technology at Codelco is being explored with the company Rio Tinto.

Flotation

Studies showed that if flotation cells are operated for maximum air recovery, the most copper is also recovered.

Encouraged by the good results of experiments on a smaller scale, in 2014 the development of an evaluation test for the technology on an industrial scale was looked into, at the concentrator plants of the Andina and El Teniente Divisions.

Together with TICA Management, the process to install the rougher flotation instrumentation in sector E of the Andina Division plant was started, in order to develop testing at an industrial level.



Leaching

Electroleaching

In 2014 the experimental stage of the electrochemical oxidative leaching project was initiated, the purpose of which is to electrochemically treat intermediate or process products such as complex concentrates, white metal, smelter dust etc.

Bioleaching

In 2014, bioleaching activities focused on the application of ROM ore technology on a volume of 3.6 million tonnes of low grade sulphides in the Radomiro Tomic Division.

Industrialisation of BioSigma Technology

The process of the commercial application of technology in low-grade sulphides in the Radomiro Tomic Division was started. The production of fine copper in the first phase amounted to 1,000 tonnes of fine copper.

Subsequent stages will be developed in 2015 and 2016, to reach a level of 6,000 tonnes.

In Situ Leaching

In the El Teniente Division, civil works for the in situ leaching operation were finished whilst the transport of biomass for inoculation of bacterial consortia was begun, which will lead to bio-assisted leaching.

In the Chuquicamata Division, experimental bioleaching tests were designed for columns of tailings using BioSigma technologies. These 12 columns are undergoing different tests in BioSigma's laboratory in Santiago, including looking at aspects associated with the use of thermophilic bacteria.



Pyrometallurgical Processes

In the context of the strategy for the development of the smelting and refining business, the validation of innovations in sensors for the melting furnaces in order to improve control of the melting process, was carried out in the Chuquicamata Division. This development was transferred to the El Teniente Division to be implemented in 2015.

The technological innovation programme for Codelco's smelters was developed in 2014. Furthermore, in response to new environmental regulations, a plan of action for each of the company's smelters was made in order to comply with new environmental legislation.

Codelco signed a collaboration agreement with the Chinese Dongying Fangyuan Copper Industry Company Ltd. In the context of the partnership, tests with reagents from the Chinese company were carried out in the Chuquicamata refinery during 2014.

Automation

Underground Mining

During 2014, progress was made in designing industrial validation tests for semi-autonomous LHDs and autonomous trucks which will be carried out in the Esmeralda Mine in 2015. Stages were structured and preliminary simulations carried out for semi-autonomous operation in the test area. Developing the technical bases for tendering the semi-autonomous LHD tests was also initiated.



Open-Pit Mining

In the development of technologies that will enable mining operations in low visibility conditions due to snowstorms in the open-pit mine of the Andina Division, roadmap studies for the automation of open-pit mining were made, including a programme of visits to Codelco operations, evaluation of operational models for snow in the Andina Division and an operating model for mining equipment.



Other Innovations

Fortification

Work was carried out to develop non-metallic and crushable fortification elements for underground mining that avoids losses due to jams in the crushing equipment. Five prototypes were analysed and a final report submitted with conceptualisation and experimentation studies. It was recommended that the industrial validation phase be continued.

Equipment for detection and extraction of metallic materials: The project involves the development of a technology capable of detecting and removing metallic materials before they go through their primary crushing, in order to avoid jamming and equipment damage. The study and experimental testing was started with combined sensor systems that allow for the detection of uncrushable elements.

Information, Telecommunications, Automation and Robotics

New technologies have helped to reshape the mining process, taking advantage of the availability of information in real time and the facilities to integrate processes into a homogeneous architecture.

As such, in 2014 Codelco incorporated Big Data and Cloud Computing machine-to-machine technologies, which have led to important advances in the conceptualisation of management and operation centres; monitoring and remote support (centres are being adapted in the El Teniente, Andina and Ministro Hales divisions); redesigning processes focused on maintenance, strengthening automation in the concentrator plants and integration with the company's computer systems, which facilitates the move towards predictive management models.

In this way teleoperation technologies have been incorporated for mining equipment, automation of production processes and robotics, used in high-risk activities or activities requiring physical exertion.

In 2014 Codelco made advances in strengthening the regulatory framework for the incorporation of these technologies, creating a corporate committee for information security that will ensure the proper safeguarding of Codelco's information, taking into account this new environment of highly digitized and integrated processes.



Automation, Telecommunications and Robotics

During the year, standardisation of 80% of the control systems of Codelco's concentrator plants was achieved, mainly with regard to the instrumentation infrastructure, communications networks, distributed control systems, operating rooms and advanced control systems. This significantly contributes to improving operations and complying with production plans.

The following projects from 2014 also stand out:

- The project to apply automated mining to the open pit operation includes implementing teleoperation in adverse weather conditions to a Wheel Dozer, a haul truck and a front-end loader. In this context, in 2014 the first milestone for the teleoperation of a Wheel Dozer was completed, using an enhanced perception system.
- El Teniente incorporated an advanced control system to the whole flotation line and a new distributed control system in the primary crushing.
- Chuquicamata started operating advanced control strategies in the High Cup thickeners and integrated the slag flotation plant control system into the central control system.
- In robotics, three robotic arms were deployed to support the process of replacing permanent cathodes in the electrowinning unit at Radomiro Tomic. Progress was made in terms of the robotic solution for peeling initial sheets at the Ventanas refinery and a robotic solution for the removal of organics from cathodes.

Regarding control systems for monitoring the operating conditions of the equipment, the system for the primary crushing area at Chuquicamata was updated, whilst at the same time the system was deployed for the Overland belt which extends from Radomiro Tomic to Chuquicamata.

Also, the technical specifications and standards that the semi-autonomous LHD systems and autonomous trucks in underground mining must comply with were defined for future Codelco projects.

Information and Management

In 2014 the project on the use of SAP was concluded, involving the implementation over the year of 28 new features in the fields of supply, control, human resources, maintenance and sustainability. Tools for management control, integration with suppliers, services provided from Cloud, automation of internal controls, were developed, amongst others were developed. Work continued on the implementation of new SAP maintenance and human resources models for Molyb subsidiary. The process was also begun to implement SAP ERP in the Ecometales subsidiary.

Technological Alliances

Codelco fosters technological collaboration through partnerships and agreements with institutions specialising in the development of knowledge and new technologies, and with mining companies to develop technologies to tackle common challenges, either through consortiums or bilaterally.

In 2014 the Corporation was involved in collaborative work on various research projects and initiatives with institutions such as CSIRO Chile - International Centre of Excellence, The Australian Mineral Research Association (AMIRA), The University of Queensland, Technische Universität Bergakademie Freiberg, The Advanced Mining Technology Center (AMTC) and the Centro de Investigaciones Operacionales para la Minería (CIOMIN).

It also maintains partnerships with mining companies such as Rio Tinto, Newcrest Mining, Dongying Fangyuan Copper Industry Company Ltd., with which it shares experiences and addresses technology development projects of common interest.

Collaborative projects were undertaken over the year with suppliers and equipment manufacturers over the year such as Basf, Sandvik, Atlas Copco, Herrenknecht, Komatsu and Caterpillar.

Technological Companies

Codelco continued investing in its technological companies which develop and strengthen the technologies and innovations associated with the production processes of the main business.

The Corporation took several decisions regarding its technological companies in 2013, reducing its stake in subsidiaries supporting the mining processes. In line with this strategy, Codelco reduced its shareholding in Kairos Mining; it sold MiCoMo (Mining, Information, Communication & Monitoring SA), as well as its stake in the company MIRS (Mining Industry Robotic Solutions SA).

At the same time Codelco focused investments on companies seeking technological solutions for the core business, such as subsidiaries BioSigma and the Institute for Research and Innovation, IM2.





BioSigma

Biosigma S.A.

Started:	2002
Ownership:	Codelco (66%) JX Nippon Mining & Metals Co (34%)
Contact:	www.biosigma.cl / informacion@biosigma.cl

BioSigma is a subsidiary of Codelco that develops, adapts and implements comprehensive biotechnological solutions based on sustainable technologies, adding value to mining operations and generating profit for its shareholders and stakeholders.

In 2014 BioSigma consolidated a multidisciplinary team to diagnose operational problems and develop integrated biotechnological solutions. The company identifies opportunities for improvement, taking into account environmental and process aspects such as mineralogy and microbiology associated with mineral resources, the quality of water resources and the availability of SX/EW facilities.

Technology proven on an Industrial Scale

After more than 10 years of research, development and the creation of new technologies for the isolation, production and monitoring of biomining microorganisms, BioSigma managed to accomplish the technology transfer and scale its processes, validating its technology for bioleaching secondary and primary copper sulphide minerals at industrial level.

All these developments constitute technological assets which are protected by more than 100 patent applications in Chile and abroad (76 granted and 27 pending).

In 2014 BioSigma completed one year of an industrial test for heap bioleaching, conducted together with the Radomiro Tomic Division, allowing for the validation of their technologies and verifying the creation of value through the application of biotechnologies.

Recent technical and economic evaluations show that biotechnological innovations developed by BioSigma enable better extraction of copper from the same resource, bioleaching refractory mineralogical species such as chalcopyrite. Moreover, they shorten bioleaching cycles by up to a third compared to conventional bioleaching.

Technology makes it possible to increase mineral reserves, obtaining more value for the copper contained in low-grade ores.

Institute for Innovation in Mining and Metallurgy, IM2

Institute for Innovation in Mining and Metallurgy S.A.

Started:	1998
Ownership:	Codelco (99.93%) Sociedad Inversiones Copperfield Limitada (0,07%)
Contact:	www.im2.cl

The Institute for Innovation in Mining and Metallurgy, IM2, is a subsidiary of Codelco that supports the generation of knowledge and the development of technological innovations in order to apply them to the mining-metallurgical processes and maintain the value of the business in the medium and long term.

During 2014, research and technological innovation projects were developed in the context of Codelco's technological programmes and initiatives relevant to the divisions. As such, for open-pit mining the Institute helped in creating the technological programme for open-pit mining and worked on preparing the pilot test for the vertical slopes and remote operation in Mina Sur, Chuquicamata Division.

In underground mining, assistance with the industrial validation of continuous mining technology in the Andina Division continued, in the areas of new excavation specification; monitoring of preconditioning and mining works construction; ventilation; test preparation and, especially, the maintenance of equipment.

The institute also participated in the validation of equipment and mining development technology, in particular the use of prefabricated elements. In addition, progress was made in the research and development of technology for semi-autonomous equipment.

In the field of mineral processing, work was ongoing on the different lines designed to meet the target of reducing specific consumption of relevant mining inputs, as well as increasing the metallurgical recovery of copper and molybdenum.

In the field of pyrometallurgical processes, IM2 assisted on the preliminary analysis of emerging technologies for smelting such as the Bottom Blowing Furnace. It also collaborated on the process to meet the new emissions standards for smelters and worked on the analysis of new processes that are part of Codelco's structural projects, such as the processing of roaster calcines at the Ministro Hales Division.

In addition, various projects aimed at improving the performance of the Teniente converter were conducted and the industrial validation of the phase detection sensor in the pyrometallurgical reactors of the Chuquicamata Division's Teniente converter was completed.





Financial - Economic Results



Financial - Economic Results

Continuity in the control and reduction of costs and increases in both production and productivity were the highlights of 2014, a year in which the Corporation's surpluses totalled US \$ 3.033 billion.

The concept of "surpluses" refers to earnings before income tax and Law 13.196 which imposes a 10 per cent tax on foreign sales of own copper and by-products.

In 2014, Codelco's pre-tax profits totalled US \$ 3.033 billion, 22% down on the US\$ 3.889 billion for 2013, owing primarily to the lower selling price of copper.

Due to lower copper prices, Codelco's revenues were down US \$ 1.065 billion in 2014 compared to 2013, which was offset to the tune of \$209 million thanks to lower costs and expenses, the CPI effect and the exchange rate.

Codelco's comparable earnings – calculated by applying the same tax system as private-sector companies - totalled US\$ 2.440 billion, down 19 per cent on the previous year's figure of US \$ 3.009 billion.

Copper and by-products Prices

The average copper price on the London Metal Exchange was 311.3 cents per pound in 2014, down 6 per cent from the average price in 2013, when it was traded at 332.1 cents per pound.

The Price of molybdenum, the Company's main by-product, increased 11 per cent and was traded at US\$ 25.1 per kilo in 2014, as reported by Metals Week. Prices dropped for gold, however (-10%), silver (-20%) and sulphuric acid (-20%).

Primarily due to lower copper prices, revenues for own copper were down US\$1.065 billion in 2014 on the previous year. Molybdenum's higher price, however, offset falls in the prices of the other byproducts.

In short, Codelco's lower pre-tax profits in 2014 over the previous year, are mainly due to lower copper prices.

Contribution to the Treasury

Codelco contributed US\$ 2.232 billion to the treasury in 2014, as shown in the comparison table below:

Contribution to the Treasury (US\$ million)	2014	2013
Net Earnings paid	661	776
Income Tax	583	883
Law 13.196	989	1.198
Total	2,232	2.856

Production

Codelco's production in 2014 totalled 1,841,000 tonnes of refined copper (fmt), which corresponds to the deposits operated by Codelco plus its stake in Minera El Abra (49% ownership) and in Anglo American Sur S.A. (20% ownership).

In 2014, production was up 49,000 fmt (2.7%) over the previous year's figure of 1,792,000 fmt, mainly due to the entry into operation of the new Ministro Hales Division and a greater contribution from the El Teniente Division. The increases were offset by lower production at Radomiro Tomic Division, due to a decrease in copper grades. The contribution by stakes in Minera El Abra and Anglo American Sur SA remained practically unchanged.

Output at Codelco divisions, excluding its stake in El Abra and Anglo American Sur, totalled 1,672,000 fmt, up 3.1 per cent on the 2013 figure of 1,622,000 fmt.

Codelco is the world's second biggest producer of mined molybdenum. In 2014 it produced 31,000 tonnes, up 33 per cent on 2013, due mostly to higher molybdenum grades in the Chuquicamata Division. In terms of revenue, molybdenum is Codelco's second most important product.

In terms of the other by-products, production was up in 2014: 119% more silver; 14% more gold and 8% more sulphuric acid production.

Sulphuric acid production reached 3 million tonnes, of which 44 per cent was traded and the rest was used for Codelco's own ore leaching operations.

Copper and molybdenum production (Refined metric tonnes)

	Copper		Molybdenum	
	2014	2013	2014	2013
Chuquicamata	340,363	339,012	14,620	6,923
Radomiro Tomic	327,278	379,589	909	1,141
Gabriela Mistral	121,012	128,170		
Ministro Hales	141,206	33,572		
Salvador	54,015	54,242	729	898
Andina	232,444	236,715	6,873	7,213
El Teniente	455,444	450,391	7,496	6,864
Codelco	1,671,761	1,621,691	30,628	23,039
El Abra	81,545	76,257		
Anglo American Sur	87,385	93,577		
Total	1,840,691	1,791,524	30,628	23,039

Additional by-products

	Gold		Silver		Acid	
	2014	2013	2014	2013	2014	2013
Chuquicamata	757	642	186,941	99,790	1,042,610	820,993
Ministro Hales	0	0	249,494	11,638	0	0
Salvador	1,097	909	43,938	27,272	421,648	406,285
Andina	0	0	58,111	59,179	0	0
El Teniente	803	786	96,722	91,975	1,190,581	1,213,749
Ventanas	0	0	0	0	343,040	325,968
Total	2,657	2,336	635,207	289,855	2,997,878	2,766,996

(*) The production of gold and silver considers contents in anode slimes, copper concentrate, blister and anodes.



Cost Reduction

The Company has systematically reduced its costs and expenses, achieving the US\$ 600-million –over-two-years target set by the Productivity and Costs Structural Project.

In 2014, the strategy focused on control and optimisation of costs, in the context of the Productivity and Costs Structural Project implemented in 2013 to increase competitiveness and position and maintain Codelco in the second quartile for costs.

Codelco showed noteworthy results in terms of overall cost indicators, as well as identifying opportunities to increase production of copper and molybdenum.

Unit Costs (US\$ c/lb)	2014	2013	2012
Total costs	230.6	231.5	264.5
Net cathode costs (C3)	213.3	217.0	241.7
Direct cash cost (C1)	150.4	163.1	163.5

Key unit cost indicators - total costs, net cathode costs and cash costs - dropped compared to 2013, maintaining the downward trend for the second consecutive year. These significant results were achieved in the area of management, through higher levels of activity, negotiating services with third parties, optimising inputs and materials and adopting a culture of austerity. Regarding external factors, the appreciation of the dollar and lower prices for critical inputs positively impacted results.

Codelco's total costs and expenses dropped 0.4 per cent from 231.5 cents per pound of copper (c/lb) in 2013, to 230.6 c/lb in 2014. Likewise, net corporate cathode costs (C3) fell 1.7 per cent to 213.3 c/lb.

Codelco's direct cost (C1) in 2014 was 150.4 c/lb, down 7.8 per cent on 2012. C1 is the type of cost used in the global mining industry to compare how other companies are managed.

Funding

Codelco regularly accesses credit and capital markets in order to finance its investment programme. Codelco's renown and solid financial position has enabled it to develop an extensive and geographically diversified base of quality financial institutions and investors, and also to establish sound relationships with major international financial institutions. The company has as such had access to American, Asian and European capital markets, through bond sales and syndicated and bilateral loans.

In 2014, Codelco raised US\$ 2.195 billion for its asset refinancing and investment programme. These transactions included the negotiation of two bilateral loans for US\$ 395 million, for a 5-year period with a LIBOR rate of +0.62% pa. In July, Codelco issued its first bond

in euros for EUR 600 million for a 10-year period, with coupons of 2.25% pa. In October the company once more issued bonds on the international market, this time for US\$ 980 million at 30 years with a 4.875% coupon pa.

The bonds attracted orders from 350 investors. For both international placements, demand was led by fund administrators, insurance companies, pension funds, private banks and hedge funds. The transaction in euros was arranged by Banco Santander, Deutsche Bank and HSBC; and the transaction in dollars was arranged by Mizuho Securities, BofA Merrill Lynch and HSBC.

Historical Capitalisation

In October 2014, a multi-year capitalisation law for Codelco was approved, providing a capital injection of up to US\$ 3 billion between 2014 and 2018. President of the Republic Michelle Bachelet also announced her commitment to authorise the company to retain earnings for up to an additional US\$ 1 billion over the same period. During 2014 retained earnings totalled US \$ 200 million.



Financial Management

Copper prices had a significant impact on Codelco's financial results. As such, the Corporation's strategy aims to maintain a competitive cost structure to face copper price fluctuations. Codelco uses derivatives to ensure that its shipments are sold at the market prices in force during the month set by the company's pricing policy, applicable to each product. Derivatives transactions do not include speculative operations.

Exchange Rate Parities and Interest Rates

The company has policies to manage foreign exchange risk and interest rate fluctuations. Currency hedging includes exchange insurance for future fluctuations; while interest rate hedging involves contracts to set fixed rates for future obligations. These transactions do not involve speculative transactions.

Insurance

Codelco has an insurance plan to cover its assets, employees and potential business interruption insurance, with risk retention conditions that consider the actual context of the insurance market and its own capacity to absorb losses caused by accidents.

Insured Assets

All facilities used for its main business purpose.

Risk Rating

Codelco is analysed and its debt assessed by four credit rating agencies: Fitch Ratings, Feller-Rate, Standard & Poor's and Moody's. In 2014, Moody's affirmed the A1 credit rating for Codelco's foreign debt; and Standard & Poor's affirmed its AA- rating. In the case of its local currency debt, Codelco has AAA rating, both from Fitch Ratings and Feller-Rate.

The Company has been registered since 2002 with the Chilean Superintendency of Securities and Insurance (SVS).





Copper Market



Copper Market

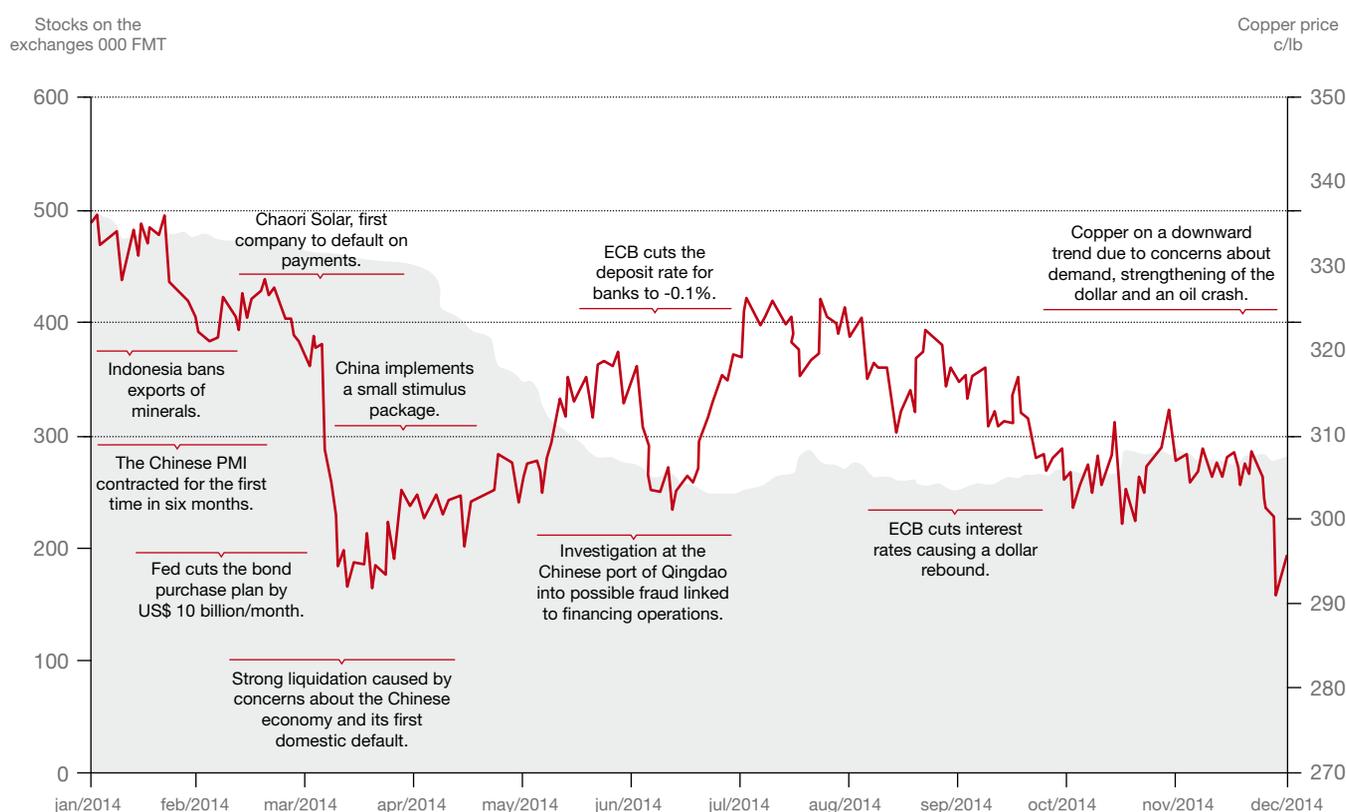
The increase in projections for copper supply, combined with weak prospects vis-a-vis growth of demand were the main factors behind the difficult outlook in the copper market in 2014.

The price of refined copper on the London Metal Exchange averaged 311.26 cents per pound (c/lb) in 2014, a decrease of 6% compared to an average 332.12 c/lb for 2013.

The copper market faced a difficult scenario in 2014, due mainly to an increase in supply projections, along with weak prospects in terms of growth in demand. Short- and medium-term projections concerning economic activity in China and Europe gradually moderated. This change in expectations was related to various factors, including:

- The impact of the prospect of slower economic growth in China on industrial activity indicators (Project Management Institute, PMI);
- cuts to the stimulus by the Federal Reserve of the United States;
- first corporate bonds default in China, and
- weakening of the demand for commodities, strengthening of the dollar and falling oil prices.

Trends for the price of copper, stocks on exchanges and the world economy 2014



Refined Copper Inventories

Total inventories of refined copper on the metal exchanges (London, Comex and Shanghai) showed a gradual downward trend from April 2014, remaining relatively stable over the year, down 218,000 fine metric tons on 2013 (source: Thomson Reuters).

The decrease over the first half of 2014 can be explained mainly by purchases of materials from China. Once China placed heavy financial constraints on the practice, inventories were released and some of the material returned back to the market. Increased liquidity impacted the price of copper which only recovered for short

periods, reaching a level of around 290 c/lb at the end of December.

In 2014 a relatively greater supply of the metal in the market was seen, along with a seemingly weakening demand, a slight recovery in inventories and lower physical premiums for refined copper, which reached their lowest level in December 2014.

To see this in perspective, the average copper price in 2014 was higher than the historical average, which for the period 1908-2014 was 213.7 c/lb (in 2014 currency).

Sales

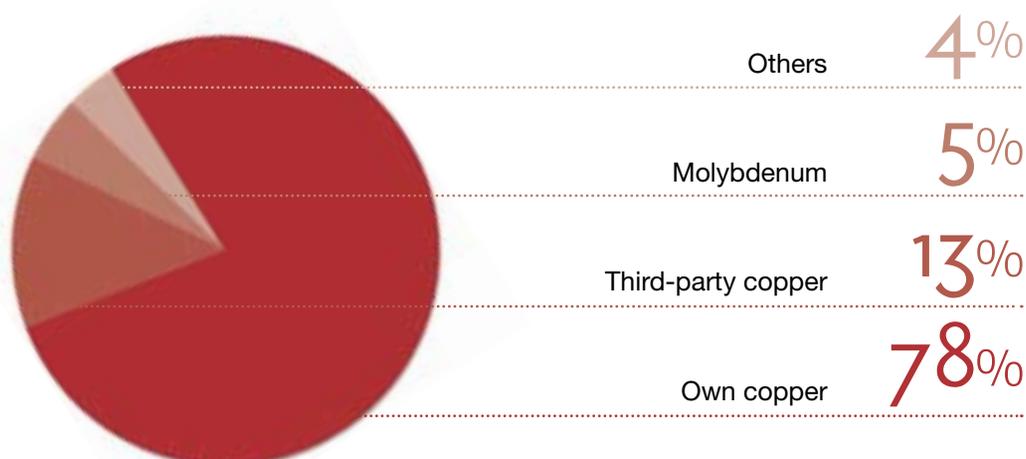
Total revenues from sales of copper products and copper contract manufacturing services reached US \$13.827 billion in 2014. Of the total sales, 91% was for copper and 9%, byproducts.

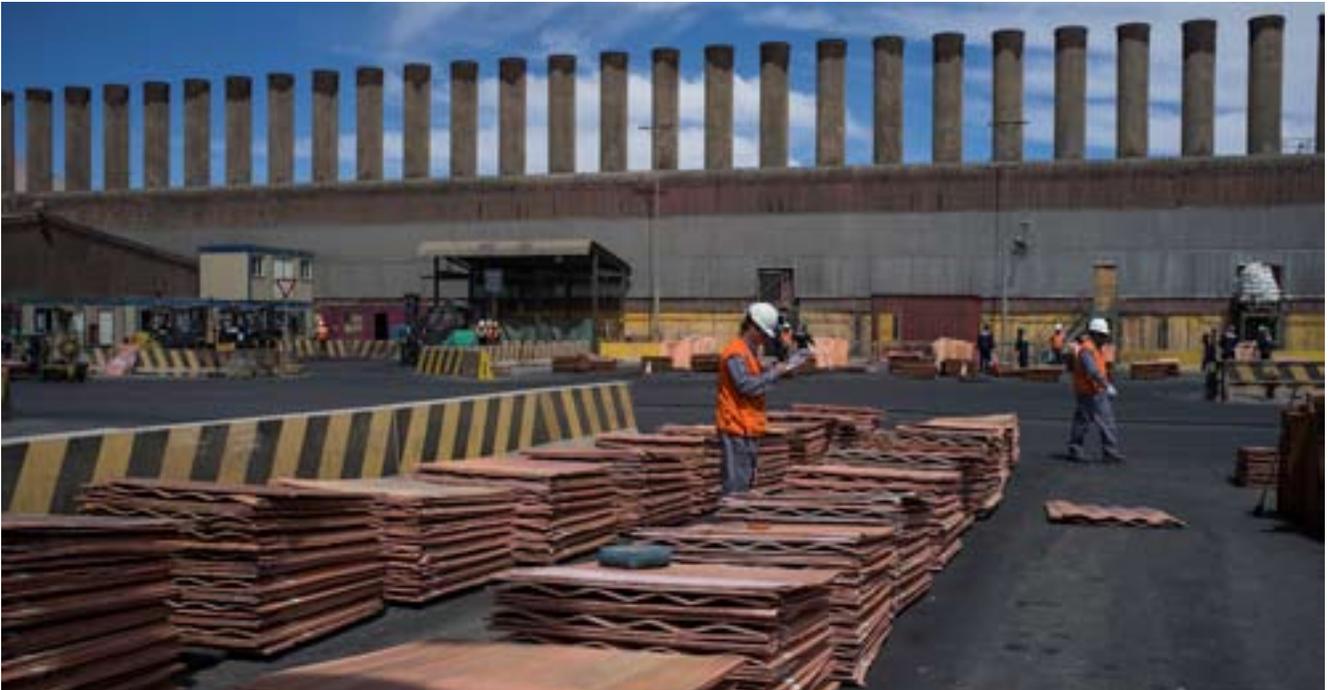
Revenues from total sales of own and third-party copper came to US\$ 12.588 billion, corresponding to a total of 1.98 million metric tons of fine copper.

Meanwhile, revenue from byproducts came to US\$ 1.239 billion. Of this amount, US\$ 670 million came from molybdenum and US\$ 569 million from sales of anode slimes, sulphuric acid, precious metals and revenue from copper contract manufacturing (listed as "others" in the table).

Sales 2014

Sales (US\$ billion)	2014
Own copper	10.729
Third-party copper	1.859
Molybdenum	670
Others	569
Total	13.827

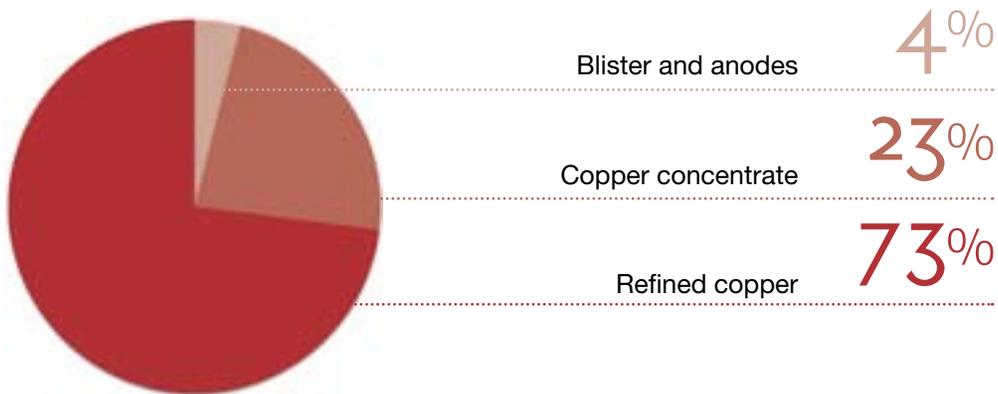




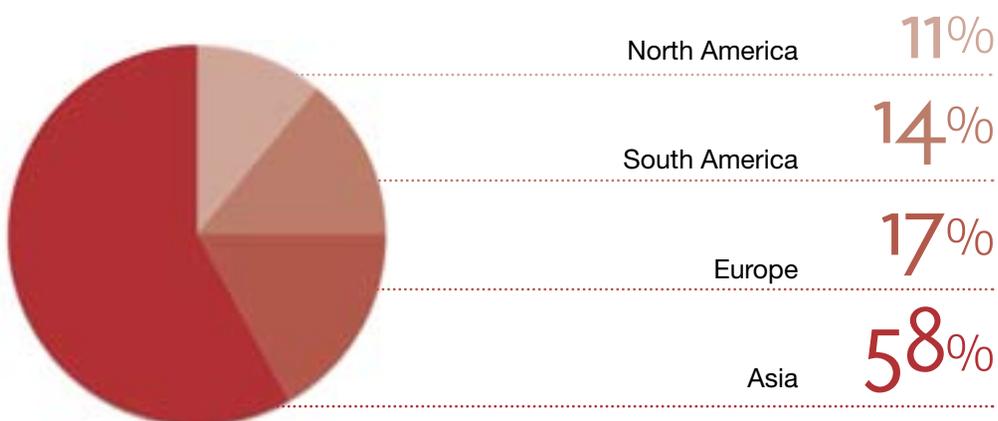
Destinations

Sales of Codelco copper came to 1.8 million tonnes, of which 73% was refined copper. Asia accounted for 58.02% of sales, Europe 16.7%, South America 14.2% and North America 11.04%.

Copper sales by product



Copper sales by region





Subsidiaries & Affiliated Companies



Subsidiaries & Affiliated Companies

Codelco is a majority and minority shareholder in a network of companies to create value. In 2014, these subsidiary and affiliated companies delivered Codelco more than US\$ 426 million in dividends.

Codelco has a network of subsidiaries and affiliated companies in different sectors, such as mining, new copper use, technology and research developers, mineral processing plants and health institutions.

Codelco supports its representatives and ensures its corporate interests and standards are met in these subsidiaries and affiliated companies. Furthermore, it is constantly looking for business opportunities to establish partnerships, such as firms, acquisitions, mergers and sales.

In 2014, Codelco provided a total US\$ 25.2 million to its affiliated companies. Dividends received by subsidiaries and affiliated companies totalled US\$ 426.3 million.

Major events in 2014:

- In July, GNL Mejillones finished paying its US\$ 272 million debt to Codelco.
- The affiliated company Planta Recuperadora de Metales (PRM) incorporated a new partner; Codelco was left with a 51 % ownership interest.
- Codelco absorbed MCM S.A., an affiliated company, at the end of 2013.
- 2014 consolidated results for 2014 totalled US\$ 248 million.

Business Development

Codelco also has a Business Development Department responsible for identifying, designing, negotiating and implementing corporate business initiatives that will add value to the company.

Different business transactions were carried out in this area, such as acquisitions, sales and/or partnerships related to mining, technological or exploration assets. For this purpose, the department has a compact, flexible and multidisciplinary team, with technical skills in mining and geology; and in business, finance, industrial engineering and negotiations.

Business management was undertaken by specialists from various technical fields, throughout the cycle that involved defining and analysing feasible business transactions. This department also provides expert advice to Codelco divisions and new projects.





Third-Party Transactions



Third-Party Transactions

Codelco uses many inputs and services, used or consumed in its mining operations, projects and investments. In this sense, it is critical to build trusting and competitive relationships with national and global suppliers.

Goods and Services

Codelco carries out acquisition and hiring processes, building collaborative relationships with Chilean and foreign suppliers, who offer competitive and world-class products and conditions.

In 2014, Codelco worked with 3,821 suppliers, of which 3,562 were local suppliers and 259 were foreign suppliers. The overall amount allocated to suppliers was US\$ 4.667 billion, this amount includes long-term energy and fuel supply contracts.

Goods and services used at operations fell 11 % compared to 2013, in line with the implementation of the Productivity and Costs Structural Project.

Business by type of supply contract

Type of contract		2014			2013			2012			2011		
		Business transactions	Total (USD thousands)	%	Business transactions	Total (USD thousands)	%	Business transactions	Total (USD thousands)	%	Business transactions	Total (USD thousands)	%
Public tender	Investment	21	26,649	1%	135	136,122	2%	393	52,193	1%	559	397,845	4%
	Operation	32,271	644,072	14%	29,701	2,370,355	33%	30,211	1,493,843	19%	31,645	1,700,079	18%
Total public tender		32,292	670,721	14%	29,836	2,506,477	35%	30,604	1,546,036	19%	32,204	2,097,924	23%
Private tender	Investment	706	1,249,180	27%	967	1,102,312	15%	822	2,503,210	31%	759	1,619,114	17%
	Operation	3,904	1,958,185	42%	3,871	2,351,411	33%	3,957	2,924,384	37%	5,333	4,696,735	50%
Total private tender		4,610	3,207,364	69%	4,838	3,453,723	48%	4,779	5,427,594	68%	6,092	6,315,850	68%
Direct contract	Investment	331	229,037	5%	512	375,030	5%	502	256,016	3%	521	358,945	4%
	Operation	1,369	136,470	3%	1,435	298,395	4%	1,628	409,336	5%	1,295	188,874	2%
Total direct contracts		1,700	365,507	8%	1,947	673,425	9%	2,130	665,353	8%	1,816	547,819	6%
Other contracts	Investment	129	144,756	3%	155	97,266	1%	115	105,059	1%	182	52,503	1%
	Operation	1,441	278,744	6%	2,183	406,862	6%	2,035	261,893	3%	1,705	292,591	3%
Total Other contracts		1,570	423,500	9%	2,338	504,128	7%	2,150	366,952	5%	1,887	345,094	4%
	Investment	1,187	1,649,622	35%	1,769	1,710,730	24%	1,832	2,916,478	36%	2,021	2,428,407	26%
	Operation	38,985	3,017,470	65%	37,190	5,427,023	76%	37,831	5,089,457	64%	39,978	6,878,280	74%
Total		40,172	4,667,092	100%	38,959	7,137,753	100%	39,663	8,005,935	100%	41,999	9,306,687	100%

Goods & services used (USD millions)

	Goods				Services				Total			
	2014	2013	2012	2011	2014	2013	2012	2011	2014	2013	2012	2011
Operation	1,950	2,036	1,919	1,663	4,179	4,387	4,580	3,783	6,129	6,423	6,499	5,447
Investment	481	509	912	410	1,712	2,451	2,184	1,243	2,192	2,960	3,095	1,652
Total	2,431	2,545	2,830	2,073	5,891	6,837	6,764	5,026	8,321	9,382	9,594	7,099

Supplier Development

Codelco encourages trusting and competitive relationships with its suppliers, to ensure quality and efficient supply of goods and services for its present and future requirements. In 2014, key developments were:

Performance and Management Dialogue

In order to improve productivity of third-party transactions, during the period under review performance conversations were held with contractors, and contracts were monitored based on performance indicators. By doing so, Codelco aims to improve contract productivity and third-party business transactions, based on a trusting and transparent environment.

Asian Market

During the year, Codelco's subsidiary in China strengthened its supply department. The subsidiary focuses on finding opportunities to purchase and contract goods and services in the Asian market. This provides a strategic and sustainable leverage for Codelco's operations and projects over the next few years.

In 2014, goods and services purchased in the Asian Market doubled compared to the previous year.

World-Class Suppliers

Since 2009 Codelco and BHP Billiton have developed a world-class supplier programme; its long-term goal is to support and develop mining in Chile. In 2014 Antofagasta Minerals joined the programme.

Based on talent and collaborative work between its own staff and innovative suppliers, the programme aims to find the best solutions for operational challenges at mining operations. This initiative is a strategic pillar of the National Mining Programme, which involves both public and private stakeholders focused on developing a virtuous, sustainable and inclusive mining industry.

Codelco has a portfolio of 33 cluster projects committed and aligned with the goal set by the National Mining Programme, which is to create at least 250 world-class mining suppliers, to improve their knowledge and export USD 10 billion in mining-related goods and services by 2035.



Human Resources



Human Resources

The company requires the best talent available to fulfil its mission to generate wealth and contribute resources to the Chilean State. In 2014, Codelco was leader in hiring women in the local mining industry; 8.7% of its workforce are women.

Codelco made progress in overcoming the challenges in human resources; it specifically focused on its structural projects and on attracting, selecting, developing and projecting talent.

Codelco Leader in Incorporating Women

Today, there are five times more executive and professional women at Codelco than 15 years ago. Aware of this trend and based on markets needs, in 2014 8.7% of the company's workforce were women, the highest number the local mining industry. In 2014, the percentage of women in the mining industry was 7.7%, based on data provided by Fundación Chile and the Chilean Mining Council.



In 2014, Codelco employed 1,657 women, specifically 864 workers or operators, 759 professionals and 34 executives. The average age of female employees is 41 years old.

Furthermore, 14% of the workforce hired in 2014 were women. Chuquicamata Division is the business unit that has more women in its workforce (505 female workers); followed by El Teniente (235), Head Office (201) and Project Vice-Presidency (155).

While Radomiro Tomic, Ministro Hales, Gabriela Mistral and Ventanas divisions have a nursery.

In 2014, another step forward for gender adversity was the number of young people who participated in the education programmes. Specifically, 41% did their training and thesis, and 30% participated in the graduate programme.

Codelco also started the Nch 3262 certification process, a Chilean Standard for gender equality, reconciling work, family and personal life. Gabriela Mistral Division is pioneer in the certification process.

Female Staff

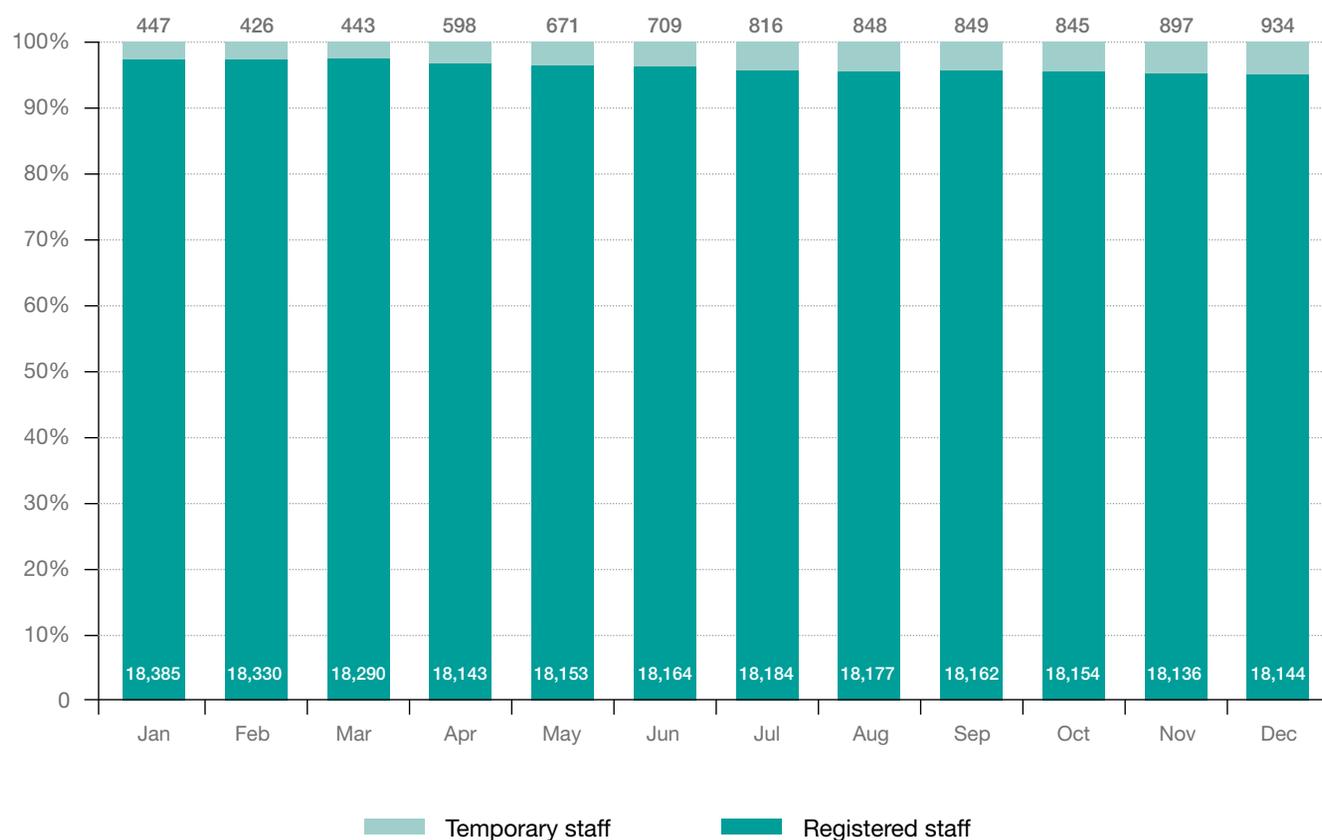


Distribution of Staff by Business Unit

<i>Chuquicamata</i>	505 / 8.13%
<i>Radomiro Tomic</i>	96 / 7.75%
<i>Ministro Hales</i>	110 / 13.94%
<i>Gabriela Mistral</i>	100 / 18.98%
<i>Salvador</i>	98 / 6.79%
<i>Ventanas</i>	69 / 7.08%
<i>Andina</i>	88 / 5.34%
<i>El Teniente</i>	235 / 4.78%
<i>Head Office</i>	201 / 39.88%
<i>VP</i>	155 / 18.93%

Workforce

In 2014, significant progress was made in own workforce optimisation; Codelco employed a total of 19,078 people in December 2014, i.e., down 0.9% from 19,242 employees in 2013.



The proportion of female staff increased slightly from 8.5% in December 2013 to 8.7% in December 2014. Another key factor was the incorporation of new generations in mining, where the average age dropped slightly from 45.5 years in December 2013 to 45.3 years in December 2014.

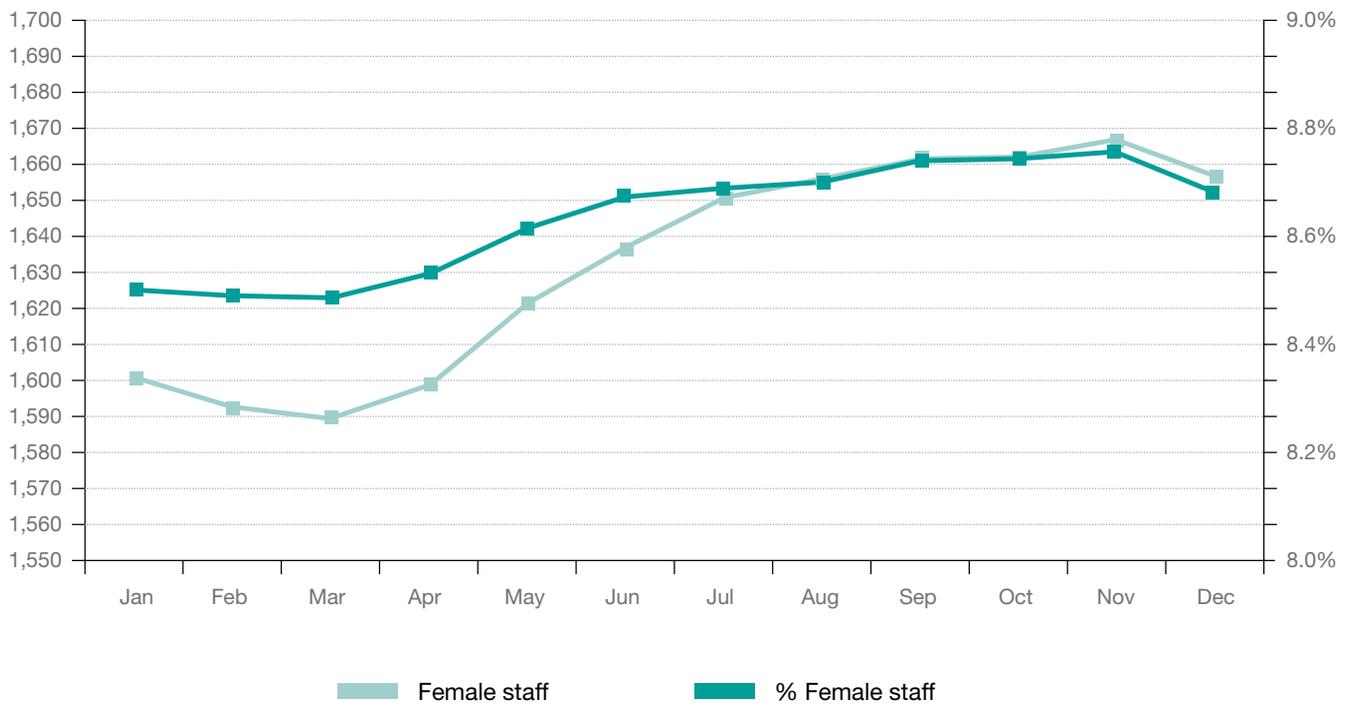
Own workforce

Division	Dec. 2014	Dec. 2013	% Dec. vs Dec.
Chuquicamata	6,214	6,479	-4.09%
Radomiro Tomic	1,238	1,077	14.95%
Ministro Hales	789	673	17.24%
Gabriela Mistral	527	530	-0.57%
Salvador	1,444	1,495	-3.41%
Andina	1,648	1,617	1.92%
Ventanas	974	969	0.52%
El Teniente	4,921	5,064	-2.82%
Head Office	504	507	-0.59%
Projects	819	831	-1.44%
Total	19,078	19,242	-0.85%

Own workforce 2014

Divisions	Executives	Professional supervisors	Operations, administration & services	Temporary	Total
Chuquicamata	22	748	5,101	343	6,214
Radomiro Tomic	16	230	854	138	1,238
Ministro Hales	45	346	339	59	789
Gabriela Mistral	14	202	305	6	527
El Salvador	14	241	1,095	94	1,444
Andina	17	364	1,204	63	1,648
Ventanas	8	72	850	44	974
El Teniente	18	618	4,104	181	4,921
Head Office	120	317	65	2	504
Project VP	26	789		4	819
Total	300	3,927	13,917	934	19,078

Composition of female staff Jan-Dec 2014

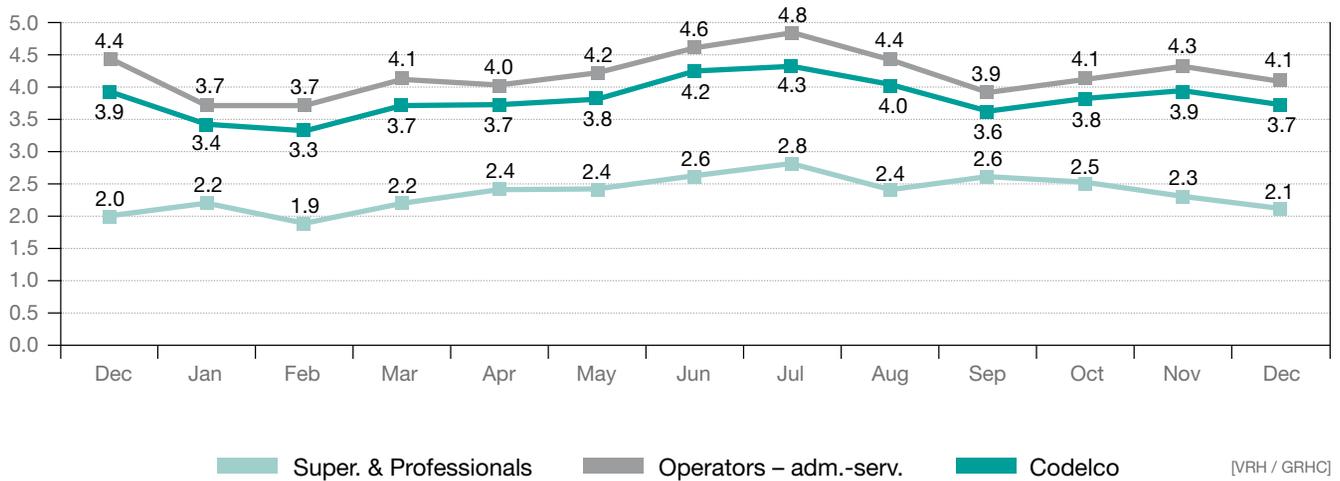


Absenteeism

The average annual absence rate was 3.8% in 2014.

The overall absence rate was 3.7 in December 2014, down 51% from 3.9 in 2013. The supervisor and professional employee absence rate increased 5%, which was 2.1 compared to 2.0 in 2013. For workers, operators, administrative and services staff, the rate was down from 6.8 to 4.1 in December 2014 compared to 4.4 during the same period in 2013.

Monthly absence rate
(December 2013 - December 2014)



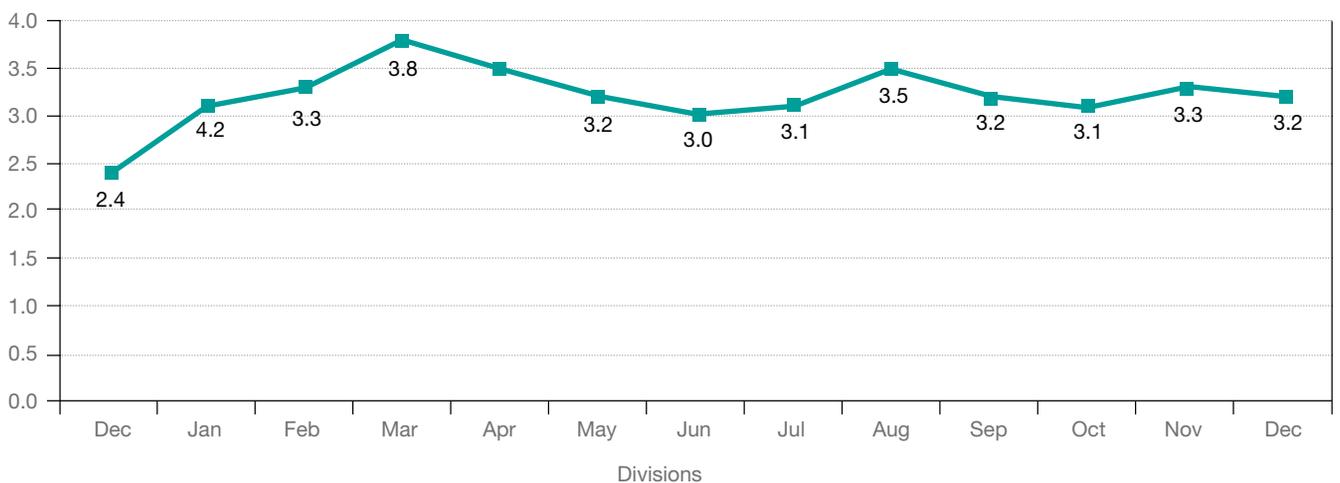
[VRH / GRHC]

Overtime

The average overtime rate at Codelco was 3.3% in 2014.

The overtime rate of workers, operators and administrative staff increased by 33.3%, from 2.4% in 2013 to 3.2% in 2014.

Monthly overtime rate
(December 2013- December 2014)



Overtime

[VRH / GRHC]



• Recruitment

The Company conducts a recruitment and selection process to hire skilled employees who meet the opportunity, quantity and quality criteria required. In this sense, in 2014 the Board specified in Agreement 43, that all external applications, recommendations, references or petitions relevant to hiring, dismissal, promotion or work offers, received by any means, whether orally or in writing, must be reported and made transparent. This ensures equal opportunities to instant access and organisational transparency.

• People Development

In the context of structural growth projects, talent management was strongly promoted, which is managed as a strategic process. This is to ensure the availability of high performance and high potential human resources for the company to achieve excellence and to have world-class staff.

In order to developed and increase its Talent Pool, and contribute to its development plans, in 2014 Codelco encouraged mobility among its professional and executive staff, and 25.8% assumed a new role in the company.

During the year the individual performance assessment cycle was consolidated, the quality of goals was improved and aligned with business results. In this context, 96.4% of executives, supervisors and professionals participated in the planning stage; 95.5% of coverage in monitoring and 991% in assessment.

• Training

In training, focus was on occupational health and safety, leadership and contract management programmes.

In 2014, 16,086 employees received training, 765,095 hours of training, and close to USD 18.708 billion were invested. The training programme had 80% compliance and 85% coverage across the Company.

Overall training indicators 2014	
Training rate	1.90%
Average hours/employee	40.50
Average investment/person (USD)	989

New Generation

The Graduate Programme had a significant impact on incorporating young professionals. In 2014, 46 graduates joined the Company, and were provided with a training plan, an instructor and a mentor, to help them adapt to Company culture and their professional development.

In 2014, 39% of programme participants were women, up from 35% in 2013. The average age was 26 years old.

Graduate programme 2014

Business unit	Vacancies 2014	Hired January - November 2014	Resigned	Currently hired in November 2014
Chuquicamata	19	19	0	19
Radomiro Tomic	0	0	0	0
Ministro Hales	0	0	0	0
Gabriela Mistral	3	3	0	3
Salvador	5	5	0	5
Andina	6	6	0	6
Ventanas	5	5	1	4
Head Office	2	2	0	2
Project VP	0	0	0	0
El Teniente	6	6	0	6
Total	46	46	1	45

Graduates by course 2014

Course	Quantity
Mechanical Engineering	11
Chemical Engineering	5
Metallurgical Engineering	5
Industrial Engineering	5
Industrial Engineering in mining	7
Electric Engineering	1
Electronic Engineering	2
Mining Engineering	9
Total	45

Codelco has continued its collaboration agreements with Chilean universities. In this context, the company awarded scholarships to 37 students from geology, mining engineering, industrial engineering and metallurgical engineering courses. These agreements are a real bridge between academia and Codelco, and which has benefited a significant number of candidates that meet the required profile.

Codelco incorporated more than 1,000 students to do work placement and professional development training at its different divisions and business units.

Labour Relations

Federations and Trade Unions

Key values for Codelco are recognising and respecting the role of trade union organisations. In this sense, the governance framework incorporated participation and workplace dialogue as significant aspects of the corporate management model.

Workers have two members on the Codelco Board of Directors. In 2014, these board positions were held by Raimundo Espinoza Concha, representative of the Copper Workers' Federation (FTC); and Augusto González Aguirre, representative of the National Asso-

ciation of Copper Supervisors (ANSCO) and Federation of Copper Supervisors (FESUC).

In 2014, both management and workers, represented by FTC, jointly worked to strengthen their relationship based on participation and constructive dialogue. This was in order to maintain Codelco's position as a mining, industrial and commercial company that represents all Chileans. This path helped to implement different initiatives to promote the Company's sustainable development, such as:

- On 20 January 2014 the following documents were signed:
 - Agreement on strategic Labour relations for a state-owned Codelco, competitive and sustainable.
 - Agreement on strategic development and increase of smelter and refinery business competitiveness.
 - Agreement: commitment to environmental licence.

- On 11 September 2014, a joint statement was issued to explain, including but not limited to, the following:
 - The present and future of Codelco requires all the will, skill and commitment to improve the Company's competitiveness, and should be reflected in management excellence at our operations and correct implementation of structural projects.
 - A corporate task group was set up, formed by management and the FTC's National Executive Council, to develop a shared goals and content proposal to ensure the Company's strategic project feasibility, and develop a relationship model between the parties involved, to establish a new strategic agreement and they stated their interest to strengthen workplace dialogue and participation options. In an environment of respect and mutual collaboration, recognising both the role of Codelco's management and trade unions.

- A new relationship model was agreed which involved implementing areas where management and trade union leaders can work together, which are:
 - At a corporate level, human capital, competitiveness, sustainable development and gender policies.
 - At a division level, they agreed to created technical convergence teams, focused on structural and division management projects.
 - Establish working sessions to address work-related issues, involving collective work instruments.

At the same time and at a corporate level, Codelco and FESUC continue to develop the agenda agreed by management and the federation's executive committee. Key topics on the agenda were the smooth running of workday committees and the performance management system.



Trade Union Membership

Codelco has a high rate of trade union membership, complying with international regulations and agreements on labour and fundamental human rights, and with social responsibility principles.

On 31 December 2014, Codelco union members accounted for 91.6% of its workforce who had an indefinite contract. This figure reflects how important it is for workers to participate and be represented in a trade union.

Workforce in trade unions (31 December 2014)

Division	Trade Union A	Trade Union B
Radomiro Tomic	65.7%	98.0%
Chuquicamata	83.8%	99.9%
Ministros Hales	85.5%	99.4%
Gabriela Mistral	55.9%	97.4%
Salvador	78.0%	99.7%
Andina	83.8%	99.8%
El Teniente	73.0%	99.9%
Ventanas	0%	99.9%
Head Office	72.2%	95.4%
Project VP	50.3%	0%
Codelco	70.2%	99.7%

Collective Bargaining

Codelco conducted seven collective bargaining processes in 2014. Five were held in advance at Chuquicamata Division (1), Gabriela Mistral Division (3) and El Teniente Division (1); and two as regulated at Salvador Division and Head Office.

Collective bargaining 2014

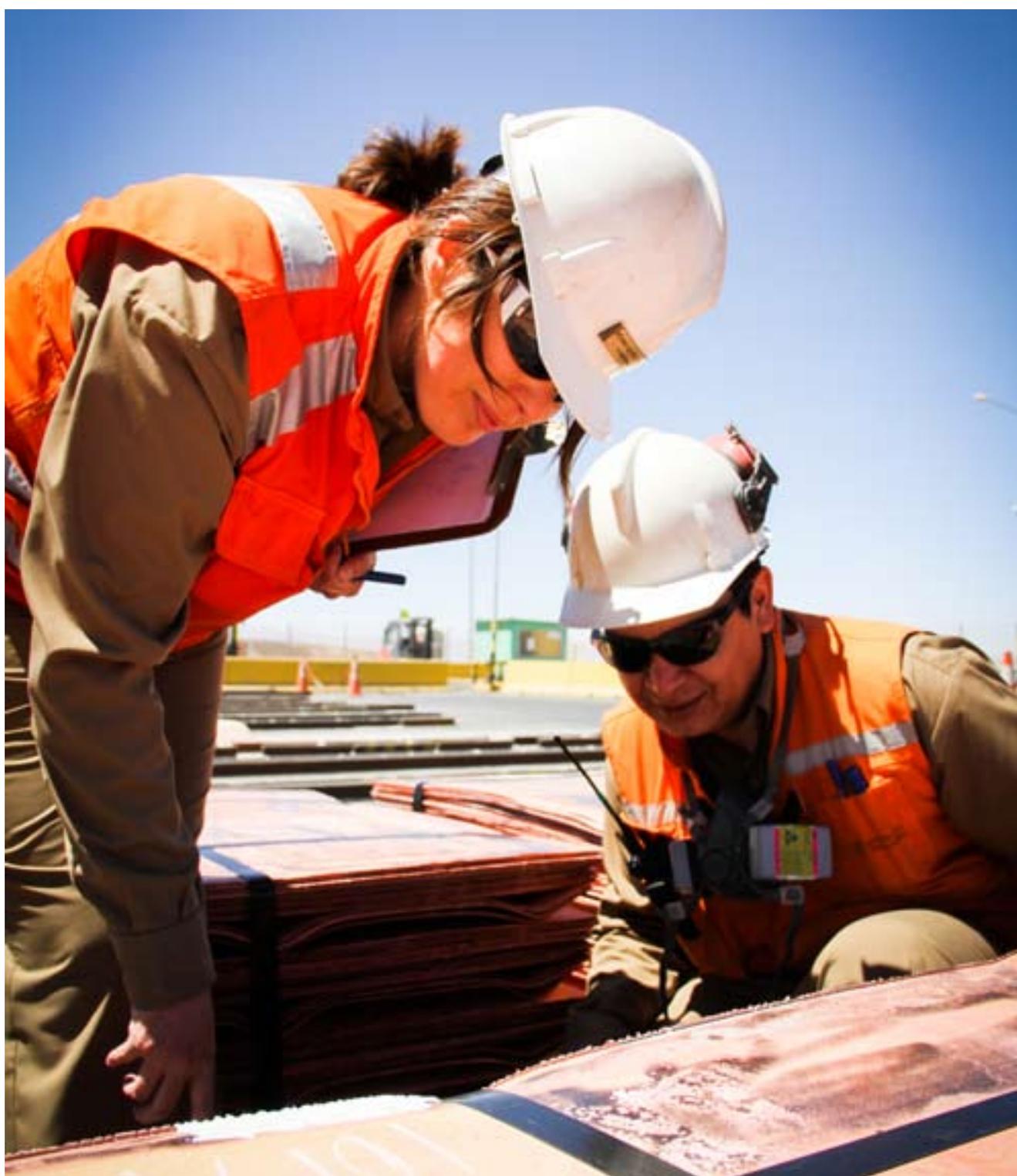
Business unit	Trade union	Effective period (months)
Chuquicamata Division	Supervisors Trade Union A	38
Gabriela Mistral Division	Professionals	48
Gabriela Mistral Division	Workers	48
Gabriela Mistral Division	Analysts	48
Salvador Division	Supervisors Trade Union A	36
El Teniente Division	Caletones, El Teniente, No. 5, No. 7, Sewell & Mina Unificado	48
Head Office	Trade Union B	46

Organisational Climate

Organisational climate is essential to assess the management model. For this reason since the early 1990s Codelco has conducted perception surveys at all its divisions. The surveys have helped to prioritise workplace variables and issues.

The surveys are adapted to the Company's organisational conditions and requirements in order to provide information to guide and help design and implement strategies, plans and programmes to manage the different organizational climate issues. Particularly work environments more negatively perceived by workers that could impact their efficiency and productivity.

In 2014 an organizational climate survey was conducted; it measured its different dimensions at all divisions, Head Office and Project Vice-Presidency. Key findings showed that at all Codelco divisions, workers were motivated and valued work, both indicators had rates over 80% and even 90% at some divisions. The perception of sustainable development was slightly lower, more than 70% of answers were positive in a scale from 0 to 100%.





Sustainable Development



Sustainable Development

Codelco has implemented a new sustainable development vision at its mining operations. It has systematically invested in sustainable development since the 1990s and even more so since 2000, transforming these management scopes.

In 2011, in order to implement this sustainable transformation, the Company launched two structural projects, one in occupational health and safety, and another in environment and communities. In this context, Codelco's sustainability management goals are:

- Protect the life of everyone who works for the Company, to eliminate fatal accidents and occupational diseases.
- Environmental care, close the socio-environmental gaps at operations.
- Develop communities near operations, putting into practice a new community engagement model.

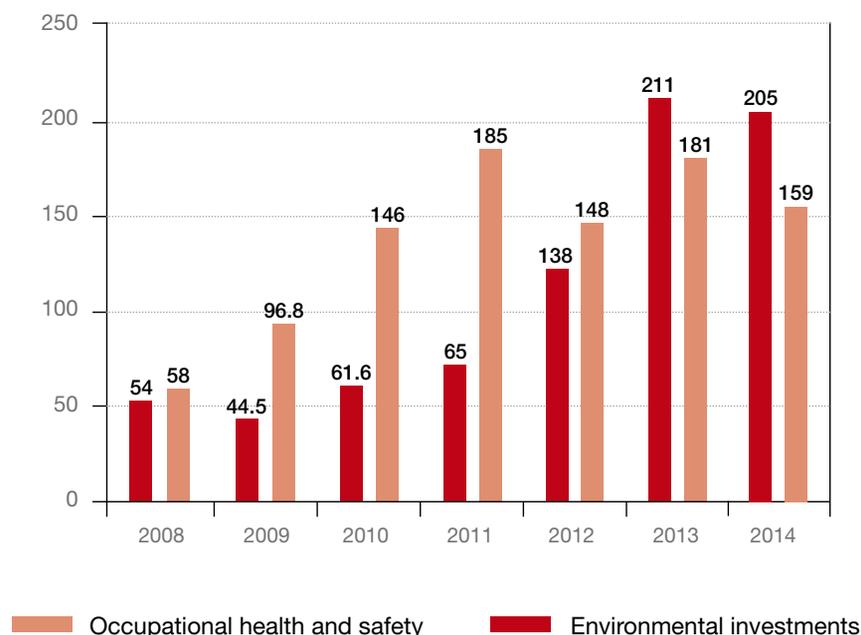
In 2014, occupational health and safety management focused on the systematic installation process, at Codelco's operations and projects, of all the structural project tools, standards and guidelines, through an Occupational Health and Safety Management System and special contractor and subcontractor regulations.

The main environmental and community management challenge was to move from the structural project to the Environmental Risk Management System and the new Community Development Model. The goal is to continuously and systematically install the new tools, standards and modes of operation.

Sustainable Investment

Codelco invested US\$ 364 million in environmental and occupational health and safety projects in 2014. US\$ 205 million went to environmental investments and US\$ 159 million to occupational health and safety initiatives.

*Environmental, occupational health and safety investment
(USD millions)*

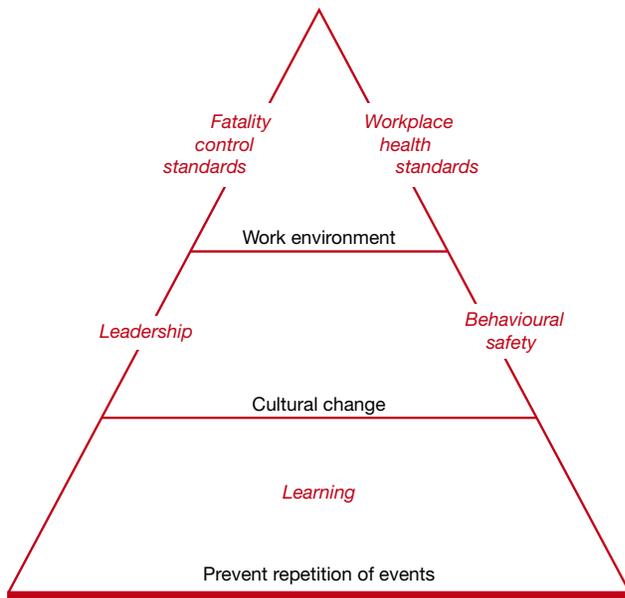


Occupational Health and Safety Structural Project

In 2014, structural project management was consolidated after implementing all the fatality, workplace health, behavioural safety, leadership and learning control standards.

The structural project was also linked to the Occupational Health and Safety Management System.

In this respect, efforts focused on defining and agreeing on a new management system structure, to ensure a standard and systematic management at divisions and projects, and which will become official in 2015.



At Codelco, protecting the life of everyone who works at the Company is the main and general goal of management. In this context, in 2014 the Company's critical risks were identified, using fatality and workplace health control standards. Two critical health risks were defined: exposure to silica dust and nineteen safety risks, in different fields such as energy, forms of energy released and electrical equipment; working at height, suspended loads, terrain failures, exposure to atmospheric hazards, fire, contact with extreme temperatures, conduction, falling objects, contact with hazardous substances, rail operation and avalanches.

The definitions were based on a participative and interactive process with all the organisational staff.

The following participated in this process:

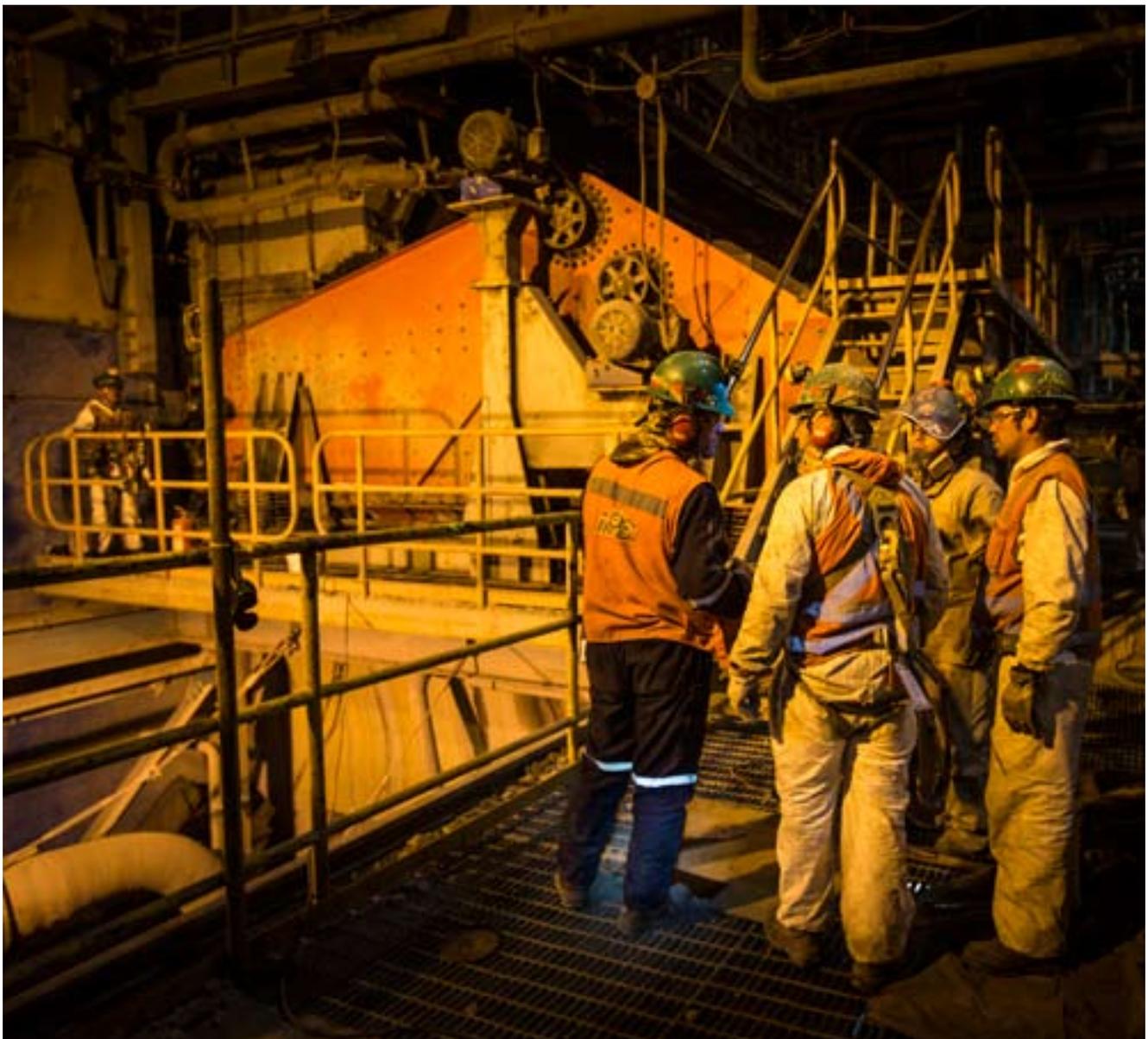
- 130 executives (general managers and operation managers from all divisions and projects), especially to define the Company's 10 top critical risks.
- 1,639 employees, from each operating and maintenance department, validated these criteria.
- 40 specialists (such as electricians, mining specialists, and geologists) helped to prepare each of the performance standards.
- 75 Health and Hygiene Parity Committee members from divisions and projects collaborated in the process.

In addition to identifying the critical risks, 4 to 5 critical controls and a verification card were defined for each supervisor and employee. To complete the cycle, a performance standard was created that contains the key criteria for the department's manager and superintendent to apply controls. The implementation of this process was audited in June-July and October-November; the corporate result was 94%. These standards were implemented in 2015.

Therefore, a continuous and systematic management process was developed to control and eliminate severe accidents, fatalities and occupational diseases in the Company and to maintain it in time.

Fatality Control

Codelco continued its quarterly checks to ensure compliance of fatality control standards at all its operations.



Workplace Health

Divisions and projects continued applying workplace health standards. A preventive model was used that includes identification of health risk factors and agents, assessment and control to prevent occupational diseases and work-related accidents.

Critical processes for occupational hygiene, ergonomics, fatigue and sleepiness factors were optimised. The workplace health processes were also maintained, through medical surveillance of exposed workers and pre-employment and occupational medical examinations.

In occupational hygiene and ergonomics, risk assessment was optimised based on similar exposure groups. Both disciplines incorporated reporting and monitoring required for corrective actions.

The traceability of the environmental surveillance process was verified; gaps were reduced to control silica at its origin and tests were run to adjust respiratory protective equipment to control workers' exposure. The selection criteria for respiratory protective equipment

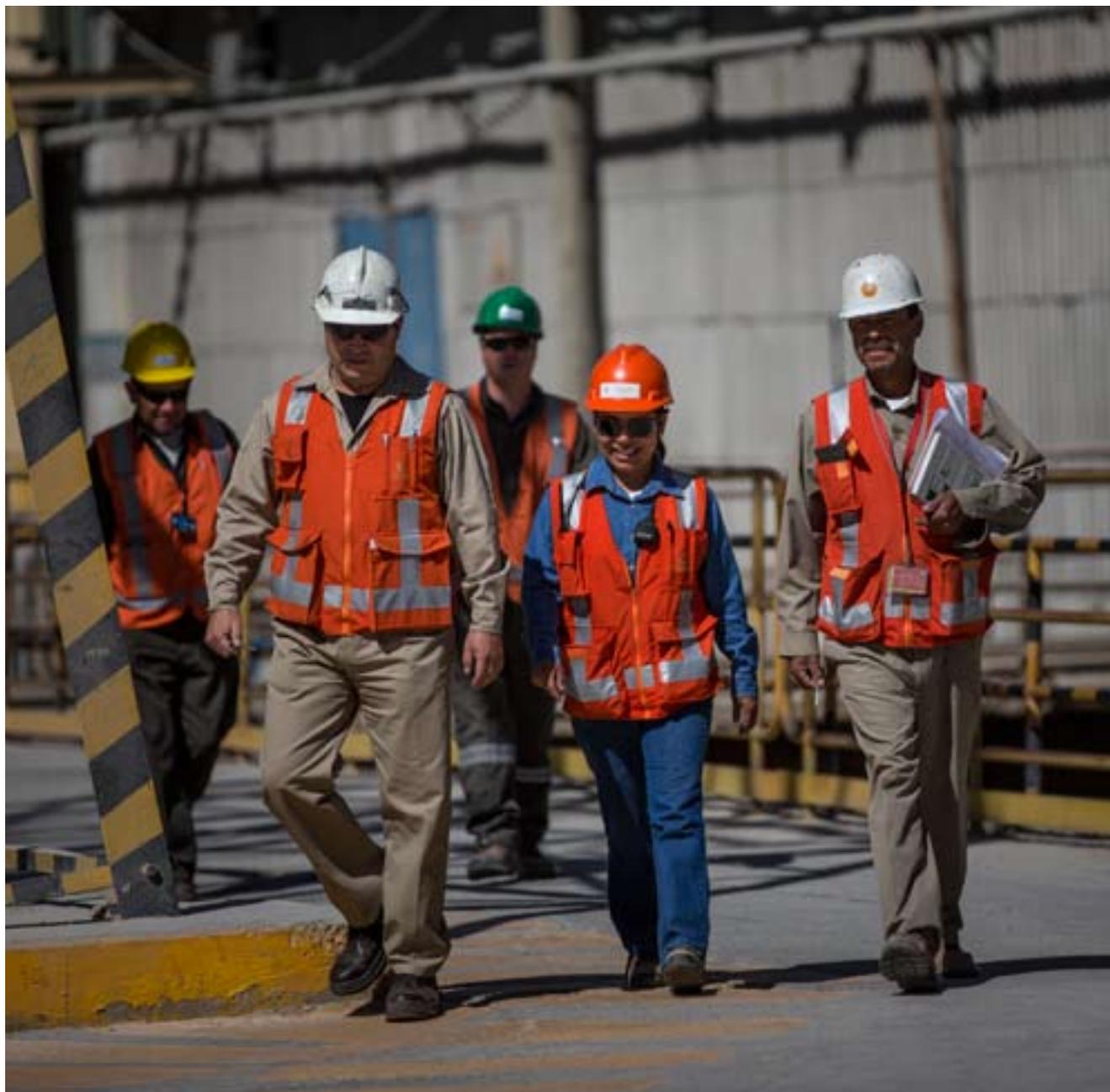
were also reviewed and the process and operation factors were defined.

In ergonomics, the musculoskeletal risk factor assessment criteria were evaluated, to optimise the definition of exposed workers who should be supervised as per the "Medical Surveillance Protocol for workers exposed to risk factors of work-related upper-limb musculoskeletal disorders," that will be implemented in 2015. Furthermore, a workplace gap-closing plan and critical tasks were defined with the assessment results.

Key issues involved in fatigue and sleepiness management were identified, focusing action on companies and critical groups through health and technology, communication and early warning management.

Progress was made towards standardising personal protective equipment (PPE) and protective clothing. A technical team was created for all divisions to develop a corporate PPE matrix. The technical specifications were defined and the minimum specifications required to purchase this equipment.





Behavioural Safety and Leadership

In 2014, compliance of the annual executive leadership programme was 94%. Its main activities focused on establishing direct contact with workers, recognising safe practices and preventive communication based on a monthly monitoring plan across the Company.

The behavioural safety process involves direct worker participation in occupational health and safety management. Codelco has trained 11,800 observers who made 203,070 observations and observed 1,341,778 behaviours in 2014. For each observation identified, unsafe behaviours are immediately recorded and corrected, and safe behaviours are strengthened. Therefore, each observer directly contributes to building a preventive culture.

Learning

In accordance with the workplace incident and accident guidelines, in effect since 2012, and its incident investigation procedure, known as EVITA, Codelco moved towards investigation excellence, detecting the organisational factors and failed or absent protective measures, that cause high-potential incidents.

At the end of the year, incident learning was 92% in compliance, and key events were: learning investigation procedure, applying uniform criteria across the organisation and communicating corrective measures as lessons learned for the whole company.

Occupational Health and Safety Indicators

Accident Rate

Codelco had to regret the death of two workers in 2014, both from the New Mine Level project under Project Vice-Presidency.

Respect for human life and dignity is a key value for Codelco. Because the protection of life is a priority for the Company, not achieving our target of zero fatal accidents is a pending task, even if in 2014 fatal accidents fell by 50% compared to the prior year. The Company strengthened compliance of risk controls.

Fatal accidents 2014

Date 2013	Age	Gender	Business Unit	Staff	Employer	Accident
October 20	35	Male	Project Vice-Presidency - New Mine Level	Contractor	Salfa Montajes	For reasons currently under investigation, the head electrical technician entered into contact with electricity at substation No.3. Although he was administered first aid and CPR, the worker died.
November 7	42	Male	Project Vice-Presidency - New Mine Level	Contractor	Construction of Mining Tunnels CTM	The worker entered to operate the roboshot machine, to build the walls. There was a loud noise and shotcrete and rock fell between Pk 2+700, approximately. The staff involved evacuated the area; the operator remained in the area. Subsequently, staff returned to the area and realised the worker was covered by fallen material.

Overall Accident Frequency Rate

Codelco had an overall frequency rate (own staff and contractors) of 1.32 accidents per million hours worked in 2014, up 4.5% from 2013 (1.26).

Overall Severity Rate

The overall severity rate (own staff and contractors) was 230 days lost-time injuries per million hours worked in 2014. This is 8% down from 249 days in 2013.

Prevention Indicators

In 2014, the following prevention indicators were included in Occupational Health and Safety management: serious incident reporting, visible leadership and behaviour observations.

Proactive indicators (based on E-100 & E200)

	Serious incident reporting	Visible leadership	Behaviour observations	Observed behaviour	Average staff (own + contractor)
Radomiro Tomic	39,092	22,407	20,669	203,401	7,015
Chuquicamata	118,477	126,300	76,008	244,677	15,194
Ministro Hales	39,364	9,887	14,077	114,168	4,695
Gabriela Mistral	42,883	12,901	9,985	52,929	4,084
Salvador	20,569	19,831	2,965	38,542	5,329
Andina	57,870	51,171	18,434	209,833	9,070
Ventanas	26,834	34,344	3,592	55,946	2,330
El Teniente	92,115	96,925	50,293	362,296	16,105
Projects	27,115	26,242	7,047	59,986	10,432
Codelco	464,319	400,008	203,070	1,341,778	74,255

Proactive indicators by person (based on E-100 & E200)

	Serious incident reporting	Visible leadership	Behaviour observations	Observed behaviour	Average staff (own + contractor)
Radomiro Tomic	5.6	3.2	2.9	29	7,015
Chuquicamata	7.8	8.3	5.0	16	15,194
Ministro Hales	8.4	2.1	3.0	24	4,695
Gabriela Mistral	10.5	3.2	2.4	13	4,084
Salvador	3.9	3.7	0.6	7	5,329
Andina	6.4	5.6	2.0	23	9,070
Ventanas	11.5	14.7	1.5	24	2,330
El Teniente	5.7	6.0	3.1	22	16,105
Projects	2.6	2.5	0.7	6	10,432
Codelco	6.3	5.4	2.7	18.1	74,255

Key Results

- Three years without fatal accidents at Chuquicamata Division.
- Two years without fatal accidents at Salvador, Andina, Ventanas and El Teniente Division.
- Head Office completed more than 800 days without lost-time injuries.
- In September 2014, for the first time in its history, Codelco completed 12 consecutive months without fatal accidents at its divisions and projects.

Occupational Diseases

In 2014 there were 43 new own staff disability resolutions. Of these, 8 were due to silicosis, 20 to hypoacusia, 10 to musculoskeletal disorders and 5 sequelae of workplace accidents.

*New resolutions for active workers with disability resolutions by diagnosis
Law 16.744
At 31 December 2014*

Diagnosis	Delegated administration					Mutual			Total
	Chuq.	Salvador	Andina	El Teniente	Total AD	RT	Ven	Total Mutual	
Silicosis	0	2	5	1	8	0	0	0	8
Hipoacusia	1	6	1	10	18	1	1	2	20
Musculoskeletal	0	8	0	2	10	0	0	0	10
Other diseases	0	0	0	0	0	0	0	0	0
Total EP	1	16	6	13	36	1	1	2	38
WP sequelae	0	3	1	1	5	0	0	0	5
Total	1	19	7	14	41	1	1	2	43



Environment

Codelco's environmental management is based on its Sustainable Development Policy (2012), it updates its environmental and community development commitments, applicable to all its operations and projects.

Since 2011, the Company has an Ethics Code that defines key aspects, such as the steps to fall regarding environmental care and respect for culture, heritage and traditions of the communities near the mine.

In 2014, the Company started implementing the new Environmental Risk Management System that integrates the Environment and Community Structural Project results (2011-2013). Efforts focused on identifying and controlling the potential impact of environmental criteria by identifying the vulnerabilities, standard gaps, and the repetition of environmental incidents and claims, in addition to complying with Environmental Qualification Resolution requirements and with applicable regulations in general.

In order to run the system, IT platforms were implemented to manage environmental incidents and solid waste management at all divisions, generating valuable information to improve control of these key environmental issues. Furthermore, a platform was developed to monitor the management of critical environmental concerns and the commitments defined in the Environmental Qualification Resolutions.

Each Division has made progress with the implementation of environmental and community standards that address all key mining-related environmental management issues, from prevention and control of adverse effects caused by emissions, mass mining, solid waste and disposal, efficient management of critical resources such as water and electricity, and land, soil and landscape issues, biodiversity and mine closure. While community standards address specific criteria in order to contribute to community development and promote reliable and transparent relationships with the community, particularly respect for the original people in the area.

Environmental Indicators

Wastewater and Water Resources

Since 2012, Codelco has been applying a new Wastewater and Water Resources Standard, to ensure sustainable management related to territorial concerns, environmental and social impact.

Water recycling is an essential element of water management; in 2014, 70% of the Company's water was recycled. Chuquicamata and Radomiro Tomic divisions, located in the arid region of Antofagasta, recycled more than 80% of their water.

Codelco has 15 wastewater discharges that have monitoring plans. In 2014, 8 wastewater effluents had zero discharge due to process changes and/or recycling. All points where wastewater was discharged met the quality standards.



Smelter Emissions

Codelco has four copper concentrate smelters that mostly generate sulphur dioxide (SO₂), arsenic (As) and particulate matter emissions. These facilities are regulated by emission standards and by decontamination plans applicable to cities. All the smelters complied with emission limits and/or standards.



Project Environmental Assessment

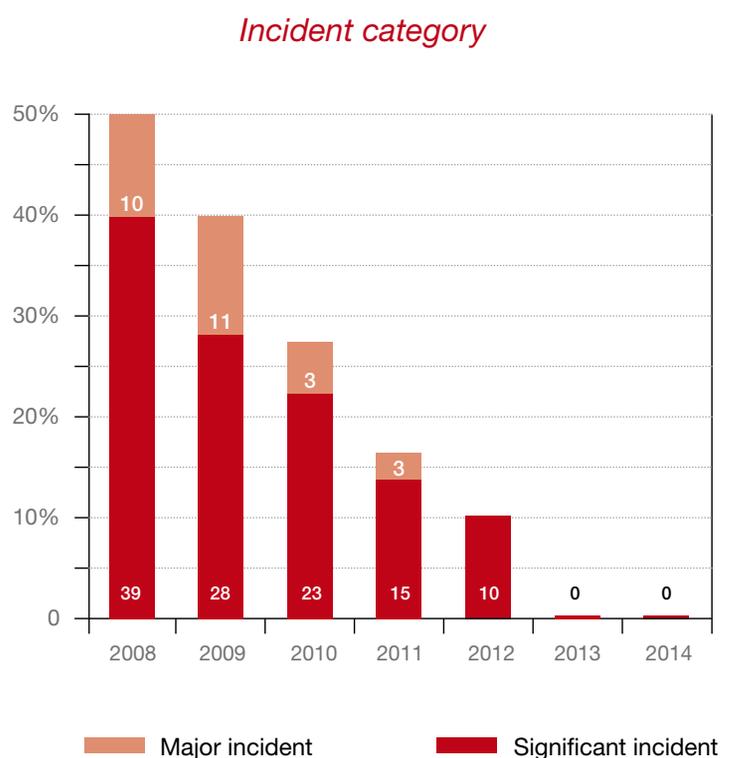
Codelco submitted 7 projects to the Environmental Impact Assessment System (SEIA). All the applications were Environmental Impact Statements; no Environmental Impact Studies were submitted (EIA).

Environmental Incidents

The 2013 Environmental Incident Management Standard, Corporate Standard 38, aims to analyse and learn to prevent environmental impacts, and to promote incident reporting in an online corporate platform.

This standard sets out four incident categories: minor, moderate, significant, and major incident. During this period, the divisions reported 92 minor environmental incidents and 2 moderate incidents, while Projects Vice-Presidency reported 14 minor environmental incidents. Therefore, there was a high number of environmental incidents reported.

In short, in 2014 there were no significant or major incidents, similar to 2012 that had 10 incidents. The Company expects to maintain this performance over the next few years as the environmental risk management system is consolidated.



Significant Events

Enforcement

Chile changed its approach to environmental issues over a year ago and as the new environmental agency is consolidated, Codelco has met its commitments and the agency's requirements.

The creation of the Superintendence of the Environment (enforcement and, sanctions), the environmental tribunals (jurisdictional control), in addition to existing public policies and regulatory functions (Ministry of the Environment) and project assessment (public services, environmental assessment service) originated a total of 11 environmental enforcements in Codelco at all its divisions and 5 additional information requirements.

In response to these environmental requirements, Codelco developed procedures, defined responsibilities and ensured on-going enforcement and control of all safety concerns applicable to the different areas overseen. Codelco did not have any serious or major sanctions and had few of non-conformities in the 2014 enforcement process.

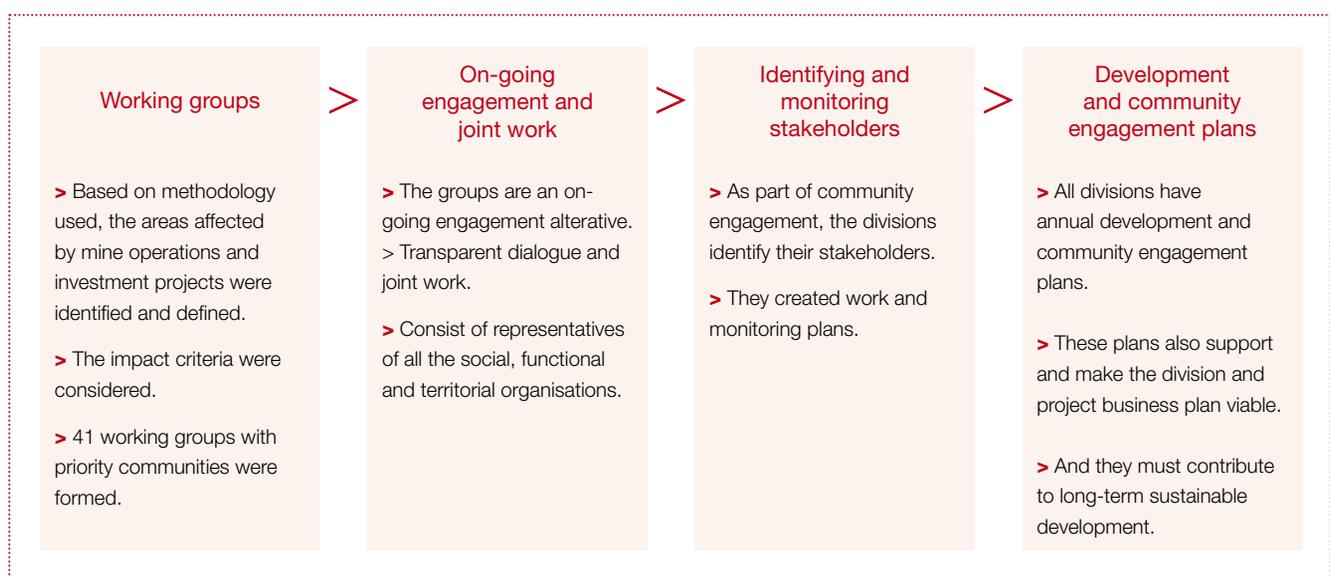
During the year, the Environmental Tribunal rejected a process that required entering the Environmental Impact Assessment Service; this process was started in 2013 by the Superintendence of the Environment.

Community Development

In 2014, the community development model, that defines how to engage and work with the local communities near mine operations and projects, was consolidated.

This model is based on Codelco's governance components, regulatory framework, community standards (relationships, community development and indigenous peoples), implementation guidelines and socio-environmental impact management. This structure has helped to systematise and to have feedback from communities to continuously improve management, essential to building long-term trust relationships, contributing to community development and to business sustainability.

Implementation of community standards



Data traceability

Community management is supported by two on-line IT platforms:

- > To monitor community investment and projects, working groups and commitments to communities.
- > To support stakeholder management, early warnings and monitoring of potential social-environmental conflicts and their action plans.



Community Investment

In 2014, community investment was \$ 2.57 billion; it was used to implement 154 cooperation agreements, in alliance with social organisations and public and private institutions near operations and investment projects. 95% of this investment went to critical locations within the impact area of divisions.

Cooperation agreements 2014

Division	Effective agreements	Investment 2014
Distrito Norte	58	\$ 1,259,815,211
Distrito Sur	96	\$ 1,309,908,665
Total	154	\$ 2,569,723,876

In 2014, a community investment standard was implemented (Corporate Standard 39) to develop the areas next to the Company and to focus community investment on priority communities. The standard defines three lines of action for the investment projects: socio-environmental impact on local area, human capital and indigenous peoples.

Codelco's standards also define criteria and regulate investments to ensure transparency and the appropriate use of resources.

Social Investment Fund

In 2014, Codelco's Social investment Fund financed five initiatives, totalling \$ 150 million pesos, as shown below:

Division	Project	Project Total	Amount paid by fund
Ministro Hales	Use clean energy to heat domestic water, by using thermo-solar systems at Tucnar Huasi.	\$ 40,650,000	\$ 28,455,000
Gabriela Mistral	Between Cabur and Claridad de Capin we cultivated Pata Hoire.	\$ 19,099,000	\$ 11,649,000
Salvador	Sustainable neighbourhood meetings at Chañaral.	\$ 46,896,000	\$ 29,896,000
Ventanas	Children's Orchestra Puchuncaví.	\$ 121,000,000	\$ 40,000,000
El Teniente	Participatory Community Monitoring Programme at Coya and Alhué.	\$ 57,142,860	\$ 40,000,000

SENCE Training

In 2014, Codelco used its SENCE surplus and provided development and training opportunities to local communities. A total \$ 2.507 billion was allocated to 212 training courses at its 8 divisions, benefiting approximately 4,700 people.

The training courses covered three lines of action: mining technical courses, community development tools and new uses of copper, distributed under three in-house programmes:

- **Veta minera:** 7 in-house mining training courses in alliance with the mining industry and Fundación Chile.
- **Programa Juntos:** 135 training courses for vulnerable groups in communities close to operations.
- **Agreement with contractors:** 47 third-party mining courses, signed in 2013.

The SENCE surplus was distributed for the above programmes through Technical Training Organisations (OTIC) specialised in this field, as provided by Law 19,518.

Channel open to Community

In 2014, Codelco continued running a Socio-Environmental Complaints and Suggestions System, a communication channel to duly answer concerns, problems and proposals raised by neighbours to get ahead or avoid certain contingencies or major conflicts. Its goal is to have an open and on-going monitoring system for local communities.

The system operates through a free telephone number 800 222 600, available 24 hours a day, and contact email: contactosocioenvironmental@codelco.cl.

During the year, 147 contacts were received through this channel, of which 21 were questions and general information, 44 were related to environmental concerns and 82 to social issues.

Community Projects

Codelco develops social investment initiatives and activities, and takes responsibility for the social impact caused by operations and projects on local communities. The primary goal of these projects is to contribute to local community wellbeing, strengthening skills and foster honest, transparent and mutually beneficial relationships. Key projects promoted in 2014 were:

Chuquicamata Division

Fondos Calama Participa 2014: 18 projects were awarded related to quality of life, the environment, education, heritage and identity.

Investment \$ 104,058,384 pesos.
Beneficiaries Más de 1.500 people.

Radomiro Tomic Division

Recovery of San Pedro River ecological flows: It defines a water discharge at two points in the natural course of the San Pedro River. At present, the Division delivers 20 litres per second. Its forms part of an environmental commitment of the Environmental Qualification Resolution and a quarterly report is submitted to environmental and sector authorities.

Investment \$ 235,500,000 pesos.
Beneficiaries All the community.
Directly, 60 people.

Ministro Hales Division

Per-urban park: Construction of the first stage of this project around the Tucnar Huasi settlement and it should be completed and opened to the community in 2015.

Investment \$ 2,883,897,354 pesos.
Beneficiaries 660 families.



Competitive funding: Together with the Municipality of Calama, 10 projects were defined with competitive funding. These projects aim to foster an active participation of civil society organisations and work with vulnerable groups or sectors.

Investment \$ 50,000,000 pesos.
Beneficiaries 500 people.



Gabriela Mistral Division

Digital literacy: In the district of Baquedano, a digital training course was offered, personalised and by level, to 26 neighbours and social leaders from the district. The project reduces the digital gap and provides tools to improve their work in the community.

Investment \$ 20,300,000 pesos.
Beneficiaries 26 neighbours and social leaders from Baquedano.

Salvador Division

Renewable energy: In alliance with the Chañaral Unión Comunal de Juntas de Vecinos (Neighbourhood Council Association), the Division developed a renewable energy project to install photovoltaic systems in 17 neighbourhood councils in the district.

Investment \$ 58,085,792 pesos.
Beneficiaries Directly 35 people and indirectly 1,700 people.

Andina Division

Former Los Andes train station: After it was refurbished in 2014, it became the location of Los Andes Children's Symphonic Orchestra Foundation and Pro Aconcagua. Student fairs, tourism entrepreneur meetings and concerts provided by the Los Andes Children's Symphonic Orchestra were also held in these premises.

Investment \$ 78,232,163 pesos.
Beneficiaries 120 children in the orchestra.
 30 people in the Corporación Pro Aconcagua and Los Andes Community.

Ventanas Division

Training courses: Successful integration of students into the world of work, through professional internships and training, apprentice programme, graduate programme, dual students, alternate education and other fields. Finally, the Division participates in the Business Advisory Council of the Don Orione School in Quintero and the Sargento Aldea School in Puchuncaví, which guide, manage and prepare students for the world of work.

Investment \$ 363,108,000 pesos.
Beneficiaries 617 young people and students from Puchuncaví and Quintero.

El Teniente Division

Participative monitoring in Alhué: Key community leaders participate in this initiative, which involves implementing a participative work method to monitor the water flow of the Carén and Alhué Stream.

Investment \$ 29,300,000 pesos.
Beneficiaries 25 trained neighbours.

Mejillones

In the context of the Molybdenum project and in compliance with the voluntary community commitments under the Environmental Qualification Resolution, 20 adults from the Mejillones district were certified as plant operators. A plan was also developed with the education complex Juan José Latorre to provide AutoCAD training for 6 teachers and 70 third and fourth-year students.

Investment \$ 10,000,000 pesos.
Beneficiaries 96 teenagers and adults.

Codelco Children's Symphonic Orchestra

Since 2007 Codelco has been developing children's symphonic orchestras at its different divisions.

Los Andes Children's Symphonic Orchestra foundation: Andina Division has been developing this project for over 7 years, and has benefited more than 500 children in the district of Los Andes and San Felipe.

Mejillones Children's Symphonic Orchestra: In alliance with the Municipality of Mejillones, Codelco has been developing this initiative since 2010. Since then, this initiative has benefited more than 150 children and teenagers in the district of Mejillones.

Calama Mi Sol: Since 2011 this project has been sponsored by Chuquicamata Division. The objective of the orchestra is to achieve social inclusion through music and also develop the skills and personal values of the 80 children who benefit from this programme, especially those from western district of Calama.

Diego de Almagro Children's Symphonic Orchestra: Promoted by Division Salvador in alliance with the Municipality of Diego de Almagro; music lesson commenced in 2013. The orchestra is formed by 60 schoolchildren between 7 and 14.

Til Til Children's Symphonic Orchestra: The orchestra, created in 2013, consists of 80 children from Huechún, Santa Matilde, Huertos Familiares and Til Til centre.

During 2014 these initiatives multiplied:

San Pedro de Atacama, a music oasis: This project aims to develop the musical talent of 50 children from Atacama who are members of the San Pedro de Atacama chamber orchestra. Its main goal is to provide a high-level intellectual, social and musical development opportunity to these children, and because they live in such a remote geographical area, do not have access to this kind of programme or school.

Ventanas Children's Symphonic Orchestra project: During the year, more than 40 children were selected from different schools in the district of Puchuncaví; they will soon start taking lessons at the La Greda school in the same district.

Calama Plus

The Calama PLUS plan includes projects in different areas, such as infrastructure and urban development, oasis protection and expansion, value of local heritage, strengthening education and promoting a sustainable society, in a public-private collaborative work scheme, which implies a 14-year implementation period, from 2012 to 2025.

In 2014, technical working groups were created and work continued on key projects to transform Calama. Community management was consolidated through direct and continuous communication with key leaders to report project status and promote participation in various activities to develop the city.

Indigenous People

Based on the new indigenous people standard, the northern divisions have created participatory and associative community projects. This approach focuses on the development and needs of the indigenous communities, particularly in Alto El Loa.

Indigenous survey: While the Environmental Impact Study application for the Radomiro Tomic Sulphide project was under review, the Radomiro Tomic Division, Projects Vice Presidency and the Head Office led the indigenous survey process. This process, included in applicable regulations, is conducted by the Environmental Assessment Service in Lasana and Chiu-Chiu.

Ministro Hales Division

Indigenous social investment fund: In order to rescue cultural heritage and improve living conditions of inhabitants; 19 projects were implemented in different indigenous communities such as Coska, Toconce and Lasana.

Investment \$ 50,000,000 pesos.
Beneficiaries 290 people.

Chuquicamata Division

Cupo community: Work plan to rescue and improve roofing, build new houses and improve the community church.

Investment \$ 50,000,000 pesos.
Beneficiaries 40 people from Cupo community.

Gabriela Mistral Division

Between Cabur and Claridad del Capin, we cultivated Pata Hoiri: A joint initiative with the Atacameña indigenous community in Río Grande to develop sustainable farming initiatives in the Hierbas Buenas area, incorporating irrigation technology and technical assistance to grow emerging crops.

Investment \$ 19,099,000 pesos.
Beneficiaries 30 families from Río Grande.



Market Development



Market Development

The Company develops with a strategic and future outlook new market niches for copper, to maintain and expand access to markets, communicate its new uses, identify in time potential substitutes and increase the world's copper demand.

Codelco develops and implements a series of initiatives that promote, advocate, innovate and include technology to open new markets for copper and molybdenum. This strategy is conducted locally by its subsidiaries Molyb, PRM, EcoSea and Codelco Lab; and internationally, by actively participating in the International Copper Association and International Molybdenum Association.

Market Access & International Strategy

Codelco continuously ensures and develops market access to all its existing and future commercial products. In this sense, the first step is to meet international standards and regulations for all products, so that they are shipped and received at all destination ports and markets, in accordance with the requirements applicable in each country. It also aims to develop projects to sustainably provide Codelco products access to global markets.

Additionally, Codelco actively participates in international mining and sustainable development organisations, so as to anticipate and partake in developing global regulatory trends. The following are key actions performed in these organisations:

International Copper Association, ICA

In 2014, Codelco, as a member of the ICA, helped to develop, implement and perform the structural change within this association, the most important global association in terms of promotion and advocacy of copper. As a result, a new strategic plan was defined to optimise resources, leveraging new initiatives, developments and products.

The plan will continue to promote and advocate markets and new applications for copper. However, the plan presents new objectives that aim to increase involvement in higher-demand markets with greater impact on world copper usage volumes.

In this sense, ICA's goal is to increase by one million tonnes the global demand for refined copper by 2016. For this purpose, more than 100 projects were implemented worldwide, such as the following:

- **Sustainable energy and energy efficiency:** projects to create high standards in energy policies and efficiency standards, by promoting copper-intensive products.
- **Regulations:** initiatives to support policies and regulations to foster the use of copper in relevant markets.
- **Construction:** projects advocating the use of copper and its benefits in the construction market, particularly in public areas.
- **Health and the environment:** for ICA it is critical to implement projects that use the antimicrobial properties of copper, beneficial to both human health and the environment. Its goal is to provide its antimicrobial products access to different markets and with as much impact as possible.

As for the 2015 budget, the ICA Executive Committee approved US\$ 52.4 million, 25% co-financed (US\$ 12 million).

International Molybdenum Association, IMO



Codelco is a founding member of the International Molybdenum Association (IMO) that since 1989 promotes the use of this metal and studies its impact on human health and the environment. Furthermore, the organisation conducts research and studies on regulatory issues related to public health and sustainable development.

The IMO's strategic plan prioritises work on sustainable development, communications and market intelligence as pillars to implement different projects. In 2014, this association had a US\$ 3.1 million budget; while for 2015, a US\$ 3.5 million budget was approved.

Market Access Projects

Molybdenum Treatment Plant

In 2014, Codelco, through its subsidiary Molyb, continued building its molybdenum concentrate treatment plant, located in Mejillones, Antofagasta Region.

Once in operation, which is scheduled for 2016, the plant is expected to annually produce 16,000 tonnes of molybdenum trioxide and 32,000 tonnes of sulphuric acid; in addition to recovering copper and rhenium as by-products.

This development has enabled Codelco to consolidate its strategic position as the world's second largest molybdenum producer.

Metal Recovery Plant

In July 2014, Codelco and LS-Nikko Copper Inc., a Korean company, entered into a strategic alliance to jointly build a metal recovery plant in Mejillones, Antofagasta Region.

For this purpose, Codelco created the affiliate company Planta Recuperadora de Metales SpA. LS-Nikko will be the operating partner in this affiliate company and shall hold a 66% ownership interest. The business model ensures Codelco has knowledge transfer in metal recovery, given that LS-Nikko is a major nonferrous metal company in Korea and an expert in developing products made from copper and other metals. Furthermore, the project will enable Codelco to expand its product portfolio adding value and ensuring market access to its gold and silver production.



Plant construction work was started at the end of 2014 and it is scheduled to be in operation by 2016, when it will produce gold, silver, palladium, platinum and tellurium ingots. This development implies an estimated investment of US\$ 96 million.

The plant has been designed to meet high environmental standards thanks to its state-of-art technology and expert operation. The project also offers a training programme to young people and scholarships in Korea, providing direct job opportunities.

Codelco Lab: accelerator of Innovative Projects

In 2014, the affiliate company Incuba became Codelco Lab; it changed its approach, and is now more in line with the new and more extensive challenges faced by this company that drives, promotes and accelerates innovation projects seeking new uses of copper and molybdenum.

Codelco Lab is focused on developing collaborative work between entrepreneurs, developers, universities, research centres and companies, coordinating the development of projects where copper, due to its antimicrobial property, excellent thermal and electrical con-

ductivity, and because it is highly malleable and 100% recyclable, is essential in the value proposition of these innovations.

Through its privileged position in the market, Codelco Lab achieves synergies required to promote innovative copper products, creating a support network and working with entrepreneurs, providing support from a commercial prototype stage to driving growth to new markets, including technological packaging and internationalisation.



During the first six months of 2015, Codelco Lab will be at the Centro de Innovación Anacleto Angelini, la Universidad Católica, an innovation centre that has multidisciplinary tools, collaborative work areas, astro-engineering and biotechnology labs. The centre also has other innovation areas of national and international companies such as Google, Arauco, Fraunhofer and Sonda, which will favour Codelco's participation in Chile's innovation and entrepreneurship network.

Today, Codelco Lab has more than 30 projects in its portfolio, which are at different stages of development and in very diverse areas such as medicine, water treatment, architecture and agriculture. These projects will have a significant impact on copper demand thanks to its new applications and beneficial properties. The following are key projects implemented in 2014:

- **Bactericidal copper in the milk industry:** In 2014 Codelco Lab created an alliance with the company Biogénisis Animal Health to develop a copper gel to prevent bovine mastitis, an innovative product developed in Osorno by Cow Guard; this alliance was officially launched in January 2015.

The gel is applied to the udders before and after milking the cows, preventing the entry of pathogenic microorganisms causing mastitis that infect the milk and affect animal health.

This new product has given customers excellent results in milk quality and animal skin conditions. The next step is to package the technology and replicate it overseas.

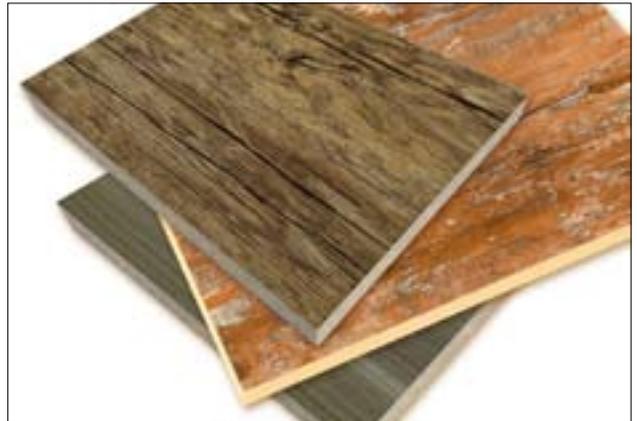
- **Agreement with the food industry:** In 2014, Codelco Lab signed a collaboration agreement with Agrosuper, main producer of animal protein in Chile. A joint project was launched that will directly benefit consumers thanks to the antimicrobial properties of copper.

The first step in this extensive agreement is to study the benefits of copper for the industry. This is to create a new standard for the food processing industry.

• **Vesto Melamine / Avonni 2014 Award in industrial category:** Forestal Arauco, Codelco Lab and Copper Andino, developed an innovation by incorporating copper particles in the resin that adheres to the melamine board. This technology won the Avonni 2014 award in the industrial innovation category, basically because this innovative product maintains the antimicrobial properties on surfaces. The resin meets the highest quality standards and it is certified technology.



• **Agreement with Mayo Clinic:** Codelco Lab entered into a cooperative research agreement with Mayo Clinic in Rochester, Minnesota, United States. The project will develop anti-infective orthopaedic implants, they will have a fine surface coating of copper and will use a sophisticated physical vapour deposition system to gain the beneficial antimicrobial properties of copper. In 2014, prominent researchers at Mayo Clinic completed the first stage of the clinical lab trials, the next stage is research on animals, and finally on humans.



• **Copper-infused fabric:** A few years ago socks with copper-infused yarn technology were developed with the companies Monarch and Copperino. This innovation helps to eliminate fungi, bacteria and improves scar formation on the skin in contact with the sock. Today copper clothing is extensively sold, such as men's and women's underwear, short socks, vests and sports wear.

ECOSEA: Innovation in Aquaculture

EcoSea is a Codelco Lab affiliate company involved in designing, building, installing and maintaining copper alloy mesh systems used in the aquaculture industry. Based on research conducted in Chile, the aquaculture copper alloy mesh eliminates up to 99.9% of viruses and bacteria, including the ISA virus. The copper alloy mesh also has other benefits, for example, it prevents biofouling, ensures high oxygenation, prevents predator attacks and it is also recyclable. Therefore, the copper alloy material has advantage over traditional nylon technology, and it improves productivity and sustainability.



In 2014, EcoSea developed and tested, and achieved excellent results, two offshore technologies to farm species in copper enclosures at sites exposed to the sea. The first system applying this technology was installed at the Bahía Flamenco in Portofino, Atacama Region. The most important innovation is the submersible mesh enclosures at offshore sites; they resist bad weather and have an automated system that remotely controls oxygen.



Innovation Investment Fund

In April 2014, Codelco presented the first venture capital investment fund for the global copper industry, a joint initiative between Codelco Lab and Aurus, an investment fund management firm.

Key investors include Mitsui, the Inter-American Development Bank (IDB), Development Bank of Latin America (CAF) and Corfo (the Chilean National Agency for Innovation).

At present, resources available total US\$ 50 million and new partners are expected to join increasing the funds to US\$80 million. The fund will be used to develop new copper applications and innovative technologies for more efficient and competitive mining processes and sustainable initiatives for the industry's critical inputs, such as water and energy.

The projects or ideas may come from anywhere in the world, but they must be steered and developed in Chile, using the national copper industry as an international showcase. The fund is expected to carry out its first investments during the first half of 2015.





Values and Transparency



Values and Transparency

The Statement of Values and the Code of Conduct are the guiding principles that must inspire and sustain the decisions and actions of all Codelco employees.

Statement of Values

It is the formal and official statement of the guiding principles that should inspire and sustain the decisions and actions of everyone who works at Codelco.

In 2014, in order to communicate these corporate values throughout the Company, several activities were carried out at a corporate and division level.

- **Values month:** In August, the mining month, a celebration was held where all the business units carried out different in-house activities in order to think about living the company's values.
- **Codelco pride:** An award given to employees who on a daily basis apply the corporate values. At each Codelco business unit and division, a colleague was nominated who was identified as behaving in line with the company's values. In 2014, 50% of employees participated and nominated a colleague for this award, i.e., 1,392 candidates for the Codelco Pride award.
- **Community activities:** In 2014, the Head Office developed an internship programme for fourth year pupils from the school Colegio Marcelino Champagnat de La Pintana. Another activity was the "Regalemos una Sonrisa" Christmas campaign, an initiative that donated 19 first-aid kits to the elderly at Fundación Las Rosas. This help was delivered by Codelco volunteers.

Business Code of Conduct and Hot Line

In August 2011, the Code of Conduct was launched consisting of the guidelines to apply on a daily basis, the Company's Statement of Values, to effectively develop and implement the strategy defined by the Company to ensure good business practice.

Since August 2009, to implement the Code of Conduct, the company has a hot line and anyone can make an anonymous, safe and confidential report of a suspected violation in the workplace. In 2014, the hot line received 229 reports, of which 188 resulted in an investigation and 41 are currently under review. Of those completed, 31 reports resulted in a sanction, 13% resulted in dismissal. There were 8% less reports than in 2013.





Information and Transparency

Codelco has an on-going collaborative relationship with regional, national and international media. According to Company records in 2014 a total of 9,089 press releases were issued about different management topics to major media, radio and television, down 9.89 % compared to the prior year, as a result of changing the newsgathering method.

The company reports its financial results on a quarterly basis. Codelco reports its performance and other key management information through various communication channels, such as: press conferences, website (www.codelco.com), emails, social networks, magazines and newsletters to different audiences.

During the year, the website www.codelco.com received 1,311,844 visits, with 6,6 million pages visited. This corporate website has a Questions and Complaints section that collects all the electronic communication channels opened by Codelco to communicate with the community. One of these channels is the email address comunica.cl, in 2014 it received 33,693 emails (more than 92 emails per day), this figure is slightly lower than the prior year, and most of these emails are questions about employment and recruitment.

Social Networks

Codelco is present on social networking sites since 2009, increasing and improving its digital content offer. In 2014, it continued to drive its strategy to promote work on YouTube and Facebook. It also created official Pinterest and Vine accounts.

The 2014 statistics for our social networking sites show a positive result in terms of impact. During this period, visits to our Youtube channel increased by 52%, more than 182,000 views and exceeding 530,000 in total, while on Facebook, visits grew by 279%, with 34,307 new fans. Codelco decided to open two accounts on Twitter: [@CodelcoChile](https://twitter.com/CodelcoChile), targeting the public in general, and [@CodelcoChile](https://twitter.com/CodelcoChile), for business information. At the end of 2014, the first account grew by 58%, totalling

75,891 followers; while, [@CodelcoCorp](https://twitter.com/CodelcoCorp) grew by 78%, totalling 28,270 followers.

Flickr channel increased its visits by 152% and had more than 4,588,000 views of its photos. This is because the Company's photo stream is constantly updated, organised and catalogued. Codelco already has more than 4,900 photographs in this digital format.

Codelco's LinkedIn account has 124,523 followers and a 52% growth rate. The Vimeo and Google+ accounts grew and consolidated during the year, and more than 3,000 videos were watched on the former and the latter had more than 45,000 views.

Transparency Law

Since April 2009, when Law 20,285 on Transparency and Access to Public Information, Codelco has a section on its website www.codelco.com, disclosing all the information required by this law.

In accordance with this law, the Company discloses the following information on its website:

- Regulatory framework applicable to Codelco.
- Organisational Structure.
- Executive management duties and responsibilities.
- Financial statements and annual report.
- Subsidiaries, affiliate companies and interest in other entities and organisations.
- Composition of the Board of Directors and individual responsibilities of the management team.
- Employee consolidated information.
- Codelco Board member allowance and employee, CEO and Manager remunerations.



Promotion and Dissemination

Codelco carries out public affairs management, through activities targeting different stakeholders. In 2014 the following key promotion activities were carried out:

- **Participation in various mining fairs, such as Exponor.**
- **Codelco Cultural Gallery:** During the year, 6 exhibitions were held to promote the arts, such as: Persistencia Barroca, Del Paico a Rari and Navidad en el Mundo. Likewise, in August, the mining month, the Value of World-Class Solutions exhibition was held to show Codelco's Statement of Values included in the Cluster programme projects.
- **Codelco Educa:** Through this education programme, Codelco strengthens its commitment to education, especially to promote mining among students. For this purpose, it has the Copper Room at the Santiago National Library, and the Codelco Educa website (since 2001), where it made a substantial investment to update its implementation and contents. The website has significantly increased its visits to 647,337 visits, up 50% from the prior year and an average 53,444 visits per year.



Subsidiaries & Affiliated Companies



Subsidiaries & Affiliated Companies



-  Mining Companies
-  Trading Companies
-  Electricity Companies
-  Research & Technology Companies
-  Processing Plants
-  Investment Companies
-  Port Companies
-  Health & Pension Companies
-  New uses of Copper & Molybdenum

Mining Companies

Agua de la Falda S.A.

At 31 December 2014

Legal status

RUT: 96.801.450-1

Trade Name: Agua de la Falda S.A.
Public Limited Company.

Incorporation date: 25 July 1996.

Partners: Codelco 43.28% and Minera Meridian Limitada 56.72%.

Subscribed and paid-up capital

US\$ 39,400,000.

Business purpose

To prospect, explore and develop mining properties that contain gold, precious metals and other metals; and any marketing related to these metals.

Directors

Roberto Alarcón Bittner, *Chairman*
Charles Bruce Main
Gerardo Fernández Tobar
Enrique Tarifeño Urquieta (*)
Diego Brieba Vial (*)

Alternate Directors

Carlos Pinto Ahumada
Sergio Orrego Flory
Jacqueline François Fuentes
Jorge Skarmeta Magri (*)
Esperanza Letelier Urcelay (*)

General Manager

Felipe Núñez Cordero

Ownership interest and changes during the reporting period

Codelco directly holds a 43.28% ownership interest.
There were no changes during the reporting period.

Business relationship with Codelco

No goods or services were sold or purchased, except for existing contracts between the Company and Codelco.

Contracts with Codelco

The company has contracts with Codelco for the following services: fresh water, industrial water and electricity supply and a lease contract.

*Codelco directors or executives.

Anglo American Sur S.A.

At 31 December 2014

Legal status

RUT: 77.762.940-9

Trade Name: Anglo American Sur S.A.
Public Limited Company.

Incorporation date: 31 July 2007.

Partners: Inversiones Anglo American Sur S.A. 50.05992%; Clarent SÀRL 0.00008%; Inversiones Mineras Becrux SpA 29.5% and MC Resource Development Ltd. 20.44%.

Subscribed and paid-up capital

US\$ 366,017,000.

Business purpose

Its main business activity is exploration, extraction, mining, production, processing and marketing of minerals, concentrates, precipitates and copper bars and any other metallic or non-metallic mineral substances, and in general, any fossil substance and gaseous or liquid hydrocarbon, in any naturally occurring form, including exploration, mining and use of any natural energy sources susceptible for industrial use and products or by-products obtain therefrom. In general, it also carries out other related and complementary activities approved by its Shareholders.

Directors

Duncan Wanblad, *Chairman*
Hennie Faul
Felipe Purcell Douds
Tetsu Kotaki
José Pesce Rosenthal (*)

Alternate Directors

Richard Leclerc
Lorenzo Menéndez Pagliotti
Alejandro Mena Frau
Hideyuki Takemura

General Manager

Juan Carlos Román

Ownership interest and changes during the reporting period

Codelco indirectly holds a 20% ownership interest.
There were no changes during the reporting period.

Business relationship with Codelco

The company sells anodes, cathodes and concentrate.

Contracts with Codelco

Sales contracts for anodes, cathodes and concentrate through Inversiones Mineras Nueva Acrux SpA.

*Codelco directors or executives.

Cobrex Prospecção Mineral S.A.

At 31 December 2014

Legal status

Trade Name: Cobrex Prospecção Mineral S.A.
Public Limited Company (Brazil).

Incorporation Date: Brazil, 14 January 2013.

Company Registration No. 33.3.0030616-1 Board of Trade R.J.

Partners: Codelco do Brasil Mineração Ltda. 51% and Xstrata do Brasil Exploração Mineral Ltda. 49%.

Subscribed and paid-Up capital

Subscribed Capital: US\$ 12,000,000.

Paid Capital: US\$ 2,702,000.

Codelco do Brasil Mineração Ltda.: 18.01% subscribed and paid capital, and 32.99% subscribed and unpaid capital.

Xstrata do Brasil Exploração Mineral Ltda.: 49% subscribed and paid capital.

Business purpose

i) Ownership interest in any kind of mining company or joint venture, in Brazil and/or abroad, and manage own or third-party assets;

ii) Carry out any activity related to mining, including, but not limited to research, exploration and mining economic resources and/or ore deposits in Brazil;

iii) Carry out, in general, any other civil or commercial activity directly or indirectly related to research, exploration, economic extraction, production or marketing mineral products or by-products.

Directors

Marcos Gonçalves (*), *Chairman*

Humberto Eustaquio (*)

General Manager

Marcos Gonçalves (*)

Ownership interest and changes during the reporting period

Codelco indirectly holds a 51% ownership interest.

There were no changes during the reporting period.

Business relationship with Codelco

No business relations between the companies, except as a subsidiary of a Codelco subsidiary.

Contracts with Codelco

No contracts or activities that significantly influenced Codelco's operations or results.

Codelco Do Brasil Mineração Ltda.

At 31 December 2014

Legal status

Trade Name: Codelco do Brasil Mineração Limitada.
Limited Liability Company (Brazil).

Incorporation Date: Brasil, 14 September 2001.

Registration No. 33.2.0708361-1. Board of Trade R.J.

Partners: Codelco International Limited 90% and Codelco Technologies Limited 10%.

Business purpose

i) Ownership interest in any kind of mining company or joint venture, in Brazil and/or abroad, and manage own or third-party assets;

ii) Carry out any activity related to mining, including, but not limited to research, exploration and mining economic resources and/or ore deposits in Brazil;

iii) In general, conduct any other civil or commercial activity directly or indirectly related to research, exploration, economic extraction, production or marketing mineral products or by-products.

General Manager

Marcos Gonçalves

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest.

There were no changes during the reporting period.

Business relationship with Codelco

No business relations between the companies, except as a subsidiary of a Codelco subsidiary.

Contracts with Codelco

No contracts or activities that significantly influenced Codelco's operations or results.

*Codelco directors or executives.

Compañía Contractual Minera Los Andes, CCMLA

At 31 December 2014

Legal status

Trade Name: Compañía Contractual Minera Los Andes (CCMLA).
Contract Mining Company.

Incorporation Date: 16 May 1996, Registration No. 273.

Notary's Office: M. Gloria Acharán Toledo. Listed on page 117 in 1996, in the Property Registry and on page 9550, in the Shareholders' Book of the Santiago Mining Registrar.

Partners: Codelco 99.97% and CM Picacho 0.03%.

Subscribed and paid-up capital

US\$ 17,655,000.

Business purpose

Geological and other types of exploration to discover and survey ore bodies in Chile or in another country.

Directors

Roberto Fréaut Contreras, *Chairman* (*)

Cristian Quinzio Santelices (*)

José Miguel Labbé Chiuminatto (*)

General Manager

Jorge Skarmeta Magri (*)

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

Its own exploration activities have been temporarily stopped. Survey work was carried out on its properties through contracts with other companies, under option contracts to form a public limited company. During the reporting period, Codelco, at its own expense, paid for maintenance of the mining property, these expenses have been entered in an account for both companies.

Its sulphate deposits (Chinalco Yunnan Copper Chile), Queen Elizabeth (Rio Tinto Mining and Exploration Limited/Agency in Chile), Sierra Jardin (Antofagasta Minerals S.A.) and Plazuela (Sociedad Minera El Águila Limitada) are currently under exploration by the above-mentioned companies.

Activities were completed and the relevant option contracts were terminated: During the year, Sociedad Minera El Águila Limitada was at Los Lobos deposit, Minera MMX de Chile S.A. at Desierto deposit, Rio Tinto Mining and Exploration Limited/Agency in Chile at Pasaca deposit and Minera Aurex at the Catiña deposit

Contracts with Codelco

No contracts that significantly influence de Codelco operations.

*Codelco directors or executives.

Compañía Minera Picacho

At 31 December 2014

Legal status

Trade Name: Compañía Minera Picacho SCM.
Contract Mining Company.

Incorporation Date: 26 September 1994.

Notary's Office: Andrés Rubio Flores, under Company Registration No. 6552/94.

Partners: Codelco 99.99% and Sociedad de Inversiones Copperfield Ltda. 0.01%.

Subscribed and paid-up capital

US\$ 1,213,000.

Business purpose

Originally incorporated in 1994 by Codelco and Sociedad Minera Mount ISA Chile S.A., to conduct geological exploration on property owned by Codelco and Mount ISA. In 1997, Codelco bought Mount ISA's interest and expanded the company's business purpose in order to apply for water exploration permits and obtain water use rights, which has recently become its main business activity.

Directors

Hernán Sepúlveda Astorga, *Chairman* (*)

Eduardo Foix Íñiguez (*)

General Manager

Álvaro Puig Godoy (*)

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

Not applicable.

Contracts with Codelco

Power authorising Codelco to conduct exploration activities until December 2014.

*Codelco directors or executives.

Exploraciones Mineras Andinas S.A.

At 31 December 2014

Legal status

RUT: 99.569.520-0

Trade Name: Exploraciones Mineras Andinas S.A.
Public Limited Company.

Incorporation Date: 29 July 2004.

Partners: Codelco 99.9% and Sociedad de Inversiones Copperfield Ltda. 0.1%.

Subscribed and paid-up capital

US\$ 236,000.

Business purpose

Provide planning, management and implementation services for mining exploration and water exploration projects, that involve providing services in: drilling, chemical analysis, sampling, lab analysis, geological and geophysical mapping, physical property measurement, material characterization, support and other services required to implement such projects; consulting services in geology and related fields; staff training in areas related to mining exploration; seminars, workshops, courses and publications.

Directors

Patricio Zúñiga Rojas (*), *Chairman*

Jaime Rivera Machado (*)

Germán Morales Gaarn (*)

General Manager

Oscar Castañeda Calderón

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

The company provides geological and mineral exploration services.

Contracts with Codelco

A mineral exploration service contract. Since 15 October 2004, the Company has signed several contracts with Codelco to implement and develop Codelco's exploration projects in Chile. The contract currently in force is: Comprehensive Mining Exploration Services for 2014-2015 Projects.

*Codelco directors or executives.

Exploraciones Mineras Andinas Ecuador, Emsaec S.A.

At 31 December 2014

Legal status

RUC: 1792431565001

Trade Name: Exploraciones Mineras Andinas Ecuador EMSAEC S.A.
Public Limited Company.

Incorporation Date: 19 December 2012.

Partners: Exploraciones Mineras Andinas S.A. 99% and Sociedad de Inversiones Copperfield Ltda. 1%.

Subscribed and paid-up capital

US\$ 10,000.

Business purpose

Provide services in mining and related sectors.

General Manager

Álvaro Dueñas Iturralde

Ownership interest and changes during the reporting period

Codelco indirectly holds a 100% ownership interest. There were no changes during the reporting period.

Contracts with Codelco

Not applicable.

Inca de Oro S.A.

At 31 December 2014

Legal status

RUT: 76.063.022-5

Trade Name: Inca de Oro S.A.
Public Limited Company.

Incorporation Date: 11 June 2009. Notary's Office: Osvaldo Pereira González. Company Registration No. 7.565.09, page 30101 N1 20730 in the Santiago Real Property Registry.

Partners: Codelco 34% and PanAust 66%.

Subscribed and paid-up capital

US\$ 94,646,000.

Paid but Unsubscribed Capital:
US\$ 4,840,000.

Business purpose

Business Purpose

Mineral exploration and mining, and ore processing plants. Establish or form part of other companies with similar, related or complementary business purposes; or acquire or dispose of rights or shares in such companies. Acquire, incorporate and sell any mining property, deposit, concession or rights in general, movable or immovable property, securities and any kind of financial instruments. Provide any kind of mining services in Chile and abroad.

Directors

Gary Stafford, *Chairman*
Francisco Tomic
Robert McDonald
José Pesce Rosenthal (*)
Eduardo Foix Iñiguez (*)

Alternate Directors

Antonio Ortúzar V.
Paul Scarr
Diego Ferrada W.
Germán Morales Gaarn (*)
Paola Cifuentes Miranda (*)

General Manager

Francisco Tomic E.

Ownership interest and changes during the reporting period

Codelco directly holds a 33,98% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

The company did not have any business activities in 2014.

Contracts with Codelco

Not applicable.

*Codelco directors or executives.

Santiago de Río Grande S.A.

At 31 December 2014

Legal status

RUT: 96.876.140-4

Trade Name: Santiago de Río Grande S.A.
Public Limited Company.

Incorporation Date: 2 October 1998. Notary's Office: Gloria Cortez Escalda.

Partners: Codelco 99.99% and CM Picacho 0.01%.

Subscribed and paid-up capital

US\$ 24,000.

Business purpose

Obtain water rights and mineral exploration.

Directors

Eduardo Foix Iñiguez (*)

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

No business relationship.

Contracts with Codelco

On 26 November 2010 it entered into a contract with Codelco to explore for water use rights as titleholder.

During the period under review, there no new contracts with Codelco.

*Codelco directors or executives.

Sociedad Contractual Minera El Abra

At 31 December 2014

Legal status

RUT: 96.701.340-4

Trade Name: Sociedad Contractual Minera El Abra (SCM El Abra). Contract Mining Company.

Incorporation Date: 28 June 1994. Notary's Office de Santiago, Víctor Manuel Correa Valenzuela. Listed in the Santiago Registry of Commerce, page 149, No.40, 1994. Shareholders' Register 9054, page 20, 1994.

Partners: Codelco 49% and Freeport-McMoran Copper & Gold 51%.

Subscribed and paid-up capital

US\$ 317,059,000.

Business purpose

Prospect, explore and mine ore deposit known as El Abra, located in the Region II of Antofagasta, including its full extension, adjacent and nearby areas. Extract, process and treat the mineral ore from that ore body and surrounding areas; transport and trade products and by-products obtained from processing ore and other mining activities at the deposit.

Directors

Francisco Costabal, *Chairman*
Harry M. Conger
Steve I. Tanner
Jaime Rivera Machado (*)
Paula Aguirre Tapia (*)

Alternate Directors

Cory Stevens
Kathleen Quirk
Mario Orellana
José Pesce Rosenthal (*)
Octavio Araneda Oses (*)

General Manager

Joseph Kridel

Ownership interest and changes during the reporting period

Codelco directly holds a 49% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

The main business between the firms is: SCM El Abra sells copper cathodes to Codelco. Additionally, Codelco sells sulphuric acid to SCM El Abra. The amount and price is negotiated on a yearly basis.

Contracts with Codelco

The copper sales agreement is covered by a Marketing Agreement, signed on 15 June 1995, between SCM El Abra and Codelco Services Ltd. This agreement sets out the termination date as 1 January 2012, which can automatically be renewed on a year-to-year basis. Sulphuric acid sales contracts are until 31 December 2018.

*Codelco directors or executives.

Sociedad Contractual Minera Purén

At 31 December 2014

Legal status

Rut: 76.028.880-2

Trade Name: Sociedad Contractual Minera Purén. Contract Mining Company.

Incorporation Date: 23 September 2003. Notary Fernando Opazo Larrain. Registration: Property Registry, page 121, No. 31, in 2003 and Shareholders' Register, page 185 No. 207, in 2003, both at the Santiago Mining Registrar.

Partners: Codelco 35% and Mantos de Oro (Kinross) 65%.

Subscribed and paid-up capital

US\$ 9,913,000.

Business purpose

Explore, survey, prospect, research, develop and operate mining deposits in order to extract, produce and process ores, concentrates and other mineral products. Additionally, install and operate ore processing and treatment plants; establish and purchase any type of mining rights; sell, transport, export and market mineral substances and products. Enter into any contract or agreement indirectly or directly to achieve its business goal.

Directors

Alberto Opazo, *Chairman*
Luis Parra Falcón,
Ximena Mata
Víctor Janer Pérez (*)
Diego Briebe Vial (*)

Alternate Directors

Simon C. Gantley
José T. Letelier
George A. Schroer
José Miguel Labbé Chiuminatto (*)
Claudia Cabrera Correa (*)

General Manager

Guillermo Olivares Ardiles

Ownership interest and changes during the reporting period

Codelco directly holds a 35% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

No goods or services were sold between the company and Codelco.

Contracts with Codelco

No contracts that significantly influenced Codelco's operations and results.

*Codelco directors or executives.

Inversiones Mineras Los Leones SpA

At 31 December 2014

Legal status

RUT: 76.237.866-3

Trade Name: Inversiones Mineras Los Leones SpA.

Joint Stock Company.

Incorporation Date: 20 August 2012

Partners: Codelco 100%.

Subscribed and paid-up capital

US\$ 1,000,000.

Business purpose

Exploration, extraction, mining, production, processing and marketing of minerals, concentrates, precipitates and copper bars and any other metallic or non-metallic mineral substances, and in general, any fossil substance and gaseous or liquid hydrocarbon, in any naturally occurring form, including exploration, mining and use of any natural energy sources susceptible for industrial use and products or by-products obtain therefrom, and it may have ownership interest in other companies or joint ventures that complement its business purpose or provide services.

Ownership interest and changes during the reporting period

Codelco directly holds a 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

Inversiones Mineras Los Leones SpA is an investment firm whereby Codelco holds mining assets previously owned by Anglo American Sur S.A.

Contracts with Codelco

No contracts.

Investment Companies

Codelco International Limited

At 31 December 2014

Legal status

RUT: 59.156.920-1

Trade Name: Codelco International Limited.

Limited Liability Company (Bermuda)

Incorporation Date: Bermuda, 2000. Registration No. EC-28890.

Partners: Codelco 100%.

Subscribed and paid-up capital

US\$ 90,982,000.

Business purpose

Manage and control Codelco's interest in various international projects. Through its subsidiary Codelco Technologies Limited it has investments in Ecometales Limited, Jersey-Channel Islands, and its operating agency in Ecometales Limited – Agency in Chile, to develop and operate biologically-based technologies to process copper and molybdenum materials and concentrates. Codelco International Limited and Codelco Technologies Limited have incorporated Codelco do Brazil Mineração Limitada, in Brazil, in order to develop exploration, mining and market development projects. The firm has a 6% stake in Quadrem International Holdings Limited, a global company formed by companies related to mining, to operate in the electronic market to purchase and transfer goods and services. In partnership with the Chinese company Album Enterprises Limited (China Minmetals subsidiary) created in Bermuda (UK), the trading company Copper Partners Investment Ltd, each holding 50%. Codelco International Limited, in December 2009 acquired the stake Santiago del Río Grande had in Sociedad de Inversiones Copperfield Ltda. and now has the latter's 0.01% interest.

Directors

José Miguel Labbé Chiuminatto (*)

José Antonio Álvarez López (*)

Ownership interest and changes during the reporting period

Codelco directly holds a 100% ownership interest.

There were no changes during the reporting period.

Business relationship with Codelco

During the reporting period, Codelco International Limited received dividends from Copper Partners Investment Company Limited for US\$ 147 million.

Contracts with Codelco

Not applicable.

*Codelco directors or executives.

Codelco Technologies Limited

At 31 December 2014

Legal status

Trade Name: Codelco Technologies Limited

Limited Liability Company (Bermuda)

Incorporation Date: Bermuda, 2000. Company Registration No. EC-28891.

Partners: Codelco International Limited 100%.

Subscribed and paid-up capital

US\$ 44,450,000.

Business purpose

Manage and control Codelco's interest in various international projects. It has investments in Ecometales Limited, in Jersey - Channel Islands, and its operating agency Ecometales Limited – Agency in Chile, to develop and operate biologically-based technologies applied to copper and molybdenum material and concentrate processing. Also in Codelco do Brasil Mineração Limitada, in Brazil, to develop exploration, extraction and market development projects.

Directors

José Miguel Labbé Chiuminatto (*)

José Antonio Álvarez López (*)

Ownership interest and changes during the reporting period

Codelco indirectly holds a 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

No business Relationship during the period.

Contracts with Codelco

Not applicable.

*Codelco directors or executives.

Innovaciones en Cobre S.A. (Incuba)

At 31 December 2014

Legal status

RUT: 76.043.396-9

Trade Name: Innovaciones en Cobre S.A.
Public Limited Company.

Incorporation Date: Company registration number 20536/2008.
Notary's Office: Santiago, 18th.

Partners: Codelco 0.1% & Sociedad de Inversiones Copperfield Ltda. 99.9%.

Subscribed and paid-up capital

US\$ 942,000.

Business purpose

- a) Analyse, research, invent, create, develop and implement new applications, benefits and uses for copper and molybdenum;
- b) Promote, spread, distribute and market products that are manufactured incorporating new applications, benefits and uses for copper and/or molybdenum;
- c) Represent companies and individuals or entities, national or foreign; and
- d) Perform any kind of activity directly or indirectly related to the above and any other activity the partners by common consent specify. All activities that form part of its business purpose may be performed directly by the company or by a third party.

Directors

Víctor Pérez Vallejos, *Chairman* (*)
Rodrigo Toro Ugarte (*)
Eduardo Foix Íñiguez (*)
Alan Farcas G.

General Manager

Eduardo Foix Íñiguez (*)

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

Company related to Codelco related company to make investments in business and projects related to new applications of copper and molybdenum.

Contracts with Codelco

Not applicable.

*Codelco directors or executives.

Inversiones GacruX SpA

At 31 December 2014

Legal status

RUT: 76.173.357-5

Trade Name: Inversiones GacruX SpA
Joint Stock Company.

Incorporation Date: 5 October 2011.

Partners: Codelco 100%.

Subscribed and paid-up capital

US\$ 167,789,000.

Business purpose

Invest in shares, corporate rights, fund shares and securities in general, directly or indirectly related to the mining business or activities or have been issued by mining companies.

Ownership interest and changes during the reporting period

Codelco owns 100%. There were no changes during this period.

Business relationship with Codelco

Inversiones GacruX SpA is a vehicle for Codelco to maintain its investment in Inversiones Mineras Acrux SpA. Joint Venture between Codelco and Mitsui & Co., Ltd., for the 29.5% stake in Anglo American Sur S.A.

Contracts with Codelco

No new contracts.

*Codelco directors or executives.

Inversiones Mineras Acrux SpA

At 31 December 2014

Legal status

RUT: 76.167.903-1

Trade Name: Inversiones Mineras Acrux SpA.

Joint Stock Company.

Incorporation Date: 16 September 2011.

Partners: Inversiones GacruX SpA 67.8% and Inversiones CLC Gama Limitada 32.2%.

Subscribed and paid-up capital

US\$ 2,968,000.

Business purpose

Invest in tangible, intangible, movable and immovable property, shares and corporate rights, fund shares, bonds, negotiable instruments, and other securities, in Chile and abroad, directly or indirectly related to mining business or activities or have been issued by mining companies; manage, transfer, use and receive benefits; and undertake or grant other agreements or contracts to attain the above goals.

Directors

José Pesce Rosenthal (*)

Francisca Castro Fones (*)

Álvaro Aliaga Jobet (*)

Yukio Takebe

Alternate Directors

Jaime Rivera Machado (*)

José Miguel Labbé Chiuminatto (*)

Ricardo Palma Contesse (*)

Cristian Quinzio Santelices (*)

Kensuke Tsuchikawa

Ownership interest and changes during the reporting period

Codelco indirectly holds a 67.8% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

Inversiones Mineras Acrux SpA is a Joint Venture between Codelco and Mitsui & Co. Ltd., for the 29.5% stake in Anglo American Sur S.A.

Contracts with Codelco

No new contracts.

Inversiones Mineras Becrux SpA

At 31 December 2014

Legal status

RUT: 76.173.783-k

Trade Name: Inversiones Mineras Becrux SpA.

Joint Stock Company.

Incorporation Date: 6 October 2011.

Partners: Inversiones Mineras Acrux SpA 100%.

Subscribed and paid-up capital

US\$ 2,968,000.

Business purpose

Its business purpose is to hold shares issued by Anglo American Sur S.A. or its successor companies, for which it may exercise the rights and comply with obligations derived from such shares, and may undertake or grant any agreement or contract to attain the above goal.

Ownership interest and changes during the reporting period

Codelco indirectly holds a 67,80% ownership interest.

There were no changes during the reporting period.

Business relationship with Codelco

Inversiones Mineras Becrux Limitada is an investment vehicle for the assets acquired by Inversiones Mineras Acrux SpA (Joint Venture between Codelco and Mitsui&Co., Ltd., for the 29.5% stake in Anglo American Sur S.A.).

Contracts with Codelco

No new contracts were signed during this period.

*Codelco directors or executives.

Inversiones Mineras Nueva Acrux SpA

At 31 December 2014

Legal status

RUT: 76.231.838-5

Trade Name: Inversiones Mineras Nueva Acrux SpA.
Joint Stock Company.

Incorporation Date: 16 August 2012.

Partners: Inversiones Mineras Acrux SpA 100%.

Subscribed and paid-up capital

US\$ 20,000.

Business purpose

Purchase, sell, distribute, transport, intermediate and, in general, market, in Chile or abroad, minerals, concentrates, precipitates and copper bars and any metallic and non-metallic mineral substance and, in general, any fossil substance, in whatever natural form, including any resulting products or by-products and that directly or indirectly come from Anglo American Sur S.A. or its successor companies, and may participate in other companies or businesses that complement its business purpose or that provide its with services.

General Manager

Francisca Castro Fones

Ownership interest and changes during the reporting period

Codelco indirectly holds a 67.8 ownership interest.

Contracts with Codelco

No new contracts were signed during this period.

Sociedad de Inversiones Copperfield Limitada

At 31 December 2014

Legal status

Rut: 77.773.260-9

Trade Name: Sociedad de Inversiones Copperfield Limitada.
Limited Liability Company.

Incorporation Date: by public document on 12 December 2001.

Notary's Office: Álvaro Bianchi Rosas. Listed in the Register of Commerce, page 32430 No. 26478, on 14 December 2001.

Partners: Codelco 99.99% and Codelco International Limited 0.01%.

Subscribed and paid-up capital

US\$ 9,280,000.

Business purpose

Mineral exploration and operation of processing plants; purchase, build and operate mining property, deposits and rights; and participate in any kind of company, taking up, directly or indirectly, rights and ownership interest.

Representatives of partners

Cristian Quinzio Santelices (*), *Chairman*

José Miguel Labbé (*)

José Antonio Álvarez López (*)

General Manager

José Miguel Labbé Chiuminatto

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest.
There were no changes during the reporting period.

Business relationship with Codelco

No contracts were signed during this period.

Contracts with Codelco

No hubo contratos.

*Codelco directors or executives.

Electricity Companies

Central Eléctrica Luz Minera SpA

At 31 December 2014

Legal status

RUT: 76.255.061-k

Trade Name: Central Eléctrica Luz Minera SpA
Joint Stock Company.

Incorporation Date: 3 December 2012.

Partners: US\$ 1,000

Subscribed and paid-up capital

US\$ 1,000.

Business purpose

Generate, transport, distribute, supply, purchase and sell electricity and provide any kind of energy services.

Directors

José Miguel Labbé Chiuminatto (*), *Chairman*

Paola Cifuentes Miranda (*)

Francisco Danitz Miller (*)

General Manager

Francisco Danitz Miller

Ownership interest and changes during the reporting period

Codelco directly holds a 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

Not applicable.

Contracts with Codelco

No contracts were signed during this period.

*Codelco directors or executives.

Energía Minera S.A.

At 31 December 2014

Legal status

RUT: 76.883.610-8

Trade Name: Energía Minera S.A.
Public Limited Company

Incorporation Date: 15 June 2008. Notary's Office: Osvaldo Pereira González. Santiago Registry of Commerce, page 25340 No. 18444, under No. 19324, 2008.

Partners: Codelco 99% and Sociedad de Inversiones Copperfield Ltda. 1%.

Subscribed and paid-up capital

US\$ 25,002,000.

Business purpose

Develop, directly or through a third-party, individually or jointly, within Chilean territory or abroad, the following activities: generate, supply, purchase and sell electricity; provide all kinds of energy services; obtain, transfer, purchase, rent, tax or operate in whatever way the relevant concessions and markets pursuant to the General Electric Services Law and other regulations that regulate energy services; request permits, authorisations and franchises to preserve, promote or develop the company's business; purchase, sell, import, export, manufacture, produce, market, and distribute all kinds of goods or inputs, that are related to any kind of energy.

Directors

José Miguel Labbé Chiuminatto (*), *Chairman*

Francisco Danitz Miller (*)

Paola Cifuentes Miranda (*)

General Manager

Francisco Danitz Miller (*)

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

No Business Relationship.

Contracts with Codelco

Not applicable.

*Codelco directors or executives.

GNL Mejillones S.A.

At 31 December 2014

Legal status

RUT: 76.775.710-7

Trade Name: Sociedad GNL Mejillones S.A.

Public Limited Company

Incorporation Date: 31 January 2007.

Notary's Office: Osvaldo Pereira González. Santiago Registry of Commerce, page 6,625 No. 4.909, in 2007.

Partners: Codelco 37% and Suez Energy 63%.

Subscribed and paid-up capital

US\$ 37,000,000.

Business purpose

Production, storage, marketing, transport and distribution of all types of fuel; and the acquisition, construction, and operation of facilities and infrastructure and other construction work required, by the company or a third-party partnership, to transport, receive, process and store them both in Chile and overseas.

Directors

Juan Clavería Aliste, *Chairman*

Francisco Danitz Miller, *Deputy Chairmen (*)*

Francisca Castro (*)

Luis Valenzuela Palomo (*)

Manlio Alessi Remedi

Eduardo Morel

Jean-Louis Pairon

Alternate Directors

Philip De Cnudde

Paola Cifuentes (*)

José Antonio Álvarez (*)

Julien Pochet

Diego Stabile

Andre Cangucu

General Manager

Jean-Michel Cabanes

Ownership interest and changes during the reporting period

Codelco directly holds a 37% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

Sociedad GNL Mejillones S.A. supplies regasified liquefied natural gas to Codelco Chile.

Contracts with Codelco

Sociedad GNL Mejillones S.A. has a contract with Codelco known as Terminal Use Agreement signed on 5 April 2013.

Contracts with Codelco subsidiary Complejo Portuario Mejillones S.A., refers to land lease where the facilities of Sociedad GNL Mejillones S.A. are located.

*Codelco directors or executives.

Processing Plants

Planta Recuperadora de Metales SpA (PRM)

At 31 December 2014

Legal status

RUT: 76.255.054-7

Trade Name: Planta Recuperadora de Metales SpA. Joint Stock Company.

Incorporation Date: 3 December 2012.

Partners: Codelco 51% and LS Nikko 49%.

Subscribed and paid-up capital

US\$ 4,780,000.

Business purpose

Process intermediate products obtained from copper and other metal processing and refining, to recover copper, other metals and by-products contained, transforming them into commercial products; marketing and distributing any kind of goods and supplies related to this process.

Directors

Fernando Eimbcke Reccius (*), *Chairman*

Diego Brieba Vial (*)

Eduardo Foix Íñiguez (*)

General Manager

Han Young Cho

Ownership interest and changes during the reporting period

Codelco directly holds a 51% ownership interest. There were changes during this period; Codelco reduced its ownership interest from 100% to 51%.

Business relationship with Codelco

Not applicable.

Contracts with Codelco

Not applicable.

*Codelco directors or executives.

MOLYB LTDA.

At 31 December 2014

Legal status

RUT: 76.148.338-2

Trade Name: Sociedad de Procesamiento de Molibdeno Limitada. Limited Liability Company.

Incorporation Date: 19 May 2011.

Partners: Codelco 99.9% e Inversiones Copperfield Ltda. 0.1%.

Subscribed and paid-up capital

US\$ 10,676,000.

Business purpose

Processing, directly or by third parties, molybdenum concentrate or other elements containing molybdenum and/or by-products obtained through the same process, in order to produce commercial products and recover any by-products contained.

Directors

Rodrigo Toro Ugarte, *Chairman* (*)

Octavio Aranedá Oses (*)

Iván Valenzuela Rabí

Alternate Directors

Fernando Eimbcke Reccius (*)

Jaime Rivera Machado(*)

Eduardo Foix Íñiguez (*)

General Manager

Gabriel Gutiérrez Clavería

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

The subsidiary processes molybdenum concentrate from Codelco Divisions.

Contracts with Codelco

Service contract for molybdenum concentrate conversion.

Service contract with Projects Vice-Presidency.

Commercial current account contract.

IT service contract.

*Codelco directors or executives.

New uses of Copper & Molybdenum

Comotech S.A. (en liquidación)

At 31 December 2014

Legal status

RUT: 96.801.450-1

Trade Name: COMOTECH S.A. Public Limited Company.

Incorporation Date: Company registration number 12.688-07. Notary's Office: Iván Torrealba A.

Partners: Incuba S.A. 48.2%, Molymet S.A. 48.2%, Universidad de Chile 3.6%.

Business purpose

Develop activities and research to increase molybdenum demand through new and enhanced applications, uses and/or markets, for which the company may, in general, implement any kind of action or contract, which includes forming and taking part in other companies or entities, directly or indirectly related to achieving its business purpose or to managing, investing and disposing of its.

Directors

Víctor Pérez Vallejos, *Chairman* (*)

Manuel Guzmán M.

Carlos Palacio M.

Alternate Directors

Jorge Gacitúa B.

Juan Ruiz S.

General Manager

David Villaseca

Ownership interest and changes during the reporting period

Codelco indirectly holds a 48.19% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

CoMoTech S.A does not have any business relationship with Codelco.

Contracts with Codelco

No contracts were entered into during this period.

*Codelco directors or executives.

Copper for Energy S.A. (C4E) (under liquidation)

At 31 December 2014

Legal status

RUT: 76.133.034-9

Trade Name: Copper for Energy S.A.

Closely Held Company.

Started Activities: 22 September 2010.

Partners: INCuBA S.A. 41.3%, International Copper Association Ltda. 46%, Fundación Chile 10.4% and Universidad de Chile 2.3%.

Business purpose

Implement project: "Business Consortium to develop and market new copper products and applications to use energy more efficiently and/or generate and use renewable energy, that are more copper intensive and aim to meet current market needs."

Directors

Víctor Pérez Vallejos, *Chairman* (*)

Miguel Riquelme

Daniel de la Vega

Pablo Pastene

Carlos Palacio

Alternate Directors

Marco Sepúlveda

Hal Stillman

José Andrés Pesce

Helmuth Thierner W.

Ownership interest and changes during the reporting period

Codelco indirectly holds a 41.3% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

Copper for Energy has no business relationship with Codelco.

*Codelco directors or executives.

EcoSea Farming S.A.

At 31 December 2014

Legal status

RUT: 76.024.442.2

Trade Name: EcoSea Farming S.A.

Closely Held Company.

Incorporation Date: Company Registration Number 8881.

Notary's Office: Nancy de la Fuente. Deed number where articles of association are amended: 11,018.

Started Activities: 17 July 2008.

Partners: Innovaciones en Cobre S.A. 91.32%; Rodrigo Sánchez Raccaro 5.03%; Sitecna S.A. 1.44%; Asesorías e Inversiones El Refugio S.A. 2.21%.

Business purpose

- a) Transfer, adapt, research, investigate and develop farming technologies and auxiliary services, based on copper and copper alloys for aquaculture and other related fields;
- b) Produce and market any kind of product and/or services resulting from the above activities;
- c) Perform any activity and enter into contracts and agreements that directly and indirectly attain its purpose.

Directors

Victor Pérez Vallejos (*), *Chairman*

Eduardo Foix Iñiguez (*)

Dirk Wendel Heym (*)

Diego Brieba Vial (*)

Jürgen Leibbrandt

Alan Farcas Guendelman

Alternate Directors

Nicolás Puelma Ossul(*)

Mario Campos Palma (*)

Carmen Tardito Schiele (*)

Ignacio Bettancourt Mujica (*)

Miguel Ciorba Vinz

Pablo Caglevic

General Manager

Rodrigo Sánchez Raccaro

Ownership interest and changes during the reporting period

Participa en forma indirecta en un 91,32% del patrimonio social.

No hubo variaciones.

Business relationship with Codelco

EcoSea Farming S.A. no tiene relaciones comerciales con Codelco.

Contracts with Codelco

EcoSea Farming S.A. no tiene contratos con Codelco.

*Codelco directors or executives.

Research & Technology

Biosigma S.A.

At 31 December 2014

Legal status

RUT: 96.991.180-9

Trade Name: Biosigma S.A.

Public Limited Company Cerrada.

Incorporation Date: 31 May 2002. Notary's Office Nancy de La Fuente Hernández. Santiago Registry of Commerce, Real Property Registrar, page 14.849 No. 12,239 in 2002, rectified on page 17,663 No. 14,532

Partners: Codelco 66.7% and Nippon Mining and Metals 33.3%.

Subscribed and paid-up capital

US\$ 32,881,000.

Business purpose

Its purposes is to be known for developing, adapting and implementing comprehensive biotechnological solutions, based on sustainable technologies, adding value to mining operations and generating profits for its Shareholders. Its current activities are: validation of the technologies developed for biomass production and copper sulphide bioleaching, at an industrial scale at Radomiro Tomic Division and look for new business opportunities with its partners and also third parties.

Directors

Fidel Báez Núñez (*), *Chairman*
Felipe Lagno Sánchez (*)
Iván Valenzuela Rabí (*)
Jorge Yutronic F. (*)
Yuta Kusama
Shigeru Oi

Alternate Directors

Paula Aguirre Tapia (*)
Gino Slanzi Guerra (*)
Diego Brieba Vial (*)
Víctor Pérez Vallejos (*)
Akira Miura
Akira Inocawa

General Manager

Pilar Parada Valdecantos

Ownership interest and changes during the reporting period

Codelco directly holds a 66,7% ownership interest. There were no changes during the reporting period.

Contracts with Codelco

Framework Contract 46000009317, dated 24 January 2011, to develop BioSigma Bioleaching Technology Application Projects, for mineral resources at Codelco Divisions by applying expert services through Lab Research, Pilot Plants, Industrial Trials and Engineering Studies, totalling a maximum amount of CLP \$5,933,280,000 + VAT.

*Codelco directors or executives.

Ecometales Limited

At 31 December 2014

Legal status

RUT: 59.087.530-9

Trade Name: Ecometales Limited.

Limited Liability Company.

Incorporation Date: 22 August 2000 in Jersey (U.K.) (ACL). Company Registration no. 78014, Jersey-Channel Islands. Notary's Office: Geoffrey St. Clair Cornwall.

Started Activities: 2001.

Partners: Codelco Technologies Limited 100%.

Subscribed and paid-up capital

US\$ 175,430,000.

Business purpose

Its business purpose is to develop the following activities related to mining residue treatment:

- Develop technological innovations for smelter dust treatment and other smelter and refinery effluents.
- Provide mining project management and operation services that require the use of technologies for smelter dust treatment and other smelter and refinery effluents.
- Operate mining industrial processing plants that require the use of technologies for smelter dust treatment and other smelter and refinery effluents.
- Market, in Chile and abroad, mining products processed and manufactured at the plants operated by the company.

Directors

José Pesce Rosenthal, *Chairman* (*)
Fidel Báez Núñez (*)
Francisca Castro Fones (*)
Hernán Sepúlveda Astorga (*)
Octavio Araneda Oses (*)

General Manager

Iván Valenzuela Rabí

Ownership interest and changes during the reporting period

Codelco indirectly holds a 100% ownership interest. No changes occurred.

Business relationship with Codelco

Service contract to recover copper contained in the copper concentrate smelter dust, dated 31 March 2007, amendment No. 1 dated 26 March 2009 and amendment No.2, on 10 January 2011.

- Service contract for the abatement and disposal of arsenic and antimony, on 10 January 2011.
- Purchase contract for smelter dust at Salvador Division, dated 18 November 2010.
- Contract to conduct a study to build and operate Solid Hazardous Waste Disposal – El Teniente Division.
- Contract for Environmental Impact Assessment and Community Relations Plan for the Solid Hazardous Waste Disposal Project – El Teniente Division, dated 13 July 2012.
- Contract to develop Feasibility Engineering for Effluent Treatment Plant PLG (EPAS), El Teniente Division, dated 16 October 2012.
- Consulting Service Contract for the "CT Slag Flotation Cleaning System Construction Project at the Potrerillos Smelter, Salvador Division" dated 10 December 2012.

Contracts with Codelco

The following contracts were signed in 2014:

- Complex concentrate leaching project (Head Office).
- Dust treatment engineering service contract (Ministro Hales Division).
- Construction of a new cell for roaster dust storage (Ministro Hales Divisions).
- Cleaning roaster dust (Ministro Hales Division).

*Codelco directors or executives.

Instituto de Innovación en Minería y Metalurgia S.A. (IM2)

At 31 December 2014

Legal status

RUT: 96.854.500-0

Trade Name: Instituto de Innovación en Minería y Metalurgia S.A. Closely Held Company.

Incorporation Date: 24 September 1998. Company Registration No.17.346-12 .

Notary's Office: Osvaldo Pereira González, Santiago.

Partners: Codelco 99.93% and Sociedad de Inversiones Copperfield Limitada 0.07%

Subscribed and paid-up capital

US\$ 3,296,000.

Business purpose

Its business purpose is to develop technological, mining and metallurgical innovations.

Directors

Fidel Báez Núñez, *Chairman* (*)

Paula Aguirre Tapia (*)

Jorge Yutronic F. (*)

General Manager

Pablo Letelier Parga

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest.

No changes occurred during this period.

Business relationship with Codelco

The business relationship between IM2 and Codelco started in 1998. At present contract No. 4600011966 is in force from 1 January 2013 for a three-year (03) period; it establishes a general framework of activities, whereby IM2 provides services to prepare and implement research and technological innovation programmes and projects.

Contracts with Codelco

- Technological research and innovation contract. Customer.
- Codelco-IM2 Collaboration Agreement for telecommunications and IT services provided by GTIC. Supplier.

Kairos Mining S.A.

At 31 December 2014

Legal status

RUT: 76.781.030-k

Trade Name: Kairos Mining S.A. Public Closely Held Company.

Incorporation Date: 12 December 2006. Notary's Office: Eduardo Avello Concha. Listed in the Registry of Commerce, page 363, No. 295, in 2008 and was published in the Official Gazette No. 38,671, on 24 January 2008.

Partners: Codelco 5% and Honeywell Chile S.A. 95%.

Subscribed and paid-up capital

US\$ 5,000.

Business purpose

It provides automation and control services for industrial and mining activities, and it also provides technology and software licences.

Directors

Claudio Zamora Larrebourg, *Chairman*

Tina Pierce

John Lewis

General Manager

Fernando Lorca Arancibia

Ownership interest and changes during the reporting period

Codelco directly holds a 5% ownership interest. No changes occurred.

Business relationship with Codelco

Kairos Mining S.A. and Codelco currently have a long-term service framework agreement in force.

Contracts with Codelco

- Framework Service Agreement to develop a automation programme at Codelco's concentrator plants, 5-year term (from 3 April 2007), extendable for equal and successive 5-year periods.
- On 10 September 2010, Amendment No. 1 to the Service Framework Agreement was signed, expressly incorporating the concentrator plants at Salvador and Ministro Hales Divisions, within the scope of the programme-initiative.
- On 1 April 2012, Amendment No. 2 to the Service Framework Agreement was signed, extended for a further 5-year period, until 3 April 2017.

*Codelco directors or executives.

Trading Companies

Chile Copper Limited

At 31 December 2014

Legal status

Trade Name: Chile Copper Limited.
Limited Liability Company (UK)
Incorporation Date: England, 29 March 1971.
Partners: Codelco 100%.

Subscribed and paid-up capital

US\$ 1,556.

Business purpose

Codelco Chile sales agent and representative for copper and molybdenum products in the UK, Spain, Scandinavia, Bulgaria, Turkey and other European and Middle East markets.

It holds an 80% interest in subsidiary Codelco Services Ltd., the other 20% is held by Codelco Kupferhandel GmbH.

Directors

Rodrigo Toro Ugarte, *Chairman* (*)
Raúl de la Piedra Ramírez (*)
Paola Cifuentes Miranda (*)
Víctor Pérez Vallejos (*)

General Manager

Gonzalo Cuadra

Ownership interest and changes during the reporting period

Codelco directly holds a 100% ownership interest. No changes occurred.

Business relationship with Codelco

Codelco sales agent. Through its subsidiary Codelco Services Ltd., it trades copper and molybdenum to meet Codelco Chile contracts; and it also carries out hedging operations for Codelco Chile and its subsidiary Codelco Kupferhandel GmbH.

Contracts with Codelco

Copper and molybdenum sales agency contract.

CK Metall Agentur GmbH

At 31 December 2014

Legal status

Trade Name: CK Metall Agentur GmbH.
Limited Liability Company (Germany)
Incorporation Date: Germany, 7 July 1992.
Partners: Codelco Kupferhandel GmbH 100%.

General Manager

Heribert Heitling

Ownership interest and changes during the reporting period

Codelco indirectly holds a 100% ownership interest. There were no changes during the reporting period.

Business relationship

A Codelco Chile trade agent in North European countries (sells Codelco Chile copper products in Germany, Austria, the Netherlands and Denmark). Codelco Chile sales agent for molybdenum and other by-products in Germany, Austria, the Netherlands, Czech Republic, Slovakia and Poland. It coordinates logistics and supports customer shipping and delivery operations.

Contracts with Codelco

Cathode contract.

*Codelco directors or executives.

Codelco Group (USA) INC.

At 31 December 2014

Legal status

Trade Name: Codelco Group Inc.
Public Limited Company (USA).

Incorporation Date: Delaware, 21 December 1992, a corporation chartered in the State of Delaware, pursuant to section 108(c) under the General Corporation Law.

Partners: Codelco 100%.

Subscribed and paid-up capital

US\$ 1,000.

Business purpose

Any action or activity permitted under the General Corporation Law in the State of Delaware. As at 31 December 2012, there are two subsidiaries under this company: Codelco-USA Inc. and Codelco Metals Inc.; their objective is to act, but is not limited to, as sales agent and representative of Codelco Chile for copper products and by-products in NAFTA markets; trade copper internally in NAFTA markets applying, for example, relevant logistics procedures.

Directors

Rodrigo Toro Ugarte, *Chairman* (*)
Cristian Quinzio Santelices (*)
Raúl de la Piedra Ramírez (*)
Víctor Pérez Vallejos (*)

General Manager

Michael Galetzki

Ownership interest and changes during the reporting period

Codelco directly holds a 100% ownership interest.
No changes occurred.

Business relationship

Business relations with Codelco are established through Codelco Group Inc. subsidiaries; one as Codelco sales agent and the other as a copper and molybdenum trading company.

Contracts with Codelco

Agency contracts, copper purchase contracts.

*Codelco directors or executives.

Codelco Kupferhandel GmbH

At 31 December 2014

Legal status

Trade Name: Codelco Kupferhandel GmbH.
Limited Liability Company (Germany).

Incorporation Date: Hamburg, 27 March 1981.

Partners: Codelco 100%.

Subscribed and paid-up capital

US\$ 3,649,000.

Business purpose

Import, export, trade and transform all types of metal, especially copper; and sell equipment for the copper production industry. Acquire and manage ownership interest in metal manufacturing industries, particularly copper; and also do research on obtaining and manufacturing metals.

It has 100% ownership interest in the subsidiary CK Metall Agentur GmbH and 40% in the wire rod production plant Deutsche Giessdraht GmbH, in the latter it manages the cathode supply and markets the wire rod produced.

Directors

Rodrigo Toro Ugarte (*), *Chairman*
Víctor Pérez Vallejos (*)
Fernando Eimbcke Reccius (*)
Paola Cifuentes Miranda (*)

General Manager

Heribert Heitling

Ownership interest and changes during the reporting period

Codelco directly holds a 100% ownership interest.
No changes occurred.

Business relationship

Through its subsidiary CK Metall Agentur GmbH it act as Codelco Chile's trade agent in North European countries: (Germany, Austria, the Netherlands and Denmark). Through its UK subsidiary, Codelco Services Ltd., it carries out hedging operations and other transactions for Codelco.

Contracts with Codelco

Cathode contract.

*Codelco directors or executives.

Codelco Metals INC.

At 31 December 2014

Legal status

Trade Name: Codelco Metals Inc.
Public Limited Company (USA).

Incorporation: under the laws of the State of Delaware.

Partners: Codelco Group (USA) Inc. 100%.

Directors

Rodrigo Toro Ugarte, *Chairman* (*)

Cristian Quinzio Santelices (*)

Raúl de la Piedra Ramírez (*)

Víctor Pérez Vallejos (*)

General Manager

Michael Galetzki

Ownership interest and changes during the reporting period

Codelco directly holds a 100% ownership interest. No changes occurred.

Business relationship with Codelco

It is a copper and molybdenum trading company for Codelco. It helps Codelco Chile trade and meet Codelco on-site delivery contracts.

Contracts with Codelco

Agency contracts, copper purchase contracts.

*Codelco directors or executives.

Codelco Services Limited

At 31 December 2014

Legal status

Trade Name: Codelco Services Limited.
Limited Liability Company (UK).

Incorporation Date: England, 16 August 1988.

Partners: Chile Copper Ltd. 80% and Codelco Kupferhandel GmbH 20%.

Subscribed and paid-up capital

US\$ 778,000.

Business purpose

Its business purpose is very extensive, but its main focus is on manufacturing, storage and trading products and it also provides services to third parties. Its normal business is limited to trading copper and molybdenum products and copper futures trade, in order to provide services to Codelco Chile and Codelco Kupferhandel GmbH, and other companies in the Codelco group that the parent company deems appropriate.

Directors

Rodrigo Toro Ugarte, *Chairman* (*)

Raúl de la Piedra Ramírez (*)

Paola Cifuentes Miranda (*)

Víctor Pérez Vallejos (*)

Gonzalo Cuadra (*)

General Manager

Gonzalo Cuadra

Ownership interest and changes during the reporting period

Codelco indirectly holds a 100% ownership interest. No changes occurred.

Business relationship with Codelco

Codelco Services Limited trades copper and molybdenum to meet Codelco Chile contracts; it also provides hedging services for Codelco Chile and its subsidiary Codelco Kupferhandel GmbH.

*Codelco directors or executives.

Codelco Shanghai Co. LTD.

At 31 December 2014

Legal status

Trade Name: Codelco Shanghai Company Limited. Limited Liability Company (China).

Incorporation Date: China, 2 November 2011.

Partners: Codelco 100%.

Subscribed and paid-up capital

US\$ 2,000,000.

Business purpose

Import and export copper, molybdenum and other metals.

Sales agency services to sell copper products and molybdenum.

Supply agency services to supply mining materials and products.

Directors

Rodrigo Toro Ugarte, *Chairman* (*)

Raúl de la Piedra Ramírez (*)

Víctor Pérez Vallejos (*)

Fernando Marchant Barría (*)

Cristian Quinzio Santelices (*)

General Manager

Helmut Arbert

Ownership interest and changes during the reporting period

Codelco directly holds a 100% ownership interest. No changes occurred.

*Codelco directors or executives.

Codelco USA INC.

At 31 December 2014

Legal status

Trade Name: Codelco USA Incorporated.

Public Limited Company.

Incorporation: under the Laws in the State of New York.

Partners: Codelco Group (USA) Inc. 100%.

Business purpose

Acts as sales agent and representative of Codelco Chile for copper products and by-products in NAFTA markets, and it also internally trades copper in NAFTA markets applying the logistics procedures.

Directors

Rodrigo Toro Ugarte, *Chairman* (*)

Cristian Quinzio Santelices (*)

Raúl de la Piedra Ramírez (*)

Víctor Pérez Vallejos (*)

General Manager

Michael Galetzki

Ownership interest and changes during the reporting period

Codelco indirectly holds a 100% ownership interest. No changes occurred.

Business relationship with Codelco

It is Codelco sales agent and representative before international organisations. Specific examples of the business relationship:

Acts as Codelco-Chile sales agent and representative in markets, organisations and activities it is assigned.

Codelco Chile sales agent for copper, molybdenum, gold and silver, in Mexican, US and Canadian markets.

Representative and participates on behalf of Codelco Chile in organisations, such as Nymex Non-Ferrous Metals Committee, Copper Development Association, International Molybdenum Association (IMOA), and Board of Directors of the Chilean-American Chamber of Commerce (CACC).

Contracts with Codelco

Agency contracts, copper purchase contracts.

*Codelco directors or executives.

Copper Partners Investment Limited (CUPIC)

At 31 December 2014

Legal status

Trade Name: Copper Partners Investment Company Limited. Limited Liability Company (Bermuda).

Incorporation Date: Bermuda, 1 February 2006.

Partners: Codelco International Limited 50% and Album Trading Company Limited 50%.

Subscribed and paid-up capital

US\$ 220,000,000.

Business purpose

Develop business transactions between Codelco Chile and China Minmetals Non-Ferrous Metals Co. Ltd.

Board of Directors

Jiao Jian, *Chairman*

Jin Xiaoguang

Hao Chuanfi

Rodrigo Toro Ugarte (*)

Francisca Fones (*)

Cristian Quinzio Santelices (*)

Ownership interest and changes during the reporting period

Codelco indirectly holds a 50% ownership interest. There were no changes during the reporting period.

Contracts with Codelco

It has a contract with Codelco Chile until May 2021; it buys 55,750 tonnes of copper from Codelco per year.

*Codelco directors or executives.

Deutsche Giessdraht GmbH

At 31 December 2014

Legal status

Trade Name: Deutsche Giessdraht GmbH. Limited Liability Company (Germany).

Incorporation Date: Germany, 9 April 1975.

Partners: Codelco Kupferhandel GmbH 40% and Aurubis AG 60%.

Business purpose

Wire rod production plant.

Directors

Stefan Boel, *Chairman*

Jens Jacobsen

Björn Carsten Frenzel

Heribert Heitling (*)

Raúl de la Piedra Ramírez (*)

Alternate Directors

Wilhelm Happ (*)

Fernando Eimbcke Reccius (*)

General Manager

Stefan Schneider

Ownership interest and changes during the reporting period

Codelco indirectly holds a 40% ownership interest. No changes occurred.

Business relationship with Codelco

Codelco Kupferhandel GmbH (Codelco subsidiary), has direct relations with its wire rod production plant Deutsche Giessdraht GmbH, it provides cathode supply management and markets the wire rods produced.

Contracts with Codelco

No contracts with Codelco Chile, only through Codelco Kupferhandel GmbH.

*Codelco directors or executives.

Port Companies

Complejo Portuario Mejillones S.A.

At 31 December 2014

Legal status

RUT: 96.819.040-7

Trade Name: Complejo Portuario Mejillones S.A.

Closely Held Company

Incorporation Date: 18 March 1997. Notary's Office: Hugo Leonardo Pérez Pousa. Listed in the Santiago Registry of Commerce, page 7,188 No. 5.679.

Partners: Codelco 99.99% and Sociedad de Inversiones Copperfield Ltda. 0.01%.

Subscribed and Paid-Up Capital

US\$ 32,593,000.

Business purpose

Project, build and operate a port in the Mejillones Bay, II Region of Antofagasta. CPM developed the project and awarded the construction and operation of Terminal 1, through a 30-year concession contract to Compañía Portuaria Mejillones S.A., a private consortium originally formed by Grupo Ultramar, Inversiones y Construcciones Belfi Ltda. and Inversiones Portuarias Norte Grande S.A.

Directors

Juan Villarzú R.

Rodrigo Toro Ugarte (*)

Francisca Castro Fones (*)

Cristian Quinzio Santelices (*)

Teodoro Wigodski

Alternate Directors

Víctor Pérez Vallejos (*)

Carlos Alvarado Hernández (*)

Víctor Janer Pérez (*)

Esperanza Letelier Urcelay (*)

Eduardo Foix Íñiguez (*)

General Manager

Álvaro Arroyo Albala

Ownership interest and changes during the reporting period

Participa en forma directa e indirecta en un 100% del patrimonio social. No hubo variaciones.

Contracts with Codelco

Codelco provides IT services to CPM, which are charge to its cost centre and is then invoiced. CPM rents out office space to Codelco in the administration building at Terminal 1.

Contracts

Codelco Guarantee Contract: between Codelco, Complejo Portuario Mejillones S.A. and Compañía Portuaria Mejillones S.A., whereby Codelco guarantees to Compañía Portuaria Mejillones S.A. the payment of any and all sums payable by CPM to Compañía Portuaria under the Contract to Build Port Facilities and Provide Port Services at Terminal 1, Mejillones (BOT Contract), entered into by both companies, in the event that CPM fails to comply. Contract whereby CPM rents out office space to Codelco at Terminal 1 administration building, October 2003 (renewed in October 2011).

During 2012, CPM and Codelco signed an agreement to submit an offer for port services for the Sulphide Mine RT Phase 2 Project, whereby CPM committed to reserve land required for the project until 31 December 2013.

During 2013, CPM and Codelco signed a collaboration agreement to set out the conditions under which CPM shall request the modifications to its seaport concessions, so that they are consistent with the Codelco Luz Minera Power Plant Project and funding conditions.

*Codelco directors or executives.

Health & Pension Companies

Asociación Garantizadora de Pensiones

At 31 December 2014

Legal status

RUT: 81.767.200-0

Trade Name: Asociación Garantizadora de Pensiones. Healthcare Pension Fund.

Incorporation Date: By Decree 1625 on 18 June 1927.

Partners: Codelco 96.69% and Sociedad Química and Minera de Chile S.A. (SQM) 3.31%.

Subscribed and paid-up capital

US\$ 1,131,000.

Business purpose

A private law, non-profit healthcare pension fund. Established to ensure, replacing related companies, payment of pension funds pursuant to Occupational Accident Law 4,055.

Directors

José Antonio Álvarez López, *Chairman* (*)

José Miguel Labbé Chiuminatto (*)

Gonzalo Zamorano Martínez (*)

Víctor Janer Pérez(*)

Diego Brieba Vial (*)

General Manager

Elly García Inostroza

Ownership interest and changes during the reporting period

Codelco directly holds a 96,69% ownership interest.

No changes occurred.

Business relationship with Codelco

It does not have any business relations with Codelco.

Contracts with Codelco

It does not have any business contracts with Codelco.

*Codelco directors or executives.

Centro de Especialidades Médicas Río Blanco Ltda.

At 31 December 2014

Legal status

RUT: 76.064.682-2

Trade Name: Centro de Especialidades Médicas Río Blanco Ltda. Limited Liability Company.

Incorporation Date: 30 June 2009.

Notary's Office: Nancy de la Fuente Hernández. It was published in the Official Gazette no. 39,410 on 13 July 2009. Listed on page 148 No. 142, in the Los Andes Registry of Commerce of CBR.

Partners: Codelco 99% and Isapre Río Blanco Ltda. 1%.

Subscribed and paid-up capital

US\$ 518,000.

Business purpose

Implement all kinds of services and provide outpatient medical care.

Directors

Daniel Sierra Parra, *Chairman* (*)

Diego Ruidiaz Gómez (*)

Leonardo Whittle Ferrer

Jorge Vargas Lechuga (*)

Mauricio Márquez G.

General Manager

Miguel Ángel Insulza González

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest.

No changes occurred.

Business relationship

Provide outpatient medical services to Andina Division employees in the Industrial Section through contract No. 4501341900, called Industrial Section Medical Centre Contract.

*Codelco directors or executives.

Centro de Especialidades Médicas San Lorenzo Ltda.

At 31 December 2014

Legal status

RUT: 76.124.156-7

Trade Name: Centro de Especialidades Médicas San Lorenzo Limitada.

Limited Liability Company.

Incorporation Date: 2 November 2010.

Partners: Clínica San Lorenzo Ltda. 99% and San Lorenzo Isapre Ltda. 1%.

Business purpose

Provide outpatient services based on level of complexity, whatever its responsibility or name.

Directors

Daniel Sierra Parra, *Chairman* (*)

Diego Ruidiaz Gómez (*)

Leonardo Whittle Ferrer

Jorge Vargas Lechuga (*)

Mauricio Márquez G.

General Manager

Carlos Veliz Heap

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest. No changes occurred.

Business relationship with Codelco

Provide healthcare, outpatient and emergency services, paramedics, lab tests, pharmacology, and radiology, and in general, any medical and nursing assistance to Salvador Division employees.

Contracts with Codelco

Contract for Provision of Medical Services to Salvador Division Employees under Law 16,744; Contract No. 4501177332 (March 2011).

*Codelco directors or executives.

Clínica Río Blanco S.A.

At 31 December 2014

Legal status

RUT: 99.573.600-4

Trade Name: Clínica Río Blanco S.A.

Public Limited Company Cerrada.

Incorporation Date: 1 December 2004.

Partners: Codelco 99% and Isapre Río Blanco Ltda. 1%.

Subscribed and paid-up capital

US\$ 4,899,000.

Business purpose

Provide healthcare services, through clinic management services; provide outpatient and emergency healthcare services, and paramedics; carry out lab tests, pharmacology, analyses, radiology tests and, in general, any medical and nursing activity based on level of complexity.

Directors

Daniel Sierra Parra, *Chairman* (*)

Diego Ruidiaz Gómez (*)

Leonardo Whittle Ferrer

Jorge Vargas Lechuga (*)

Mauricio Márquez G.

General Manager

Miguel Ángel Insulza González

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest. No changes occurred.

Business relationship

Provision of medical, health, outpatient and emergency services, paramedics, lab tests, pharmacology and radiology, and in general, the provision of medical and nursing care to Codelco's employees at Andina Division.

Contracts with Codelco

Occupational health contract with Occupational Health and Industrial Department: Contract No. 4500982103, "Service Provision Contract, Law 16,744."

Occupational Health Unit administration and operation contract: Contract No. 4500981031, "Administration Service Contract."

Occupational Medical Service Contract No. 4501341817.

Pre-Employment Medical Examination Contract No. 4400007043.

*Codelco directors or executives.

Clínica San Lorenzo Ltda.

At 31 December 2014

Legal status

RUT: 88.497.100-4

Trade Name: Clínica San Lorenzo Limitada.
Limited Liability Company.

Incorporation Date: El Salvador, 24 November 1981. Notary: Ricardo Olivares Pizarro.

Partners: Codelco 99.9% and Sociedad de Inversiones Copperfield Ltda. 0.1%.

Subscribed and paid-up capital

US\$ 19,998,000.

Business purpose

Provide healthcare through the management of a clinic; provide outpatient and emergency health services and paramedics; conduct lab tests, pharmacology, analysis, radiology and, in general, any medical and nursing assistance based on level of complexity.

Directors

Daniel Sierra Parra, *Chairman* (*)

Diego Ruidiaz Gómez (*)

Leonardo Whittle Ferrer

Jorge Vargas Lechuga (*)

Mauricio Márquez G.

General Manager

Carlos Veliz Heap

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest.

No changes occurred.

*Codelco directors or executives.

FUSAT

At 31 December 2014

Legal status

RUT: 70.905.700-6

Trade Name: Fundación de Salud El Teniente.
Foundation, Healthcare Institution.

Incorporation Date: 15 December 1981. Notary: Gerardo Carvallo Salazar by Supreme Decree 62 on 14 January 1982.

Subscribed and paid-up capital

US\$ 200,000.

Business purpose

The business purpose of Fundación de Salud El Teniente, FUSAT, is to give and provide healthcare based on level of complexity.

FUSAT is a non-profit organisation, but it can carry out economic operations the profits of which must be used in full as provided in the articles of association.

Directors

Daniel Sierra Parra, *Chairman* (*)

Diego Ruidiaz Gómez (*)

Jorge Vargas Lechuga (*)

Mauricio Márquez G.

Leonardo Whittle Ferrer

Executive Director

Francisco de la Fuente B.

Contracts with Codelco

"Emergency Health Service Centres at El Teniente Division," No. 4600011839, for a 48-month period, from November 2012.

"Occupational Medical Restriction Assessment Service," No. 4501283077, from June to December 2012.

*Codelco directors or executives.

Isapre Chuquicamata Ltda.

At 31 December 2014

Legal status

RUT: 79.566.720-2

Trade Name: Institución de Salud Previsional Chuquicamata Ltda. Limited Liability Company.

Incorporation Date: El Loa, 4 February 1982. Notary Sr. Claudio Mesina Schulz.

Partners: Codelco 98.3% and Fundación de Salud El Teniente 1.7%.

Subscribed and paid-up capital

US\$ 1,482,000.

Business purpose

Its purpose is to fund the health benefits and provisions and related or complementary activities, pursuant to Law 18,933.

Directors

Silvio Guzmán Filippi (*)
 José Antonio Álvarez López (*)
 Víctor Janer Pérez (*)
 Paola Cifuentes Miranda (*)

General Manager

Jaime del Solar Zorzano

Ownership interest and changes during the reporting period

Codelco directly holds a 98,3% ownership interest.
 No changes occurred.

Business relationship

Provide healthcare and medical services to all Codelco employees who are members of this Isapre, their family and any members who are former Codelco employees.

Contracts with Codelco

Medical care contract (01-06-82).
 Services provision contract (22-07-2003).
 Healthcare Services Purchase Contract Addendum between Isapre Chuquicamata Ltda. and Healthcare Service at Chuquicamata Division (13 -12- 2010).
 Medical equipment and instrument purchase contract (01-09-2011).
 Health Benefit Administration Agreement (01-12-2013).

*Codelco directors or executives.

Isapre FUSAT Limitada

At 31 December 2014

Legal status

RUT: 76.334.370-7

Trade Name: Institución de Salud Previsional Fusat Ltda. Limited Liability Company.

Incorporation Date: 5 August 2005.

Partners: Fusat 99.7% and Inmobiliaria e Inv. Río Cipreses Ltda. 0.3%.

Subscribed and paid-up capital

CL\$ 1.37 billion.

Business purpose

Finance health services and benefits and related or complementary activities, as provided under Law 18,933 and its subsequent amendments.

Directors

Silvio Guzmán Filippi (*)
 José Antonio Álvarez López (*)
 Víctor Janer Pérez (*)
 Paola Cifuentes Miranda (*)

General Manager

Jaime del Solar Zorzano

Ownership interest and changes during the reporting period

Codelco does not have ownership interest.
 No changes occurred.

Business relationship

Isapre Fusat Ltda. finances healthcare provision through appropriate medical services, for any Codelco employees, their family and any former employees who are members of this Isapre. Codelco pays for these services on a monthly basis (allowance value) to Isapre Fusat.

Contracts with Codelco

Below are the existing contracts with Codelco El Teniente Division:
 Administration & Payment Agreement B (05.01.2009).
 Pension Payment & Administration Agreement (01.08.2009)
 Payment and Administration Agreement A (01.01.2011).
 Health Benefit Administration Agreement and Power (01.01.2012).

*Codelco directors or executives.

Isapre Río Blanco Limitada

At 31 December 2014

Legal status

RUT: 89.441.300-K

Trade Name: Institución de Salud Previsional Río Blanco Limitada. Limited Liability Company

Incorporation Date: 5 May 1983. Exempt Resolution No. 001700 May 1983.

Partners: Fusat Codelco 99.99% and San Lorenzo Isapre Ltda. 0.01%.

Subscribed and paid-up capital

US\$ 1,057,000.

Business purpose

Its purpose is to finance the healthcare benefits and provision and related activities, as provided by la Law 18,933.

Directors

Silvio Guzmán Filippi (*)

José Antonio Álvarez López (*)

Víctor Janer Pérez (*)

Paola Cifuentes Miranda (*)

General Manager

Jaime del Solar Zorzano

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest.

No changes occurred.

Business relationship with Codelco

Andina Division is required, under several collective employment agreements signed with its employees, to fund its former employees, spouses and legally recognised family members, under the terms, periods, methods and conditions stipulated in these agreements.

Contracts with Codelco

Contract 4600007710, "Health Benefit Administration Agreement" (16-03-2009).

Contract 4600008778, "Healthcare Provision Agreement" (01-01-2010).

"Subsidy Payment Agreement" (01-01-2007).

*Codelco directors or executives.

San Lorenzo Isapre Limitada

At 31 December 2014

Legal status

RUT: 76.521.250-2

Trade Name: San Lorenzo Institución de Salud Previsional Ltda. Limited Liability Company.

Incorporation Date: 17 April 2016. Notary Sr. Patricio Zaldívar Mackenna. Exempt Resolution No. 3, on 26 May 2006.

Partners: Clínica San Lorenzo Ltda. 99% and Isapre Fusat 1%.

Subscribed and paid-up capital

CL\$ 527 million.

Business purpose

Its purpose is to provide funds for health services and benefits and related or complementary activities, under the terms set out in Law 18,933.

Directors

Silvio Guzmán Filippi (*)

José Antonio Álvarez López (*)

Víctor Janer Pérez (*)

Paola Cifuentes Miranda (*)

General Manager

Jaime del Solar Zorzano

Ownership interest and changes during the reporting period

Codelco indirectly holds a 99% ownership interest.

No changes occurred.

Business relationship with Codelco

Salvador Division has been required, by collective contracts and/or agreements with its employees, to fund employee and legally recognised family members, healthcare services when the Work Contract is signed with the Division and complete the payment of the legal health contribution to San Lorenzo Isapre Ltda. The Division funds the healthcare services not included in the Isapre health plan, but which are included in the collective agreements between the Division and employees.

Contracts with Codelco

Health Benefit Administration Contract (01.12.2010).

*Codelco directors or executives.

Sociedad Ejecutora Proyecto Hospital del Cobre Calama S.A.

At 31 December 2014

Legal status

RUT: 96.817.780-K

Trade Name: Ejecutora Proyecto Hospital del Cobre-Calama S.A.
Closely-Held Company.

Incorporation Date: Santiago, 11 April 1997.

Partners: Codelco 99.99% and Clínica San Lorenzo Ltda. 0.01%.

Subscribed and paid-up capital

US\$ 358,000.

Business purpose

Its purpose is to give and provide healthcare based on the level of complexity.

Provide all kinds of healthcare, for which it may establish, maintain and manage clinics and other healthcare establishments.

Provide any kind of healthcare outpatient services, whatever specialization or name, in emergency and paramedic services.

Directors

Daniel Sierra Parra (*), *Chairman*

Diego Ruidiaz Gómez (*)

Leonardo Whittle Ferrer

Jorge Vargas Lechuga (*)

Mauricio Márquez G.

General Manager

Héctor Cerda O.

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest.

No changes occurred.

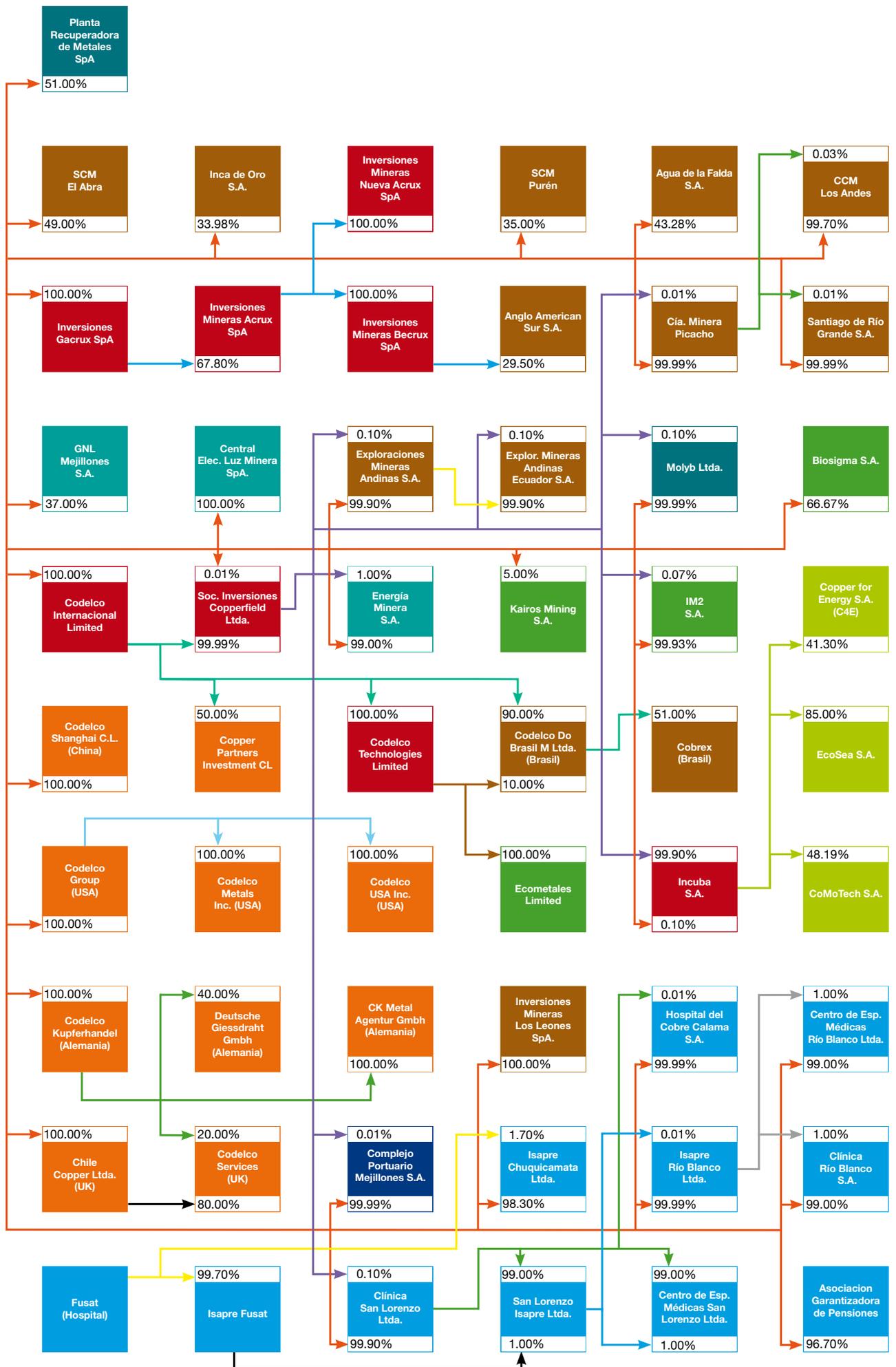
Business relationship with Codelco

Framework Agreement between Codelco-Chile, Ejecutora Proyecto Hospital del Cobre-Calama S.A. and Las Américas Administradora Fondos de Inversión S.A. It is the regulatory framework governing the relationship between the above parties, for a 20-year period (until 31 March 2021).

Contracts with Codelco

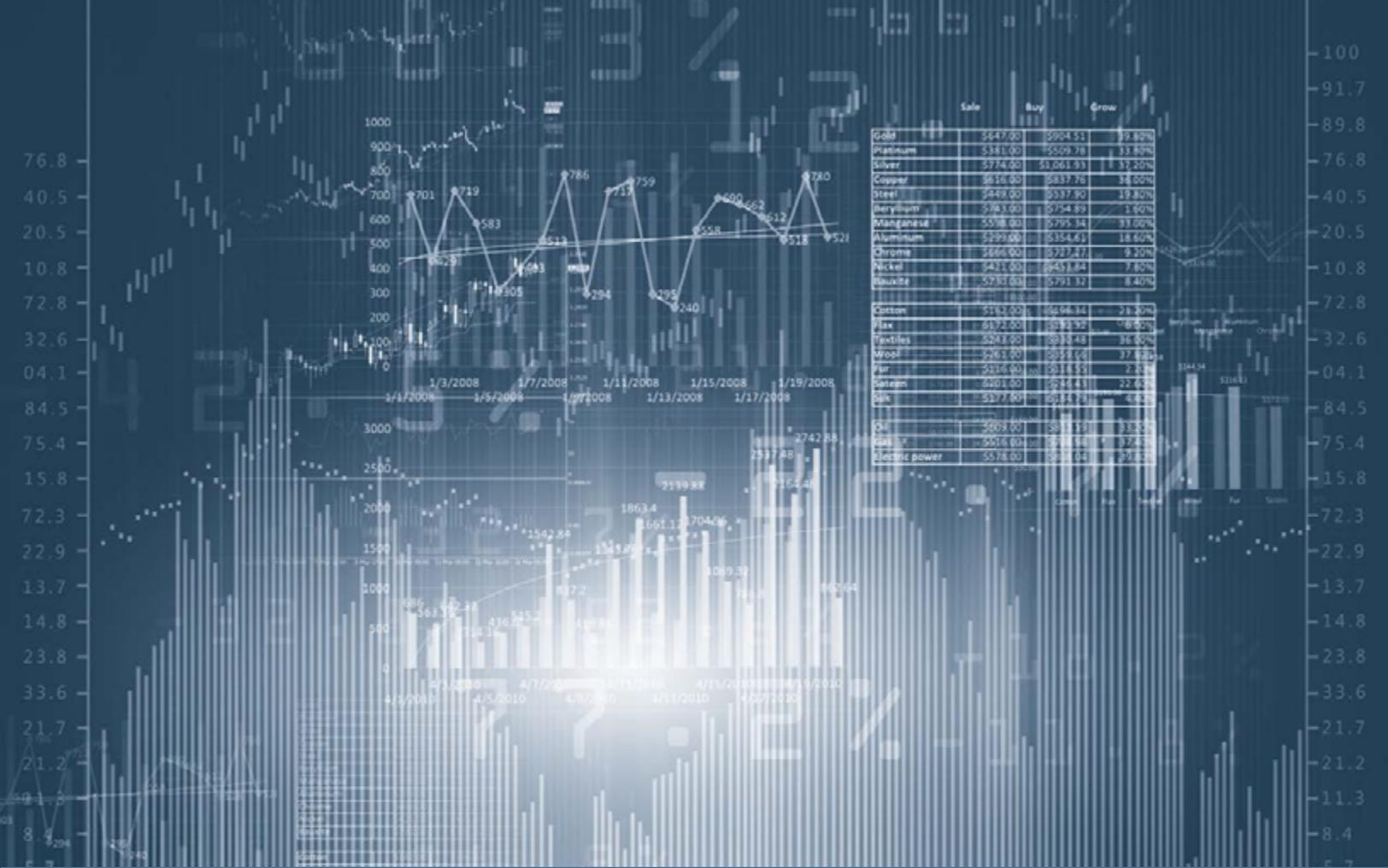
- Sublet Hospital del Cobre Dr. Salvador Allende G., until March 2021, as per the Framework Agreement.
- Accounting and billing services provided to "Ejecutora" by Codelco, until 31 March 2021.
- Various contracts started in 2005, related to the same Primary Healthcare Centre Expansion Project. (CAP).

*Codelco directors or executives.



Subsidiary & Affiliate Company Network

- Mining Companies
- Trading Companies
- Electricity Companies
- Research & Technology Companies
- Processing Plants
- Investment Companies
- Port Companies
- Health & Pension Companies
- New uses of Copper & Molybdenum



CODELCO-CHILE

Consolidated Financial Statements as of December 31, **2014**



(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note 1.2)



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Consolidated Financial Statements

As of December 31, 2014

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 Santiago

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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 financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2014 and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the year 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 consolidated financial statements in conformity with Instructions and standards of preparation and presentation of financial information issued by Superintendencia de Valores y Seguros described in Note 2 a to the consolidated financial statements. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion on the Regulatory Basis of Accounting

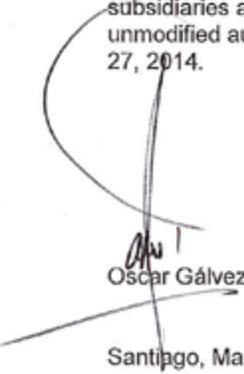
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corporación Nacional del Cobre de Chile and its subsidiaries as of December 31, 2014, and the results of its operations, and its cash flows for the year then ended, in conformity with instructions and standards of preparation and presentation of financial information issued by the Superintendencia de Valores y Seguros described in Note 2 to the consolidated financial statements.

Basis of Accounting

As described in Note 2 to the consolidated financial statements, on October 17, 2014 the Superintendencia de Valores y Seguros under its authority issued Circular No. 856 instructing entities under its supervision, to record the differences in assets and liabilities for deferred taxes arising as a direct effect of the changes in the tax rates introduced by Law 20.780 against equity, thereby changing the conceptual accounting framework for the preparation and presentation of financial information adopted until that date, from the previous framework (International Financial Reporting Standards) which is required to be adopted in comprehensive and explicit manner and without reservations. The quantification of the change of the accounting framework as of December 31, 2014 and for the year then ended is also described in Note 5. Our opinion is not modified with respect to this matter.

Other matters

Previously, we have audited, in accordance with auditing standards generally accepted in Chile, the consolidated financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries as of and for the year ended on December 31, 2013, in which we expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 27, 2014.


Oscar Gálvez R.

EY LTDA.

Santiago, March 26, 2015

Corporación Nacional del Cobre de Chile

Consolidated Statements of Financial Position

As of December 31, 2014 and 2013

(In thousands of US dollars - ThUS\$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

Assets	Notes	12/31/2014	12/31/2013
Current Assets			
Cash and cash equivalents	1	1,310,616	750,670
Other current financial assets	11	31,748	5,627
Other current non-financial assets		31,652	27,107
Trade and other current receivables	2	2,177,782	2,186,182
Accounts receivables due from related companies, current	3	9,488	30,883
Inventory	4	2,406,212	2,244,011
Current tax assets	6	189,883	179,759
Total current assets		6,157,381	5,424,240
Non-current assets			
Other non-current financial assets	11	62,413	93,707
Other non-current non-financial assets	10	35,915	39,662
Non-current receivables	2	124,675	138,896
Accounts receivables due from related companies, non-current	3	224	224
Investment accounted for using the equity method	8	6,798,706	7,494,982
Intangible assets other than goodwill		18,406	18,623
Property, plant and equipment, net	7	22,053,017	20,126,811
Investment property		5,829	18,018
Total non-current assets		29,099,185	27,930,923
Total Assets		35,256,566	33,355,163

The accompanying notes form an integral part of these Consolidated Financial Statements.

Corporación Nacional del Cobre de Chile

Consolidated Statements Of Financial Position

As of December 31, 2014 and 2013

(In thousands of US dollars - ThUS\$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

Liabilities and Equity	Notes	12/31/2014	12/31/2013
Liabilities			
Current liabilities			
Other current financial liabilities	12	986,168	1,160,301
Trade and other current payables	15	1,443,650	1,572,697
Accounts payables to related companies, current	3	150,640	153,949
Other current provisions	16	435,365	221,392
Current tax liabilities	6	2,225	15,723
Current employee benefit accruals	16	453,752	567,555
Other current non-financial liabilities		104,035	87,139
Total current liabilities		3,575,835	3,778,756
Non-current liabilities			
Other non-current financial liabilities	12	12,951,242	10,847,842
Accounts payables to related companies, non-current	3	193,710	230,692
Other non-current provisions and accrued expenses	16	1,438,825	1,387,890
Deferred tax liabilities	5	4,204,009	3,398,044
Non-current employee benefit accruals	16	1,363,241	1,298,367
Other non-current non-financial liabilities		4,192	5,952
Total non-current liabilities		20,155,219	17,168,787
Total liabilities		23,731,054	20,947,543
Equity			
Equity			
Issued capital		2,524,423	2,524,423
Retained earnings		1,793,557	2,590,388
Other reserves	18	5,343,797	5,245,707
Equity attributable to owners of the parent		9,661,777	10,360,518
Non-controlling interests	18	1,863,735	2,047,102
Total equity		11,525,512	12,407,620
Total liabilities and equity		35,256,566	33,355,163

The accompanying notes form an integral part of these Consolidated Financial Statements.

Corporación Nacional del Cobre de Chile

Consolidated Statements Of Comprehensive Income

For the twelve-month periods ended as of December 31, 2014 and 2013

(In thousands of US dollars - ThUS\$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2014 12/31/2014	1/1/2013 12/31/2013
Profit (loss)			
Revenue	19	13,826,677	14,956,283
Cost of sales		(10,111,412)	(10,801,815)
Gross profit		3,715,265	4,154,468
Other Income, by function	21.a	98,346	162,552
Distribution costs		(9,343)	(11,057)
Administrative expenses		(451,122)	(471,562)
Other expenses	21.b	(1,620,977)	(1,513,434)
Other gains (loss)		37,682	52,249
Profit (loss) from operating activities		1,769,851	2,373,216
Finance income		19,744	28,851
Finance costs	22	(464,671)	(327,113)
Share of profit of associates and joint ventures accounted for using the equity method	8	247,994	444,133
Foreign exchange differences	24	378,819	212,823
Profit for the period before tax		1,951,737	2,731,910
Income tax expense	5	(1,240,823)	(1,617,339)
Profit for the period		710,914	1,114,571
Profit (loss) attributable to:			
Profit attributable to owners of the parent		721,927	1,073,204
Profit (loss) attributable to non-controlling interests	18.b	(11,013)	41,367
Profit for the period		710,914	1,114,571

The accompanying notes form an integral part of these Consolidated Financial Statements.

Corporación Nacional del Cobre de Chile Consolidated Statements of Comprehensive Income (Continuation)

For the twelve-month periods ended as of December 31, 2014 and 2013
(In thousands of US dollars - ThUS\$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2014 12/31/2014	1/1/2013 12/31/2013
Profit/ (loss) for the period		710,914	1,114,571
Components of other comprehensive income (loss), before tax:			
Exchange differences on conversion			
Gain (loss) on exchange differences on conversion, before tax		(6,983)	(389)
Other comprehensive income, before tax, exchange differences on conversion		(6,983)	(389)
Cash flow hedges			
Gain (loss) on cash flow hedges, before tax		12,918	(7,992)
Other comprehensive income, before tax, cash flow hedges		12,918	(7,992)
Other comprehensive income, before tax, gains (losses) for defined benefits plans		(315,225)	(28,181)
Share of other comprehensive income (loss) of associates and joint venture accountend for using the equity method, before tax		(1,816)	(1,592)
Income tax related to cash flow hedges of other comprehensive income		(311,106)	(38,154)
Income tax relating to defined benefit plans other comprehensive income			
Income tax related to cash flow hedges of other comprehensive income	5	(7,656)	4,961
Income tax relating to defined benefit plans other comprehensive income		208,049	16,908
Aggregated income tax related to components of other comprehensive income		200,393	21,869
Other comprehensive income (loss)		(110,713)	(16,285)
Reclassifiable other comprehensive income items to profit or loss in subsequent periods		(3,537)	(5,012)
Other comprehensive income for items not reclassifiable to profit or loss in subsequent periods		(107,176)	(11,273)
Total comprehensive income		600,201	1,098,286
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent		611,214	1,056,919
Comprehensive income (loss) attributable to non-controlling interests	18.b	(11,013)	41,367
Total comprehensive income		600,201	1,098,286

The accompanying notes form an integral part of these Consolidated Financial Statements.

Corporación Nacional del Cobre de Chile

Consolidated Statements of Cash Flows – Direct Method

As of December 31, 2014 and 2013
(In thousands of US dollars - ThUS\$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2014 12/31/2014	1/1/2013 12/31/2013
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		14,153,053	15,106,688
Other cash flows provided by operating activities	25	1,655,763	2,139,686
Types of cash payments			
Payments to suppliers for goods and services		(7,881,636)	(9,092,233)
Payments to and on behalf of employees		(2,091,504)	(2,049,725)
Other cash flows used in operating activities	25	(2,251,720)	(2,684,856)
Dividends received		495,690	604,854
Income taxes paid		(578,946)	(887,094)
Net cash flows provided by operating activities		3,500,700	3,137,320
Cash flows provided by (used in) investing activities:			
Other payments to acquire equity or debt instruments of other entities		(22,502)	(14,999)
Purchases of property plant and equipment		(3,799,708)	(4,437,366)
Purchases of intangible assets		-	(9,983)
Interest received		4,651	22,743
Other inflows (outflows) of cash		(705)	(34,184)
Net cash flows from (used in) investing activities		(3,818,264)	(4,473,789)
Cash flows provided by (used in) financing activities:			
Total amounts from loans		3,885,490	4,038,608
Repayments of loans		(1,910,687)	(2,053,841)
Dividends paid		(660,582)	(775,801)
Interest paid		(468,177)	(363,410)
Other cash inflows (outflows)		-	(37,610)
Net cash flows from (used in) financing activities		846,044	807,946
Net increase (decrease) in cash and cash equivalents before foreign exchange difference		528,480	(528,523)
Effect of exchange rate changes		31,466	15,370
Net increase (decrease) in cash and cash equivalents		559,946	(513,153)
Cash and cash equivalents at beginning of period	1	750,670	1,263,823
Cash and cash equivalents at end of period	1	1,310,616	750,670

The accompanying notes form an integral part of these Consolidated Financial Statements.

Corporación Nacional del Cobre de Chile Consolidated Statements of Changes in Equity

As of December 31, 2014 and 2013 (In thousands of US dollars - ThUS\$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

December 31, 2014	Issued capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses in defined benefits plans			Total other reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total Equity
				Note 17	Other miscellaneous reserves	Note 18					
Initial balance as of 1/1/2014	2,524,423	1,220	(8,704)	(113,519)	5,366,710	5,245,707	2,590,388	10,360,518	2,047,102	12,407,620	
Opening balance reformulated	2,524,423	1,220	(8,704)	(113,519)	5,366,710	5,245,707	2,590,388	10,360,518	2,047,102	12,407,620	
Changes in equity											
Profit for the period							721,927	721,927	(11,013)	710,914	
Other comprehensive income (loss)		(6,983)	5,262	(107,176)	(1,816)	(110,713)		(110,713)	-	(110,713)	
Comprehensive income							(660,582)	611,214	(11,013)	600,201	
Dividends Paid							(660,582)	(660,582)		(660,582)	
Increase (decrease) through transfers and other changes	-	-	-	-	208,803	208,803	(858,176)	(649,373)	(172,354)	(821,727)	
Total increase (decrease) in equity	-	(6,983)	5,262	(107,176)	206,987	98,090	(796,831)	(698,741)	(183,367)	(882,108)	
Final balance as of 12/31/2014	2,524,423	(5,763)	(3,442)	(220,695)	5,573,697	5,343,797	1,793,557	9,661,777	1,863,735	11,525,512	

The accompanying notes form an integral part of these Consolidated Financial Statements.

Corporación Nacional del Cobre de Chile Consolidated Statements of Changes in Equity

As of December 31, 2014 and 2013 (in thousands of US dollars - ThUS\$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

December 31, 2013	Issued capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses in defined benefits plans	Note 17			Note 18			Total Equity
					Other miscellaneous reserves	Total other reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total Equity	
Initial balance as of 1/1/2013	2,524,423	1,609	(5,673)	(102,246)	3,368,247	3,261,937	4,293,246	10,079,606	2,099,406	12,179,012	
Opening balance reformulated	2,524,423	1,609	(5,673)	(102,246)	3,368,247	3,261,937	4,293,246	10,079,606	2,099,406	12,179,012	
Changes in equity											
Profit for the period							1,073,204	1,073,204	41,367	1,114,571	
Other comprehensive income (loss)		(389)	(3,031)	(11,273)	(1,592)	(16,285)		(16,285)	-	(16,285)	
Comprehensive income								1,056,919	41,367	1,098,286	
Dividends Paid							(775,801)	(775,801)		(775,801)	
Increase (decrease) through transfers and other changes	-	-	-	-	2,000,055	2,000,055	(2,000,261)	(206)	(93,671)	(93,877)	
Total increase (decrease) in equity					-	(389)	(3,031)	(11,273)	1,998,463	1,983,770	
Final balance as of 12/31/2013	2,524,423	1,220	(8,704)	(113,519)	5,366,710	5,245,707	2,590,388	10,360,518	2,047,102	12,407,620	

The accompanying notes form an integral part of these Consolidated Financial Statements.

Corporación Nacional del Cobre de Chile

Notes to the Consolidated Financial Statements

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note 1.2)

I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile, Codelco (hereinafter referred to as “Codelco”, “Codelco - Chile”, or 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, who commenced operations in the first half of 2014 (at 2013 year end the division had completed its pre-stripping and concentrator testing, and was beginning its operations missing only the roasting plant tests). 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 actual sale revenue 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 II 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 Consolidated Financial Statements

The Corporation's consolidated financial statements are presented 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"), except for the effects of higher deferred taxes – in the wake of the tax reform according to the Law No. 20.780 – in the reported equity, according to the instructions of the Superintendency of Securities and Insurance ("SVS") in their circulated report No. 856 of October 17, 2014 described in note 5: Deferred Taxes and Income Tax.

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, 2014, for the effects of which IFRS principles issued by the IASB have been applied in full; except for the effects of higher deferred taxes – following the tax reform according to Law N° 20.780 – registered in equity, according to the instructions of the Superintendency of Securities and Insurance (SVS) in their circulated report No.856. The December 31, 2014 Consolidated Financial Statements were approved by the Board of Directors in a meeting on March 26, 2015.

Accounting Principles

These consolidated financial statements reflect the financial position of Codelco Chile and its subsidiaries as of December 31, 2014 and December 31, 2013, also, the results of their operations for the twelve-month periods ended December 31, 2014 and 2013, the changes in net equity and cash flows for the twelve-month periods ended December 31, 2014 and 2013, 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"), which do not conflict with IFRS, except for the effects of higher deferred taxes – following the tax reform according to Law N° 20.780 – recorded in equity, as instructed by the Superintendency of Securities and Insurance (SVS) in their circulated report No.856 of October 17, 2014.

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 accordance with the instructions of the Superintendency of Securities and Insurance (SVS), which fully prescribe the International Financial Reporting Standards issued by the IASB, except for the effects of higher deferred taxes – to tax reform according to Law N° 20.780 – registered in equity, according to the instruction of the Superintendency of Securities and Insurance (SVS) in their circulated report No. 856 requiring 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 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 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 CGU's and also estimates the timing and cash flows that such CGU's 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.

Estimation of factors influencing the calculation of cash flows, such as the price of copper or treatment charges and refining charges, among others, are determined based on studies conducted by the Corporation, which are in turn supported by certain standards over time. Any changes to these criteria may impact the recoverable amount of the assets on which is performing the impairment tests. The Corporation has evaluated and defined the CGU are made at the level of each of its current operating divisions.

The Corporation has assessed and defined that the CGU's 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 cubing 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 Unit Credit 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, 2014 and December 31, 2013.
- Statements of Comprehensive Income for the twelve-month periods ending December 31, 2014 and 2013.
- Statements of Changes in Equity for the twelve-month periods ending December 31, 2014 and 2013.
- Statements of Cash Flows for the twelve-month periods ending December 31, 2014 and 2013.

b) Basis of preparation - The consolidated financial statements of the Corporation for the period ended as of December 31, 2014 have been prepared in accordance with the instructions from the Superintendency of Securities and Insurance (SVS) which prescribe fully with the International Financial Reporting Standards (IFRS), as issued by the IASB, except for the effects of higher deferred taxes – following the tax reform according to Law No. 20.780 – recorded in equity, as instructed by the Superintendency of Securities and Insurance (SVS) in their circulated report No. 856 emitted on October 17, 2014.

The consolidated statement of financial position as of December 31, 2013, and the statements of comprehensive income for the twelve-month periods ending December 31, 2013, statements of net equity and of cash flows for the twelve-month period ended December 31, 2013, included for comparative purposes, have been prepared in conformity with IFRS, on a consistent basis with the criteria used by the Corporation for the period ended December 31, 2014.

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.

The financial statements of the subsidiaries of the Corporation are prepared for the same reporting period as Codelco, using the same accounting principals.

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	Currency	12/31/2014			12/31/2013
				Entity Share Percentage			Entity Share Percentage
				Direct	Indirect	Total	Total
Foreign	Chile Copper Limited	England	GBP	100.00	-	100.00	100.00
Foreign	CK Metall Agentur GmbH	Germany	EURO	-	100.00	100.00	100.00
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.00	100.00	100.00
Foreign	Codelco Group Inc.	United States of America	USD	100.00	-	100.00	100.00
Foreign	Codelco International Limited	Bermuda	USD	100.00	-	100.00	100.00
Foreign	Codelco Kupferhandel GmbH	Germany	EURO	100.00	-	100.00	100.00
Foreign	Codelco Metals Inc.	United States of America	USD	-	100.00	100.00	100.00
Foreign	Codelco Services Limited	England	GBP	-	100.00	100.00	100.00
Foreign	Codelco Shanghai Company Limited	China	USD	100.00	-	100.00	100.00
Foreign	Codelco Technologies Ltd.	Bermuda	USD	-	100.00	100.00	100.00
Foreign	Codelco USA Inc.	United States of America	USD	-	100.00	100.00	100.00
Foreign	Ecometales Limited	Anglonormandars	USD	-	100.00	100.00	100.00
Foreign	Exploraciones Mineras Andinas Ecuador EMSAEC S.A.	Ecuador	USD	-	100.00	100.00	100.00
Foreign	Cobrex Prospeccao Mineral	Brazil	BRL	-	51.00	51.00	51.00
78.712.170-5	Compañía Minera Picacho (SCM)	Chile	USD	99.99	0.01	100.00	100.00
78.860.780-6	Compañía 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	Asociación Garantizadora de Pensiones	Chile	CLP	96.69	-	96.69	96.69
88.497.100-4	Clinica San Lorenzo Limitada	Chile	CLP	99.90	0.10	100.00	100.00
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda.	Chile	CLP	-	100.00	100.00	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	0.07	100.00	100.00
96.876.140-4	Santiago de Río Grande S.A.	Chile	USD	99.99	0.01	100.00	100.00
76.024.442-2	Ecosea Farming S.A.	Chile	USD	-	85.03	85.03	85.03
96.991.180-9	Biosigma S.A.	Chile	USD	66.67	-	66.67	66.67

Taxpayer Number	Company	Country	Currency	12/31/2014			12/31/2013
				Entity Share Percentage			Entity Share Percentage
				Direct	Indirect	Total	Total
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	0.05	99.95	100.00	100.00
76.148.338-2	Sociedad de Inversiones Copperfield 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 (1)	Chile	USD	-	-	-	100.00
76.255.667-7	MCM Equipos S.A.	Chile	USD	-	-	-	100.00
70.905.700-6	Fusat	Chile	CLP	-	-	-	-
76.334.370-7	Inst. de Salud Previsional Fusat. Ltda.	Chile	CLP	-	99.70	99.70	99.70
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	-	-	-	75.00
77.928.390-9	Inmobiliaria e Inversiones Río Cipreces Ltda.	Chile	CLP	-	99.90	99.90	99.90
77.270.020-2	Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	CLP	-	99.00	99.00	99.00

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 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.

(1) This society is presented only for comparison purposes, as at December 31, 2013 it was still considered in the consolidation of the Corporation.

- **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.

- **Join Venture:** - 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) (12-31-2014: US\$40.63; 12-31-2013: US\$44.52), are expressed in 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:

Relation	Exchange rates	
	12/31/2014	12/31/2013
USD / CLP	0.00165	0.00191
USD / GBP	1.55618	1.65153
USD / BRL	0.37622	0.42452
USD / EURO	1.21640	1.38064

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.

The assets included in property, plant and equipment are depreciated, as a general rule, under a criterion of production units when the activity that executes that asset can clearly be identified with a production process of copper extraction. In other cases, a straight-line depreciation is used.

Assets included in property, plant and equipment are depreciated linearly over their economic useful lives, which are summarized in the following table:

Items	useful life
Land	Without depreciation
Land on mine site	Production units
Buildings	Linear depreciacion 20-50 years
Buildings in groundwater level mines	Production unit level
Vehicles	Linear depreciacion 3-7 years
Plant and equipment	Production units
Foundries	Linear depreciacion
Refineries	Production unit
Mining rights	Production unit
Support teams	Production unit
Intangibles - Softwares	Linear depreciación until 8 years
Exploratioin Costs, evaluation and development	Production unit, Life of Mine or resource

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.

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

This review can happen at any time if the conditions of ore reserves change significantly as a result of new information, confirmed and officially recognized by the Corporation.

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 prejudice to 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.

h) Impairment of property, plant and equipment and intangible assets - Property, plant and equipment and intangible assets with finite 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 until there is certainty that the project is economically viable.

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 in production, incurred in order to access mineral deposits that are in 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, plant and equipment are depreciated according to units of production method extracted from the ore body related to the stripping activity which 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 accordance with the established in the circulated report No. 856 of the SVS, emitted on October 17, 2014, the variations in the deferred tax assets and deferred tax liabilities which arise from the progressive increase in the tax rate on the first category income, introduced with the Law No 20.780, issued on September 29, 2014 and which affect Codelco, were exceptionally registered in the equity of the retained earnings item.

In addition, a deferred tax is recognized for the net income of subsidiaries, associates, special purpose entities and joint ventures, originated by withholding taxes on remittances of dividends paid by such companies to the Corporation.

The tax reform, established by the Law No 20.780, implied a change in the rates for the determination of the income tax, which effect has a prospective impact in the Financial Statements. The detail of the effect of the tax reform is described in note 5 of deferred taxes and income tax.

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

– A legal or constructive obligation occurs 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 the Committee (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 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

markets of metal derivatives, the Corporation enters into operations in the markets of metal derivatives. 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 ranges 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 starting of operations occurred during the first half of 2014 (at the end of the year 2013, the mine is operating with its pre-stripping, its concentrator finished loading tests and is now beginning its operational phase; only missing the roasting plant). 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 effect of future Statements of Comprehensive Income (loss), while the Statement of Other Comprehensive Income (loss) of actuarial defined benefit plans will not 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 based on the actual sales revenue, 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 key principles for the well being of its collaborators, care for the environment and success in its operations.

ab) Classification of current and non-current balances - In the consolidated statement of financial position, the balances are classified according to their maturities, that is, as current 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 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, 2013; except for the adoption of new standards and interpretations effective from January 1, 2014, which are:

a) IFRIC 21-Liens.

This rule interprets the provisions of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” with respect to the criteria for recognition of a liability (existence of present obligation as a result of a past event), for the case of taxes, which occurs when the activity described in the relevant legislation triggers the payment of tax. The application of IFRIC 21 has not materially affected the measurements made by the Corporation.

4. 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. Their application was not mandatory:

New IFRS	Date of mandatory application	Summary
IFRS 9 - Financial Instruments	Annual periods beginning on or after January 1, 2018	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 14 - Deferred Regulatory Accounts	Annual periods beginning on or after January 1, 2016	Standard for the comparability of financial information from entities that are involved in activities with regulated prices. Entities and IFRS financial statements presented should not implement this standard.
IFRS 15 - Revenue from Contracts with Clients	Annual Periods beginning on or after January 1, 2017	Provides a new model for revenue recognition, which stresses the concept of the transfer to the customer "control" of assets sold instead of the concept of transferring "risk" alluded to in IAS 18. In addition it requires more detail in disclosures and refers to more detailed sales contracts with multiple elements.

Amendments to IFRS	Date of mandatory application	Summary
IAS 16 – Property, Plant and Equipment IAS 38 – Intangible Assets IFRIC 12 – Agreements of Service Concessions	Annual periods beginning on or after January 1, 2016	Indicates that it is not appropriate to use methods of depreciation of an asset based on income, because such methods generally reflect factors other than consumption of the economic benefits embodied in the asset.
IAS 16 – Property, Plant and Equipment IAS 41 – Agriculture	Annual periods beginning on or after January 1, 2016	Instructs on the implementation of IAS 16 criteria for biological assets considered plants to produce fruit.
IFRS 11 – Joint Agreements	Annual periods beginning on or before January 1, 2016	Referring to the acquisition of an interest in a joint operation which constitutes a business, noting that the purchasers must apply all the principles of accounting for business combinations of IFRS 3 Business Combinations and other rules that are not in conflict with guidelines IFRS 11 Joint Arrangements.
IAS 27 - Separate Financial Statements	Annual periods beginning on or after January 1, 2016	Permits the use of the equity method for recognizing investments in affiliates, joint ventures and associates in the separate financial statements
IFRS 10 – Consolidated Financial Statements IAS 28 – Investments in Associates with Joint Ventures	Annual periods beginning on or after January 1, 2016	The recognition of profits or losses of sales of assets between an investor and an associate or a joint venture, which are recognized for the total when the transaction involves assets, which constitute business, will be partial.
IAS 1 – Presentation of Financial Statements	Annual periods beginning on or after January 1, 2016	Allowed to exercise professional judgement in applying certain topics on presentation and disclosure
IFRS 10 – Consolidated Financial Statements IFRS 12 – Disclosure of Interests in Other Entities IAS 28 – Investments in Associates and Joint Ventures	Annual periods beginning on or after January 1, 2016	Changes to the accounting treatment of investment institutions are included.

¹IAS, International Accounting Standard, IFRS, International Financial Reporting Standard, IFRIC, International Financial Reporting Interpretations Committee.

Management believes that these standards, amendments and interpretations described above, shall be adopted in the consolidated financial statements of the Corporation in the respective years. Codelco is still evaluating the impacts that could be generated from such rules and changes, anticipating that they will not have significant impacts.

III. EXPLANATORY NOTES

1. Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

Items	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Cash on hand	4,400	9,281
Bank balances	142,166	38,256
Time deposits	1,159,852	701,195
Mutual funds – Money market	-	1,431
Resale agreements	4,198	507
Total Cash and cash equivalents	1,310,616	750,670

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, 2014 and of December 31, 2013 include a negative accrual of ThUS\$ 60,330 and a positive accrual of ThUS\$ 124,905, 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	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables ⁽¹⁾	1,598,528	1,591,384	1,391	1,882
Allowance for doubtful accounts ⁽³⁾	(2,218)	(2,694)	-	-
Subtotal trade receivables, net	1,596,310	1,588,690	1,391	1,882
Other receivables ⁽²⁾	586,778	602,495	123,284	137,014
Allowance for doubtful accounts ⁽³⁾	(5,306)	(5,003)	-	-
Subtotal other receivables, net	581,472	597,492	123,284	137,014
Total	2,177,782	2,186,182	124,675	138,896

(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).
- Tax credit exporter VAT remainder susceptible to refund and other taxes receivable in the amount of ThUS\$186,032 and ThUS\$163,642 at December 31, 2014 and December 31, 2013, respectively.

(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 in the allowance for doubtful accounts in the twelve month period ended December 31, 2014 and in 2013 was as follows:

Movements of allowance for doubtful accounts	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Opening balance	7,697	7,633
Increases	854	388
Write-offs/applications	(1,027)	(324)
Movement, subtotal	(173)	64
Final balance	7,524	7,697

Past due and not impaired balances are detailed as follows:

Maturity	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Less than 90 days	23,633	20,182
Between 90 days and 1 year	6,722	659
More than 1 year	5,861	4,217
Total past-due and not impaired	36,216	25,058

3. Balance and related party disclosures

a) Operations related to third parties

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).

Notwithstanding the foregoing, pursuant to the provisions of the final paragraph of Article 147 b) of Title XVI, containing emergency regulations regarding the process of approval of transactions with related parties, the Corporation established a general policy of habituality (reported to the Superintendency of Securities and Insurance as material fact), which establishes 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 of 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	1/1/2014	1/1/2013
					12/31/2014	12/31/2013
					Amount	Amount
					ThUS\$	ThUS\$
Ecometales Limited (Chilean agency)	59.087.530-9	Chile	Affiliate	Services	39,644	45,753
Fundación Orquesta Sinfónica Infantil de los Andes	65.018.784-9	Chile	Founder	Services	563	169
Club de Deportes Cobresal	70.658.400-5	Chile	Employee P de. Club	Services	-	355
Centro de Capacitación y Recreación Radomiro Tomic	75.985.550-7	Chile	Other Relations	Services	918	-
Codelco Shanghai Company Limited.	Foreign	China	Affiliate	Services	1,610	1,375
Centro de Especialidades Médicas Río Blanco Ltda.	76.064.682-2	Chile	Affiliate	Services	6,985	6,954
Sociedad de Procesamiento de Molibdeno Ltda.	76.148.338-2	Chile	Affiliate	Services	-	20,836
Consultor Jannet Troncoso Carvajal E.I.R.L	76.174.237-K	Chile	Employee Relative	Services	-	137
Inversiones Raul Martinez E.I.R.L	76.791.980-8	Chile	Employee of Ejecutivo	Services	-	125
Prestaciones de Servicios de la Salud Intersalud Ltda.	77.270.020-2	Chile	Affiliate	Services	21	3,428
Fundacion Educacional Chuquicamata	72.747.300-9	Chile	Founder	Services	-	2,650
Cosando Construcción y Montaje Ltda.	77.755.770-K	Chile	Employee's relative	Services	2,182	10,778
Anglo American Sur S.A.	77.762.940-9	Chile	Investee	Services	-	20
Inmobiliaria e Inversiones Río Cipreses Ltda.	77.928.390-9	Chile	Affiliate	Services	-	276
Hatch Ingenieros y Consultores Ltda.	78.784.480-4	Chile	Employee's relative	Services	12,180	-
Institución de Salud Previsional Chuquicamata Ltda.	79.566.720-2	Chile	Affiliate	Services	-	52,000
Empresa Nacional de Telecomunicaciones S.A	92.580.000-7	Chile	Director's family	Services	2,890	515
CIS Ingenieros Asociados S.A.	88.422.600-7	Chile	Director's ownership	Services	18	1,044
CIS Asociados Consultores en Transporte S.A.	78.306.360-3	Chile	Director's ownership	Services	25	-
Institución de Salud Previsional Río Blanco Ltda.	89.441.300-K	Chile	Affiliate	Services	-	43,552
Salomón Sack S.A.	90.970.000-0	Chile	Director's ownership	Supplies	1,440	301

Entity	Taxpayer Number	Country	Nature of the relationship	Description of the transaction	1/1/2014	1/1/2013
					12/31/2014	12/31/2013
					Amount	Amount
					ThUS\$	ThUS\$
Sociedad Contractual Minera El Abra	96.701.340-4	Chile	Investee	Purchase of rights of the use of GNL terminal	-	10,005
Sociedad Contractual Minera El Abra	96.701.340-4	Chile	Investee	Supplies	210	-
S y S Ingenieros Consultores Ltda.	84.146.100-2	Chile	Employee's relative	Services	35	-
B.Bosch S.A.	99.573.600-4	Chile	Employee's relative	Supplies	-	5,352
Clínica Río Blanco S.A	84.716.400-K	Chile	Affiliate	Services	-	28
Finning Chile S.A	91.489.000-4	Chile	Employee's relative	Supplies	53,795	310,398
Exploraciones Mineras Andinas S.A.	99.569.520-0	Chile	Affiliate	Services	-	128,537
Inversiones Gacrux SpA	76.173.357-5	Chile	Affiliate	Services	-	118
Inversiones Mineras Acrux SpA	76.167.903-1	Chile	Affiliate	Services	-	117
Inversiones Mineras Becrux S.A.	76.173.783-K	Chile	Affiliate	Services	-	111
Complejo Portuario Mejillones S.A.	96.819.040-7	Chile	Affiliate	Services	13,785	-
Fundación Educacional el Salvador	73.435.300-0	Chile	Foundry	Services	46	-
Asesorías y Consultorías Domingo Jeréz EIRL	76.312.085-6	Chile	Employee's relative	Services	220	-
Miji Asesorías y Consultorías EIRL	76.219.287-K	Chile	Affiliate	Services	108	-
Fundación Sewell	65.493.830-K	Chile	Founder	Services	39	-
Ferront y cia Ltda.	77.395.540-9	Chile	Employee's relative	Supplies	66	-
Arcadis Chile S.A.	89.371.200-3	Chile	Employee's relative	Services	482	-
Incxa S.A.	99.513.620-1	Chile	Employee's relative	Services	799	-
Coya Country Club	82.840.200-5	Chile	Employee's relative	Services	94	-
Capacitación y Eventos Club AnSCO Ltda.	70.258.300-4	Chile	Employee's relative	Services	94	-
RSA Seguros Chile S.A.	99.017.000-2	Chile	Employee's relative	Services	28,770	-
Sonda S.A.	83.628.100-4	Chile	Employee's relative	Services	2,573	-
Ingeniería de Protección S.A.	89.722.200-0	Chile	Employee's relative	Supplier	2,773	-
Xtreme Mining Ltda.	96.953.700-1	Chile	Employee's relative	Supplier	11,900	-
Corporación Club de Deportes Cobreloa	70.413.000-7	Chile	Director's ownership	Services	1.989	-

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 periods of 2014 and 2013, 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 relationship	1/1/2014	1/1/2013
					12/31/2014	12/31/2013
					Amount	Amount
					ThUS\$	ThUS\$
Augusto González Aguirre	6.826.386-7	Chile	Director	Director's fees	101	111
Augusto González Aguirre	6.826.386-7	Chile	Director	Payroll	187	133
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Director's fees	101	58
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Director's fees	66	-
Gerardo Jofré Miranda	5.672.444-3	Chile	Director	Director's fees	118	166
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Director's fees	66	-
Marcos Büchi Buc (1)	7.383.017-6	Chile	Director	Director's fees	-	-
Marcos Lima Aravena	5.119.963-4	Chile	Director	Director's fees	126	138
Oscar Landerretche Moreno	8.366.611-0	Chile	Chairman of the Board	Director's fees	100	-
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Director's fees	101	111
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	40	71
Andrés Tagle Domínguez	5.895.255-9	Chile	Director(*)	Director's fees	35	111
Fernando Porcile Valenzuela	4.027.183-K	Chile	Director(*)	Director's fees	35	111
Jorge Bande Bruck	5.899.738-2	Chile	Director(*)	Director's fees	-	39
Juan Luis Ossa Bulnes	3.638.915-K	Chile	Director(*)	Director's fees	35	109

(1) During the period between January 1st and December 31, 2014 and 2013, the company has not issued any payment of wages to Mr. Marcos Büchi Buc, stemming from his participation as a Director of the Corporation, as he has expressly and irrevocably waived such payments, in addition to any collection of wages present or future in relation to this participation.

Through Supreme Decree of the Treasury Department No. 458, dated March 14, 2014, the method for determining the remunerations of the Corporation's Directors was updated. 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 meetings fixed in the amount of Ch\$ 3,618,736 - (three million six hundred eighteen thousand, seven hundred and thirty six Chilean pesos).

b. A unique monthly salary of Ch\$ 7,237,472 - (Seven million two hundred thirty seven thousand, four hundred seventy two 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\$ 1,206,245 - (one million two hundred and six thousand, two hundred and forty five 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\$ 2,412,491 - (two million four hundred and twelve thousand, four hundred ninety one Chilean pesos).

d. The established salaries are in effect for a timeframe of two years, as of March 1, 2014. They will be adjusted on January 1, 2015, in accordance to the same provisions that govern the general wage adjustments of officials of the Public Sector.

On the other hand, in relation to the short term benefits from the executives who form the administrative line of the Corporation; paid during the period of January – December 2014, a total amount of ThUS\$8,751 (January – December 2013: ThUS\$10,641)

The criterias that determine the wages for the executives were established by the Board of Directors by agreement of January 29, 2003.

During the period of January through December of 2014 and 2013, payments were made to the Principle Executives of Codelco as compensation

for years of service, equal to ThUS\$1,572 and ThUS\$1,081 respectively.

There were no payments for other noncurrent benefits during the period of January through December 2014 and 2013, other then those mentioned in the previous paragraph.

There are no share based benefit plans.

c) Transactions with companies in which Codelco has participation

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 period January – December 2014 and 2013, are the following: Sociedad GNL Mejillones S.A., Copper Partners Investment Corporation Ltd., Copper for Energy, Sociedad Contractual Minera Purén, 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 relate companies as of December 31, 2014 and of December 31, 2013, are detailed as follows:

Accounts receivable from related companies:

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12/31/2014	12/31/2013	12/31/2014	12/31/2013
					ThUS\$		ThUS\$	
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	-	23,125	-	-
73.063.022-5	Inca de Oro	Chile	Associate	USD	20	-	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	USD	1,258	-	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	120	17	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	USD	-	-	224	224
76.133.034-9	Copper for Energy S.A.	Chile	Associate	USD	-	6	-	-
Foreign	Copper Partners Invest. Company Ltd.	Bermuda	Joint venture	USD	8,090	7,735	-	-
Total					9,488	30,883	224	224

Accounts payable to related companies:

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12/31/2014	12/31/2013	12/31/2014	12/31/2013
					ThUS\$		ThUS\$	
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	530	-	-	-
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	USD	35,276	65,153	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	60,640	51,370	-	-
Foreign	Copper Partners Investment Company Ltd.	Bermuda	Joint venture	USD	33,611	33,610	193,710	230,692
Foreign	Deutsche Geissdraht GmbH	Alemania	Associate	EURO	20,583	3,816	-	-
Total					150,640	153,949	193,710	230,692

The transactions performed between the Corporation and its related companies during the periods of 2014 and 2013 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	Amount	Effects on net income (charges) / credits	Amount	Effects on net income (charges) / credits
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
Foreign	Copper Partners Investment Co. Ltd.	Product Sales	Bermuda	USD	122,883	122,883	117,626	117,626
Foreign	Copper Partners Investment Co. Ltd.	Dividends received	Bermuda	USD	147,000	-	165,000	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	USD	68,467	-	280,252	-
77.762.940-9	Anglo American Sur S.A.	Product Purchase	Chile	USD	234,237	(234,237)	574,006	(574,006)
77.762.940-9	Anglo American Sur S.A.	Product Sales	Chile	USD	783	783	2,349	2,349
76.775.710-7	Sociedad GNL Mejillones S.A.	Purchase of energy	Chile	USD	-	-	12,921	(12,921)
76.775.710-7	Sociedad GNL Mejillones S.A.	Collection of loans	Chile	USD	23,125	23,125	37,112	1,423
76.775.710-7	Sociedad GNL Mejillones S.A.	Loan interests	Chile	USD	358	358	-	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Retention services	Chile	USD	(891)	(891)	-	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Inventory retention	Chile	USD	891	891	-	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Reimbursement	Chile	USD	(6,174)	(6,174)	-	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Fee Guarantee	Chile	USD	-	-	63	63
96.701.340-4	SCM El Abra	Dividends Recieved	Chile	USD	279,300	-	158,760	-
96.701.340-4	SCM El Abra	Product Purchase	Chile	USD	557,875	(557,875)	549,308	(549,308)
96.701.340-4	SCM El Abra	Product Sales	Chile	USD	25,682	25,682	23,850	23,850
96.701.340-4	SCM El Abra	Purchase of Services	Chile	USD	1,478	(1,478)	6,206	(6,206)

Taxpayer number	Entity	Nature of the relationship	Country	Indexation currency	Amount	Effects on net income (charges) / credits	Amount	Effects on net income (charges) / credits
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
96.701.340-4	SCM El Abra	Comissions received	Chile	USD	203	203	189	189
Foreign	Deutsche Geissdraht GmbH	Dividends received	Germany	EURO	923	-	943	-
76.063.022-5	Inca de Oro S.A.	Contribution	Chile	USD	153	-	1,547	-
76.255.054-7	Planta Recuperadora de Metales	Contribution	Chile	USD	3,954	-	-	-

d. The current and non-current accounts payable for the entity Copper Partners Investment Company Ltd., corresponds to the balance of the advance payment received (US\$550 million) due to the trade agreement with Minmetals.

Transactions for the purchase and sales of products with Anglo American Sur S.A., correspond on the one hand, to the normal operation that both companies made to acquire copper and other products, while on the other hand, there exist certain transactions that are associated with the contract between the affiliate Inversiones Mineras Nueva Acrux SpA (the non-controlling shareholder is Mitsui) and Anglo American Sur S.A., in which the latter agrees to sell a portion of its annual copper output to said subsidiary.

On August 24, 2012, the Corporation, with the approval of their respective board of Directors, purchased the shares of Anglo American Sur S.A., of Inversiones Anglo American Sur S.A., Rut: 77.762.890-9. The price paid by the Corporation via its subsidiary Inversiones Mineras Becrux SpA was ThUS\$2,799,795. Out of the above-mentioned amount ThUS\$1,100,000 relates to the interest acquired by Mitsui.

4. Inventories

Inventories as of December 31, 2014 and December 31, 2013 are detailed as follows:

Items	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Finished products	645,734	639,034
Subtotal finished products, net	645,734	639,034
Products in process	1,297,113	1,166,900
Subtotal products in process, net	1,297,113	1,166,900
Material in warehouse and other	523,464	488,198
Obsolescence allowance adjustment	(60,099)	(50,121)
Subtotal material in warehouse and other, net	463,365	438,077
Total Inventory	2,406,212	2,244,011

Inventories recognized as cost of operation for the periods ended at December 31, 2014 and 2013 correspond to finished goods and amount to ThUS\$10,040,684 and ThUS\$10,760,122 respectively.

In the materials category “warehouse and others”, the Corporation discloses a reclassification of strategic inventories to Property, Plant and Equipment on December 31, 2014 with an amount of ThUS\$27,302 and ThUS\$83,763 on December 31, 2013.

The change in the obsolescence provision is described in the following table:

Obsolescence allowance movements	ThUS\$
Initial Balance 1/1/2014	(50,121)
Period allowance	(11,777)
Allowance reversal	1,799
Final Balance 12/31/2014	(60,099)

As of December 31, 2014 and 2013 Codelco has not written off inventory that has been recognized in the Statements of Comprehensive Income.

At the end of the financial period ended December 31, 2014, the book value of inventories - under evaluation of the concept of net realizable value under IAS 2 - amounted to ThUS \$399,601 (December 31, 2013: ThUS\$229,047). Product of the evaluation, the Corporation adjusted inventories on those assets whose book value exceeds its net realizable value, reaching the balance of this adjustment to the date indicated in the amount of ThUS\$50,905 (December 31, 2013: ThUS\$25,354), which is deducted from the aforementioned figure.

Codelco, along with Sociedad Contractual Minera El Abra, purchase and sell copper. At December 31, 2014, the value of finished goods inventories for this category did not have a provision for unrealized profit. At December 31, 2013, an unrealized provision of ThUS\$6,238 was filed.

The Corporation realizes operations for the purchase and sale of copper with Anglo American Sur S.A. The value of finished goods inventories for this category at December 31, 2014, has an unrealized profit provision of ThUS\$172. At December 31, 2013, the Corporation had an unrealized provision of ThUS\$3,336.

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	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Provisions	1,099,498	1,145,649
Unrealized gains	21,704	32,046
Finance lease	18,064	18,706
Derivatives – futures	-	8,535
Advances from clients	152,371	163,380
Hedged Swap derivatives of exchange rates	15,222	4,892
Health care plans	14,654	14,654
Other	8,679	3,132
Total deferred tax assets	1,330,192	1,390,994
Deferred tax liabilities	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
IFRIC 20 First adoption	14,971	13,820
Taxes from Mining Activity	57,553	61,802
Price-level restatement of PP&E IFRS first time adoption	897,536	1,041,494
Valuation of employee termination benefits	47,686	82,757
Accelerated depreciation	3,628,132	2,780,984
Anglo American Sur S.A. investment	735,713	669,230
Income from fair value of mining properties	108,509	80,377
Derivatives Hedging future contracts	9,451	-
Other	34,650	58,574
Total deferred tax liabilities	5,534,201	4,789,038

The effect of deferred taxes affecting equity is summarized as follows:

Deferred taxes affecting Equity	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Cash Flow Hedge	(7,656)	4,961
Defined Benefit Plans	208,049	16,908
Total deferred taxes affecting equity	200,393	21,869

A reconciliation of taxes considering the legal tax rate and the calculation of the taxes actually paid is detailed as follows:

Items	12/31/2014				
	Taxable Base 21%	Taxable Base 40%	Tax rate 21%	Additional Tax rate 40%	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Profit (losses) before taxes	1,965,104	1,965,104	(412,672)	(786,042)	(1,198,714)
Profit before taxes affiliates	(13,367)	(13,367)	2,807	5,347	8,154
Profit before taxes consolidated	1,951,737	1,951,737	(409,865)	(780,695)	(1,190,560)
Permanent differences					
Taxes of first category (21%)	(108,086)	-	22,698	-	22,698
Specific tax for government firms Art. 2 D.L. 2.398 (40%)	-	(39,405)	-	15,763	15,763
Subtotal determined tax	-	-	-	-	(1,152,099)
Exchange Rate Effect category 1	-	-	-	-	(13,298)
Fair value amortization Anglo American Sur S.A.	-	-	-	-	25,574
Specific mining tax	-	-	-	-	(101,001)
Total tax expense					(1,240,823)

Items	12/31/2013				
	Taxable Base 20%	Taxable Base 40%	Tax rate 20%	Additional Tax rate 40%	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Profit (losses) before taxes	2,655,932	2,655,932	(531,186)	(1,062,373)	(1,593,559)
Profit before taxes affiliates	75,978	75,978	(15,196)	(30,391)	(45,587)
Profit before taxes consolidated	2,731,910	2,731,910	(546,382)	(1,092,764)	(1,639,146)
Permanent differences					
Taxes of first category (20%)	(302,107)	-	60,421	-	60,421
Specific tax for government firms Art. 2 D.L. 2.398 (40%)	-	(158,319)	-	63,329	63,329
Subtotal determined tax	-	-	-	-	(1,515,396)
Fair value amortization Anglo American Sur S.A.	-	-	-	-	29,222
Specific mining tax	-	-	-	-	(131,165)
Total tax expense					(1,617,339)

Tax Reform in Chile

On September 29, 2014, the Law N° 20.780 was published named "Tax Reform which modifies the Tax System on the income and which introduces various adjustments on the Tax System."

Among the principal changes, the creation of two optional tax systems stand out: The Attributed Income System, which establishes the progressive increase of the tax rate of the first category for the commercial years 2014, 2015, 2016 and 2017 increasing to 21%, 22.5%, 24%, 25%, respectively; and in the partially integrated system, which establishes a progressive increase of the tax rate of the first category for the commercial years 2014, 2015, 2016, 2017 and 2018 increasing to 21%, 22.5%, 24%, 25.5% and 27% respectively.

For the calculation of the deferred taxes, the Corporation, notwithstanding the above, has applied a General Taxation Regime, with tax rates notched for commercial years 2014, 2015, 2016, and 2017 onwards, increasing it to 21%, 22.5%, 24% and 25%, respectively. There exists the option to avail of the schemes provided for in Article 14, as the Company of the state. Meanwhile, subsidiaries and associates for the calculation of deferred taxes were

applied to the partial integrated tax system by default. Through extraordinary meeting of the shareholders, which will be held in the second half of 2016, the Corporation may choose the change of the system of the Attributed income.

The change of the rate from 20% to 21% originated during the period January to December 2014, which implies an increased current tax expense of ThUS\$6,979, which is registered as income tax in the income statement.

In relation to deferred tax provisions, the circulated report No. 856 of the Superintendency of Securities and Insurances is considered, which states that the differences of deferred tax assets and liabilities arising as a direct effect of the increased tax rate in the first category will be recorded in the respective year against equity. The amount recorded in equity corresponds to ThUS\$646,897, recorded in the accompanying financial statements as of December 31, 2014.

6. Current tax assets and liabilities

In both areas the income tax receivables and tax liabilities to net income of monthly provisional payments are recorded respectively.

Current Tax Assets	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Recoverable Taxes	149,847	148,407
Affiliates	40,036	31,352
Total Current Tax Assets	189,883	179,759

Current Tax Liabilities	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Provision for Income Tax	483,466	1,012,241
Provision for Mining Tax	89,490	110,599
Provision PPM	9,805	12,774
Credits on Current Taxes	(581,144)	(853,466)
Reclasification	-	(263,914)
Others	608	(2,511)
Total Current Tax Liabilities	2,225	15,723

7. Property, Plant and Equipment

a) The balances of Property, plant and equipment at December 31, 2014 compared with December 31, 2013, are as follows:

Property, Plant and Equipment, gross	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Work in progress	6,573,785	7,710,714
Land	125,699	126,792
Buildings	4,871,036	3,598,214
Plant and equipment	13,928,510	11,873,805
Fixtures and fittings	52,420	47,599
Motor vehicles	1,874,770	1,646,457
Land improvements	4,302,421	3,943,872
Mining operations	5,194,551	4,451,724
Mine development	1,164,442	1,163,561
Other assets	1,389,232	1,258,693
Total Property, Plant and Equipment, gross	39,476,866	35,821,431

Property, Plant and Equipment, accumulated depreciation	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Work in progress	-	-
Land	-	-
Buildings	2,425,302	2,252,824
Plant and equipment	8,067,566	7,388,801
Fixtures and fittings	35,231	32,058
Motor vehicles	972,491	845,974
Land improvements	2,459,842	2,256,779
Mining operations	2,428,777	1,965,717
Mine development	678,495	573,777
Other assets	356,145	378,690
Total Property, Plant and Equipment, accumulated depreciation	17,423,849	15,694,620

Property, Plant and Equipment, net	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Work in progress	6,573,785	7,710,714
Land	125,699	126,792
Buildings	2,445,734	1,345,390
Plant and equipment	5,860,944	4,485,004
Fixtures and fittings	17,189	15,541
Motor vehicles	902,279	800,483
Land improvements	1,842,579	1,687,093
Mining operations	2,765,774	2,486,007
Mine development	485,947	589,784
Other assets	1,033,087	880,003
Total Property, Plant and Equipment, net	22,053,017	20,126,811

b) Movement of Property, plant and equipment

Movements ThUS\$	Work in progress	Land	Buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Land improvements	Mining operations	Mine development	Other assets	Total
Opening balance as of 1/1/2014	7,710,714	126,792	1,345,390	4,485,004	15,541	800,483	1,687,093	2,486,007	589,784	880,003	20,126,811
Additions	3,114,300	-	2,882	148,688	459	1,600	1,771	498,244	-	61,004	3,828,948
Disposals	(29,323)	-	-	(15,379)	(387)	(2,556)	-	-	-	(5,690)	(53,335)
Capitalizations	(4,046,017)	437	1,286,581	1,711,208	4,476	233,389	340,389	395,566	882	73,089	-
Depreciation and amortization	-	-	(165,810)	(626,430)	(3,297)	(134,758)	(197,315)	(547,093)	(148,865)	(82,216)	(1,905,784)
Reclassifications	(158,060)	-	(34,223)	25,575	334	4,172	(1,223)	(66,380)	44,147	87,933	(97,725)
Impairment	-	-	15,314	133,156	68	4	11,656	-	-	-	160,198
Others	(17,829)	(1,530)	(4,400)	(878)	(5)	(55)	208	(570)	(1)	18,964	(6,096)
Total movements	(1,530)	(1,093)	1,100,344	1,375,940	1,648	101,796	155,486	279,767	(103,837)	153,084	1,926,206
Final balance 12/31/2014	(4,400)	125,699	2,445,734	5,860,944	17,189	902,279	1,842,579	2,765,774	485,947	1,033,087	22,053,017

Movements ThUS\$	Work in progress	Land	Buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Land improvements	Mining operations	Mine development	Other assets	Total
Opening balance as of 1/1/2013	5,515,165	119,265	1,302,373	4,804,873	8,362	627,312	1,668,923	1,755,009	510,866	755,801	17,067,949
Additions	4,294,697	1	-	2,261	28	1,668	-	455,900	-	9,001	4,763,556
Disposals	(2,158)	-	(1,367)	(7,625)	(153)	(9,762)	-	(920)	-	(4,938)	(26,923)
Capitalizations	(1,833,635)	8,655	102,281	563,044	896	263,342	183,102	514,332	193,260	4,723	-
Depreciation and amortization	-	-	(129,229)	(640,509)	(3,341)	(100,888)	(219,786)	(401,832)	(114,342)	(78,091)	(1,688,018)
Reclassifications	(230,736)	-	71,973	(105,460)	9,895	18,682	33,775	158,113	-	127,521	83,763
Dismantling Asset	-	-	(8,618)	(74,935)	(38)	(2)	(6,560)	-	-	-	(90,153)
Others	(32,619)	(1,129)	7,977	(56,645)	(108)	131	27,639	5,405	-	65,986	16,637
Total movements	2,195,549	7,527	43,017	(319,869)	7,179	173,171	18,170	730,998	78,918	124,202	3,058,862
Final balance 12/31/2013	7,710,714	126,792	1,345,390	4,485,004	15,541	800,483	1,687,093	2,486,007	589,784	880,003	20,126,811

- 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.
- 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.
- Borrowing costs capitalized for the period from January 1 to December 31, 2014 amounted to ThUS\$112,801 calculated on an annual capitalization rate of 3.50% and while the amount corresponding to December 31, 2013 was ThUS\$178,412 on an annual rate of 3,81% capitalization.
- The costs of exploration and drilling of deposits are recognized in profit or loss in accordance with the accounting policy for CodeLco and cash outflows disbursed by the same concepts that are presented in the following table:

Expenditure on exploration and drilling reservoirs	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Profit or (loss)	59,215	67,856
Cash outflows	68,759	60,949

g) The item "Other assets" under "Property, plant and equipment" includes:

Other assets, net	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Leasing assets	96,296	66,061
Mining properties from purchase of Anglo American Sur S.A. shares	402,000	402,000
Others	534,791	411,942
Total other assets, net	1,033,087	880,003

- 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.
- The Corporation at December 31, 2014 had strategic inventory reclassification for property, plant and equipment, equal to the amount of ThUS\$27,302. At December 31, 2013 it amounted to ThUS\$83,763.
- The estimate of the total variation of 2014 between the two criteria of depreciation, production units versus linear system (estimated) is ThUS\$135,033.

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	
	12/31/2014 ThUS\$	12/31/2013 ThUS\$	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
Investments in associates accounted for using the equity method	6,665,113	7,341,196	121,187	304,549
Joint Ventures	133,593	153,786	126,807	139,584
Total	6,798,706	7,494,982	247,994	444,133

a) Associates

Agua de la Falda S.A.

As of December 31, 2014, 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, 2014, 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, 2014, 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.

Mining Industry Robotic Solutions S.A.

Until the May 17, 2013, Codelco had a 36% stake of its capital shares, 53% was owned by Support Company Limited, 9% by Nippon Mining & Metals Co. Ltd., and 2% by Kuka Roboter GmbH.

On May 17, 2013, Codelco and Support Company Limited, agreed to enter into a transaction whereby the Corporation sold its stake to Support Company Limited. The result of this operation before tax was ThUS\$731.

Sociedad GNL Mejillones S.A.

As of December 31, 2014, 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, 2014, 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 1st, 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.

The financial effects from this operation generated a profit before income tax of ThUS\$ 33,668 during the period ended at December 31, 2011.

At December 30, 2014, in the Extraordinary Shareholders' meeting held on that date, it was agreed to increase the capital share of ThUS\$102,010, reducing Codelco to 33.19%

At December 31, 2014, the company has reduced the values of the mineral property exploration and evaluation expenses resulting from an impairment analysis of assets according to accounting standards.

Copper for Energy S.A.

As of December 31, 2014, 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 December 31, 2014, 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 above mentioned sale, Codelco reduced its indirect share interest in AAS to 20%, while Mitsui increased its participation to 9.5%. This situation remains without changes as of December 31, 2012.

At December 31, 2014, the control of Anglo American Sur 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.

Planta Recuperadora de Metales SpA

On December 3, 2012, Planta Recuperadora Metales SpA was established, with Codelco owning 100% of the entity.

On July 7, 2014, Codelco reduced their participation in the total equity of the firm Planta Recuperadora de Metales SpA to a 51%. LS-Nikko Copper Inc. holds the remaining 49% of the equity. At December 31, 2014, the control of the entity is based on the control elements that are described in the shareholders agreement.

The principal activity of the company is the processing of intermediate products of the refining and processing of copper and other metals, with the aim to recover copper, the other metals and other containing sub products, their transformation in commercial products and to commercialize and distribute all class of goods or inputs which stand in relation with the mentioned process.

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	
			12/31/2014 %	12/31/2013 %	12/31/2014 ThUS\$	12/31/2013 ThUS\$	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
Deutsche Geissdraht GmbH	Foreign	EURO	40.0%	40.0%	3,688	3,627	1,842	1,311
Agua de la Falda S.A.	96.801.450-1	USD	43.3%	43.3%	4,948	5,589	(641)	(86)
Sociedad Contractual Minera El Abra	96.701.340-4	USD	49.0%	49.0%	701,990	838,225	149,258	169,433
Minera Purén SCM	76.028.880-2	USD	35.0%	35.0%	8,628	8,833	(205)	(263)
Sociedad GNL Mejillones S.A.	76.775.710-7	USD	37.0%	37.0%	59,052	56,582	2,247	8,699
MI Robotic Solutions S.A.	76.869.100-2	CLP	-	36.0%	-	-	-	(270)
Inca de Oro S.A.	73.063.022-5	USD	33.2%	34.0%	22,616	53,423	(30,871)	(90)
Anglo American Sur S.A.	77.762.940-9	USD	29.5%	29.5%	5,860,559	6,374,917	101	126,095
Planta Recuperadora de Metales SpA	76.255.054-7	USD	51.0%	-	3,632	-	(537)	-
Others					-	-	(7)	(280)
TOTAL					6,665,113	7,341,196	121,187	304,549

In respect of investments in associates accounted for under the equity method, the following tables with details of assets and liabilities at December 31, 2014 and December 31, 2013 are presented as well as the major movements and respective results for the periods ended December 31, 2014 and December 31, 2013.

Assets and liabilities	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Current assets	1,552,967	1,912,177
Non-Current assets	6,604,262	6,759,726
Current liabilities	766,139	1,145,842
Non-Current liabilities	1,245,761	1,290,594

Net Income	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
Revenue	4,010,079	4,566,849
Cost of sales	(3,408,128)	(3,314,082)
Profit for the period	601,951	1,252,767

Movements of Investment in Associates	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
Opening balances	7,341,196	7,478,310
Contributions	4,107	1,547
Tax Reform Effect	(455,233)	-
Dividends	(348,690)	(439,955)
Net income for the period	121,187	304,549
Foreign exchange differences	(539)	(561)
Sales of entities	-	270
Other comprehensive income	6,983	(486)
Inca de Oro S.A. Impairment	(30,827)	-
Other	26,929	17,522
Final balance	6,665,113	7,341,196

From the tables associated with significant breakdown of assets and liabilities at December 31, 2014 and December 31, 2013 are presented as well as the major movements and their results for the year ended December 31, 2014 and December 31, 2013.

Anglo American Sur S.A.

Assets and liabilities	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Current assets	958,450	1,097,744
Non-Current assets	4,745,935	4,867,265
Current liabilities		
Current liabilities	616,481	1,004,062
Non-Current liabilities		
Non-Current liabilities	652,672	831,799

Net Income	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
Revenue	2,791,891	3,295,507
Cost of sales	(2,355,681)	(2,417,262)
Profit for the period	436,210	878,245

Sociedad Contractual Minera El Abra

Assets and liabilities	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Current assets	553,212	764,600
Non-Current assets	1,380,837	1,347,536
Current liabilities		
Current liabilities	117,482	106,474
Non-Current liabilities		
Non-Current liabilities	314,860	186,001

Net Income	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
Revenue	1,140,775	1,133,969
Cost of sales	(885,606)	(781,681)
Profit for the period	255,169	352,288

b) Joint ventures

At December 31, 2014, 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	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Current assets	75,302	43,089
Non-current assets	198,620	272,299
Current liabilities		
Current liabilities	6,736	7,822
Non-current liabilities		
Non-current liabilities	-	-

Net Income	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
Revenue and other comprehensive income	388,390	407,925
Cost of sales	(134,776)	(128,757)
Profit (losses)	253,614	279,168

Movements of the investment in joint ventures	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
Opening balance	153,786	178,326
Net income for the period	126,807	139,584
Dividends	(146,999)	(165,000)
Other Intregal Net Income	-	875
Other	(1)	1
Final balance	133,593	153,786

Additional Information	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Cash and cash equivalent	10,868	12,369

c) 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 December 31, 2014 corresponds to ThUS\$53,409 (December 31, 2013: ThUS\$53,409), an amount which represents deductions of investments in this entity.

Codelco carries out copper purchase and sales with the Sociedad Contractual Minera El Abra. At December 31, 2014, the value of finished products inventories category presents no unrealized gain provisions. On December 31, 2013, there was an unrealized gain accrual of ThUS\$6,238.

Codelco carries out copper purchases and sales with Anglo American Sur S.A., the value of finished products for the category Inventories at December 31, 2014, has a provision for unrealized gain of ThUS\$172. At December 31, 2013, the company has a provision unrealized gain for ThUS\$3,336.

The Company has recorded unrealized gains for the purchase of rights to use GNL terminal of Contractual Minera El Abra in the amount of ThUS\$3,920 at December 31, 2014. As of December 31, 2013 it amounts to ThUS\$3,920.

d) 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 allocation of the purchase price at fair value between the identifiable assets and liabilities has been prepared by management using best estimates and taking into

account all relevant and available information at the time of the acquisition of Anglo American Sur S.A.

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 December 31, 2014 and December 31, 2013 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 for the period ended December 31, 2014 was ThUS\$128,682, 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\$122,950 and is decreasing the item "Equity in gains (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	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Current Assets	464,496	423,173
Non-current Assets	6,457,799	6,923,084
Current Liabilities	315,797	251,115
Non-current Liabilities	1,129,120	1,093,414

Net Income	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Revenue	1,790,344	2,022,221
Cost of sales	(1,722,089)	(1,811,126)
Profit (losses) for the period	68,255	211,095

10. Other non-current non-financial assets

Other non-current non-financial assets included in the consolidated statement of financial position as of December 31, 2014 and December 31, 2013 is detailed as follows:

Other non-current non-financial assets	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Law No. 13.196 asset ⁽¹⁾	23.532	27.230
Other	12.383	12.432
Total	35.915	39.662

(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	12/31/2014				
	At fair value through profit and loss	Loans and receivables	Hedging derivatives	Available for sale	Total financial assets
	ThUS	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	-	1,310,616	-	-	1,310,616
Trade and other current receivables	(60,330)	2,238,112	-	-	2,177,782
Accounts receivables, non – current	-	124,675	-	-	124,675
A/R due from related companies, current	-	9,488	-	-	9,488
A/R due from related companies, non – current	-	224	-	-	224
Other current financial assets	-	17,904	13,844	-	31,748
Other non - current financial assets	-	6,587	55,826	-	62,413
TOTAL	(60,330)	3,707,606	69,670	-	3,716,946

Classification in the statement of financial position	12/31/2013				
	At fair value through profit and loss	Loans and receivables	Hedging derivatives	Available for sale	Total financial assets
	ThUS	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	1,431	749,239	-	-	750,670
Trade and other current receivables	124,905	2,061,277	-	-	2,186,182
Accounts receivables, non – current	-	138,896	-	-	138,896
A/R due from related companies, current	-	30,883	-	-	30,883
A/R due from related companies, non – current	-	224	-	-	224
Other current financial assets	-	3,899	1,728	-	5,627
Other non - current financial assets	-	9,829	83,878	-	93,707
TOTAL	126,336	2,994,247	85,606	-	3,206,189

- Financial assets designated at fair value through profit or loss: At December 31, 2014, 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.

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 tables below show the composition of the other financial liabilities, current and non-current.

Items	12/31/2014					
	Current			Non-current		
	Loans and other payables	Hedging derivatives	Total	Loans and other payables	Hedging derivatives	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Loans from financial entities	828,554	-	828,554	3,367,757	-	3,367,757
Bonds	122,552	-	122,552	9,316,632	-	9,316,632
Financial Lease	20,721	-	20,721	96,317	-	96,317
Hedge obligations	-	10,513	10,513	-	96,626	96,626
Other financial liabilities	3,828	-	3,828	73,910	-	73,910
Total	975,655	10,513	986,168	12,854,616	96,626	12,951,242

Items	12/31/2013					
	Current			Non-current		
	Loans and other payables	Hedging derivatives	Total	Loans and other payables	Hedging derivatives	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Loans from financial entities	520,893	-	520,893	3,030,057	-	3,030,057
Bonds	611,929	-	611,929	7,662,388	-	7,662,388
Financial Lease	21,243	-	21,243	76,240	-	76,240
Hedge obligations	-	5,125	5,125	-	1,245	1,245
Other financial liabilities	1,111	-	1,111	77,912	-	77,912
Total	1,155,176	5,125	1,160,301	10,846,597	1,245	10,847,842

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 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 by approximately US\$998 million, to be used in full to prepay GacruX's debt under the Credit Agreement.

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, 2014, has a balance of ThUS\$770,980.

- **Bond obligations:**

On October 15, 2004, the Company 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 mature in a single installment on October 15, 2014, with an interest rate of 4.750% per annum with interest paid semiannually.

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 4% 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 144-A 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 ThUS\$2,000,000. 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 4.25% mature on July 17, 2042, and each have interest paid annually.

On August 13, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS\$750,000, which will mature in a single installment on August 13, 2023, with a coupon of 4.5% per annum with interest paid semiannually.

On October 18, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS\$950,000, which will mature in a single installment on October 18, 2043, with a coupon of 5.625% per annum with interest paid semiannual.

On July 9, 2014, the Corporation issued and placed bonds in the International Financial Markets, under rule 144-A and Regulation S, for a nominal amount of EUR\$600,000,000, which will mature in a single installment on July 9, 2024, with a coupon of 2.25% per annum with the interest paid annually.

On November 4, 2014, the Corporation issued and placed bonds in the U.S. market, under rule 144-A y Regulation S, for a nominal amount of ThUS\$980,000, which will mature in a single installment on November 4, 2044, with a coupon of 4.875% per annum with interest paid semiannually.

- 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.

As of December 31, 2014, the details of Borrowings from financial institutions and bond obligations are as follows:

12/31/2014													
Taxpayer number	Country	Loans with financial entities	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of Interest	Nominal rate	Effective rate	Current balance THUS\$	Non-current balance THUS\$
97036000-k	Chile	Bilateral Credit	Banco Santander S.A.	30/11/15	Floating	US\$	75,000,000	Maturity	Quarterly	1.08%	1.20%	75,013	-
Foreign	Bermuda	Bilateral Credit	HSBC Bank Bermuda Limited	12/17/2015	Floating	US\$	162,500,000	Maturity	Quarterly	1.09%	1.21%	162,404	-
Foreign	USA	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd.	12/22/2015	Floating	US\$	100,000,000	Maturity	Quarterly	1.00%	1.09%	99,923	-
97036000-k	Chile	Bilateral Credit	Banco Santander S.A.	12/23/2015	Floating	US\$	100,000,000	Maturity	Quarterly	1.10%	1.22%	99,919	-
Foreign	USA	Bilateral Credit	Export. Dev. Canada	12/28/2015	Floating	US\$	250,000,000	Maturity	Quarterly	1.06%	1.18%	249,746	-
Foreign	USA	Bilateral Credit	Sumitomo Mitsui Banking	2/18/2016	Floating	US\$	100,000,000	Maturity	Quarterly	1.07%	1.09%	42	99,903
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	10/13/2016	Floating	US\$	100,000,000	Maturity	Quarterly	0.83%	1.11%	178	99,519
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	10/14/2016	Floating	US\$	250,000,000	Maturity	Quarterly	0.73%	1.04%	392	248,657
Foreign	USA	Bilateral Credit	HSBC Bank USA, N.A.	10/11/2016	Floating	US\$	250,000,000	Maturity	Quarterly	0.83%	1.14%	481	248,678
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2016	Floating	US\$	250,000,000	Maturity	Quarterly	0.73%	1.10%	321	248,401
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	9/16/2018	Floating	US\$	300,000,000	Maturity	Quarterly	0.86%	1.09%	101	297,644
Foreign	USA	Bilateral Credit	Bank of America N.A.	10/11/2018	Floating	US\$	300,000,000	Maturity	Quarterly	0.88%	1.08%	598	297,833
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd.	5/24/2019	Floating	US\$	8,700,000	Semi-annual principal instalments from 2015 until maturity	Semi-annual	0.88%	1.01%	1,095	7,596
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd.	5/24/2019	Floating	US\$	30,000,000	Semi-annual principal instalments from 2015 until maturity	Semi-annual	0.89%	1.03%	3,761	26,131
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US\$	20,300,000	Semi-annual principal instalments from 2015 until maturity	Semi-annual	0.78%	0.79%	1,466	18,778
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US\$	70,000,000	Semi-annual principal instalments from 2015 until maturity	Semi-annual	0.79%	0.79%	5,026	64,720
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	7/19/2018	Floating	US\$	300,000,000	Maturity	Quarterly	0.85%	0.95%	536	299,137
Foreign	USA	Bilateral Credit	Export Dev Canada	7/20/2018	Floating	US\$	300,000,000	Maturity	Quarterly	0.86%	0.96%	486	299,075
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	6/10/2019	Floating	US\$	95,000,000	Maturity	Quarterly	0.86%	1.09%	52	94,104
Foreign	USA	Bilateral Credit	Export Dev Canada	6/16/2019	Floating	US\$	300,000,000	Maturity	Quarterly	0.85%	0.94%	589	298,712
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2032	Fixed	US\$	874,959,000	Semi-annual principal instalments at maturity.	Semi-annual	3.25%	3.60%	55,103	715,877
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	Euro				1.36%	1.36%	30,236	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				1.37%	1.37%	31,229	-
			Other									9,857	2,992
TOTAL												828,554	3,367,757

Bonds	Country	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective rate	Current balance ThUS\$	Non-current balance ThUS\$
114-A REG.S	USA	1/15/2019	Fixed	US\$	600,000,000	Maturity	Semi-annual	7.50%	7.79%	20,788	594,093
114-A REG.S	USA	11/4/2020	Fixed	US\$	1,000,000,000	Maturity	Semi-annual	3.75%	3.88%	6,215	988,506
114-A REG.S	USA	11/4/2021	Fixed	US\$	1,150,000,000	Maturity	Semi-annual	3.88%	4.07%	7,386	1,136,984
144-A REG.S	USA	7/17/2022	Fixed	US\$	1,250,000,000	Maturity	Semi-annual	3.00%	3.16%	17,221	1,235,352
144-A REG.S	USA	8/13/2023	Fixed	US\$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	12,861	737,038
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	2,844	298,453
144-A REG.S	USA	9/21/2035	Fixed	US\$	500,000,000	Maturity	Semi-annual	5.63%	5.78%	8,080	490,762
144-A REG.S	USA	24/10/2036	Fixed	US\$	500,000,000	Maturity	Semi-annual	6.15%	6.22%	5,998	496,036
144-A REG.S	USA	7/17/2042	Fixed	US\$	750,000,000	Maturity	Semi-annual	4.25%	4.40%	14,638	731,466
144-A REG.S	USA	10/18/2043	Fixed	US\$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	11,010	932,183
144-A REG.S	USA	11/4/2044	Fixed	US\$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	7,613	959,689
144-A REG.S	England	7/9/2024	Fixed	EUR	600,000,000	Maturity	Annual	2.25%	2.48%	7,898	716,070
TOTAL										122,552	9,316,632

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

At December 31, 2013, the detail of Borrowings from financial institutions and Bond obligations is as follows:

At December 31, 2013, the detail of Borrowings from financial institutions and Bond obligations is as follows:

12/31/2013													
Taxpayer number	Country	Loans with financial entities	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of Interest	Nominal rate	Effective rate	Current balance ThUS\$	Non-current balance ThUS\$
Foreign	USA	Syndicated Loan	BBVA Bancomer	27/9/2014	Floating	US\$	400,000,000	3 annual installments of principal at maturity	Quarterly	0.45%	0.50%	133,264	-
97036000-K	Chile	Bilateral Credit	Banco Santander S.A.	30/11/2015	Floating	US\$	75,000,000	Maturity	Quarterly	1.09%	1.21%	82	74,849
Foreign	Bermuda	Bilateral Credit	HSBC Bank Bermuda Limited	17/12/2015	Floating	US\$	162,500,000	Maturity	Quarterly	1.09%	1.21%	76	162,172
Foreign	USA	Bilateral Credit	Bank of Tokyo-Mitsubishi	22/12/2015	Floating	US\$	100,000,000	Maturity	Quarterly	1.00%	1.09%	22	99,824
97036000-K	Chile	Bilateral Credit	Banco Santander S.A.	23/12/2015	Floating	US\$	100,000,000	Maturity	Quarterly	1.10%	1.21%	25	99,794
Foreign	USA	Bilateral Credit	Export. Dev. Canada	28/12/2015	Floating	US\$	250,000,000	Maturity	Quarterly	1.05%	1.16%	7	249,489
Foreign	USA	Bilateral Credit	Sumitomo Mitsui Banking	18/2/2016	Floating	US\$	100,000,000	Maturity	Quarterly	1.07%	1.17%	39	99,819
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	13/10/2016	Floating	US\$	100,000,000	Maturity	Quarterly	0.84%	1.12%	186	99,260
Foreign	USA	Bilateral Credit	Bank Of Tokyo Mitsubishi Ltd.	14/10/2016	Floating	US\$	250,000,000	Maturity	Quarterly	0.74%	1.05%	411	247,930
Foreign	USA	Bilateral Credit	HSEC Bank USA, N.A.	11/10/2016	Floating	US\$	250,000,000	Maturity	Quarterly	0.84%	1.15%	501	247,965
Foreign	USA	Bilateral Credit	Export Dev Canada	3/11/2016	Floating	US\$	250,000,000	Maturity	Quarterly	0.74%	1.10%	334	247,543
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	16/9/2018	Floating	US\$	300,000,000	Maturity	Quarterly	0.86%	1.09%	111	297,022
Foreign	USA	Bilateral Credit	Bank of America N.A.	11/10/2018	Floating	US\$	300,000,000	Maturity	Quarterly	0.89%	1.10%	592	297,273
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi	24/5/2019	Floating	US\$	8,700,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	0.90%	1.01%	8	8,668
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	24/5/2022	Floating	US\$	20,300,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	0.80%	0.81%	17	20,221
97036000-K	Chile	Bilateral Credit	Banco Santander S.A.	29/1/2014	Floating	US\$	300,000,000	Maturity	Mensual	0.06%	0.06%	300,001	-
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V	26/11/2032	Fixed	US\$	874,959,000	Cuotas Semi-annuals de capital al vcto.	Semi-annual	3.25%	3.60%	45,509	767,337
Foreign	Germany	Credit Line	HSEC Trinkaus &		Floating	Euro				1.42%	1.42%	18,374	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				1.42%	1.42%	16,620	-
			Others instituciones									4,724	10,891
TOTAL												520,893	3,030,057

Bonds	Country	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective rate	Current balance ThUS\$	Non-current balance ThUS\$
144-A REG.S	USA	10/15/2014	Fixed	US\$	500,000,000	Maturity	Semi-annual	4.75%	4.99%	504,359	-
114-A REG.S	USA	1/15/2019	Fixed	US\$	600,000,000	Maturity	Semi-annual	7.50%	7.79%	21,035	592,912
114-A REG.S	USA	11/4/2020	Fixed	US\$	1,000,000,000	Maturity	Semi-annual	3.75%	3.98%	6,215	986,344
114-A REG.S	USA	11/4/2021	Fixed	US\$	1,150,000,000	Maturity	Semi-annual	3.88%	4.07%	7,386	1,135,353
144-A REG.S	USA	7/17//2022	Fixed	US\$	1,250,000,000	Maturity	Semi-annual	3.00%	3.16%	17,221	1,233,848
144-A REG.S	USA	8/13//2023	Fixed	US\$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	12,931	735,854
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	3,117	328,541
144-A REG.S	USA	9/21/2035	Fixed	US\$	500,000,000	Maturity	Semi-annual	5.63%	5.78%	8,080	490,537
144-A REG.S	USA	10/24/2036	Fixed	US\$	500,000,000	Maturity	Semi-annual	6.15%	6.22%	5,997	495,953
144-A REG.S	USA	7/17/2042	Fixed	US\$	750,000,000	Maturity	Semi-annual	4.25%	4.40%	14,638	731,138
144-A REG.S	USA	10/18/2043	Fixed	US\$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	10,950	931,908
TOTAL										611,929	7,662,388

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

Payment commitments for financial leasing transactions are summarized in the following table:

Debtor's Name	12/31/2014			Payments of Interest	Current			Non-current			Non-current total
	Currency	Effective Interest Rate	Nominal Rate		Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	
Banco Santander S.A.	US\$	1.20%	1.08%	Quarterly	205	75,632	75,837	-	-	-	-
HSBC Bank Bermuda Limited	US\$	1.21%	1.09%	Quarterly	444	163,856	164,300	-	-	-	-
Bank of Tokyo-Mitsubishi Ltd.	US\$	1.09%	1.00%	Quarterly	251	100,763	101,014	-	-	-	-
Banco Santander S.A.	US\$	1.22%	1.10%	Quarterly	276	100,842	101,118	-	-	-	-
Export. Dev. Canada	US\$	1.18%	1.06%	Quarterly	660	252,018	252,678	-	-	-	-
Sumitomo Mitsui Banking	US\$	1.09%	1.07%	Quarterly	268	810	1,078	100,185	-	-	100,185
Mizuho Corporate Bank Ltd	US\$	1.11%	0.83%	Quarterly	212	629	841	100,844	-	-	100,844
Bank of Tokyo Mitsubishi Ltd.	US\$	1.04%	0.73%	Quarterly	469	1,391	1,860	251,865	-	-	251,865
HSBC Bank USA, N.A.	US\$	1.14%	0.83%	Quarterly	1,050	1,587	2,637	251,581	-	-	251,581
Export Dev Canada	US\$	1.10%	0.73%	Quarterly	468	1,389	1,857	251,862	-	-	251,862
Mizuho Corporate Bank Ltd	US\$	1.09%	0.86%	Quarterly	647	1,977	2,624	5,255	301,970	-	307,225
Bank of America N.A.	US\$	1.08%	0.88%	Quarterly	1,319	2,015	3,334	4,681	302,674	-	307,355
Bank of Tokyo-Mitsubishi Ltd.	US\$	1.01%	0.88%	Semi-annual	-	1,167	1,167	4,459	3,292	-	7,751
Bank of Tokyo-Mitsubishi Ltd.	US\$	1.03%	0.89%	Semi-annual	-	4,006	4,006	15,372	11,351	-	26,723
Japan Bank International Cooperation	US\$	0.79%	0.78%	Semi-annual	-	1,604	1,604	6,040	5,948	7,307	19,295
Japan Bank International Cooperation	US\$	0.79%	0.79%	Semi-annual	-	5,510	5,510	20,840	20,519	25,200	66,559
Bank of Tokyo Mitsubishi Ltd.	US\$	0.95%	0.85%	Quarterly	647	1,941	2,588	5,197	301,948	-	307,145
Export Dev Canada	US\$	0.96%	0.86%	Quarterly	672	1,951	2,623	5,225	301,923	-	307,148
Mizuho Corporate Bank Ltd	US\$	1.09%	0.86%	Quarterly	203	621	824	1,650	96,235	-	97,885
Export Dev Canada	US\$	0.94%	0.85%	Quarterly	1,284	1,950	3,234	4,532	304,369	-	308,901
ORIENTE COPPER NETHERLANDS B.V	US\$	3.60%	3.25%	Semi-annual	-	78,471	79,913	152,685	146,852	814,097	1,113,634
BONO 144-A REG. 2019	US\$	7.79%	7.50%	Semi-annual	22,500	22,500	45,000	90,000	667,500	-	757,500
BONO 144-A REG. 2020	US\$	3.98%	3.75%	Semi-annual	-	37,500	37,500	75,000	75,000	1,037,500	1,187,500
BONO 144-A REG. 2021	US\$	4.07%	3.88%	Semi-annual	-	44,563	44,563	89,125	89,125	1,239,125	1,417,375
BONO 144-A REG. 2022	US\$	3.16%	3.00%	Semi-annual	18,750	18,750	37,500	75,000	75,000	1,362,500	1,512,500
BONO 144-A REG. 2023	US\$	4.75%	4.50%	Semi-annual	16,875	16,875	33,750	67,500	67,500	885,000	1,020,000
BONO 144-A REG. 2035	US\$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	950,000	1,062,500
BONO 144-A REG. 2036	US\$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	1,022,750	1,145,750
BONO 144-A REG. 2042	US\$	4.40%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,483,125	1,610,625
BONO 144-A REG. 2043	US\$	5.76%	5.63%	Semi-annual	26,719	53,438	80,157	106,875	106,875	1,255,781	1,469,531
BONO 144-A REG. 2044	US\$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	1,170,488	1,361,588
Total ThUS\$					123,920	1,102,282	1,226,202	1,962,823	3,155,131	11,252,873	16,370,827
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	8,418,000	9,522,000
Total U.F.					138,000	138,000	276,000	552,000	552,000	8,418,000	9,522,000
Subtotal ThUS\$					5,601	5,601	11,202	22,405	22,405	341,673	386,483
BONO 144-A REG. 2024	EUR	2.48%	2.25%	Semi-annual	-	13,500,000	13,500,000	27,000,000	27,000,000	667,500,000	721,500,000
Total EUR					-	13,500,000	13,500,000	27,000,000	27,000,000	667,500,000	721,500,000
Subtotal ThUS\$					-	16,421	16,421	32,843	32,843	811,946	877,632
Total ThUS\$					129,521	1,124,304	1,253,825	2,018,071	3,210,379	12,406,492	17,634,941

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

Debtor's Name	12/31/2014				Current			Non-current				
	Currency	Effective Interest Rate	Nominal Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total	
BBVA BANCOMER	US\$	0.50%	0.45%	Quarterly	149	133,642	133,791	-	-	-	-	
BANCO SANTANDER S.A.	US\$	1.21%	1.09%	Quarterly	206	632	838	75,827	-	-	75,827	
HSBC BANK BERMUDA LIMITED	US\$	1.21%	1.09%	Quarterly	444	1,363	1,807	164,302	-	-	164,302	
THE BANK OF TOKYO M.	US\$	1.09%	1.00%	Quarterly	252	755	1,007	101,010	-	-	101,010	
BANCO SANTANDER S.A.	US\$	1.21%	1.10%	Quarterly	277	833	1,110	101,110	-	-	101,110	
EXPORT DEVELOP CANADA	US\$	1.16%	1.05%	Quarterly	662	1,977	2,639	252,653	-	-	252,653	
SUMITOMO MITSUI BANKING	US\$	1.17%	1.07%	Quarterly	268	811	1,079	101,359	-	-	101,359	
MIZUHO CORPORATE BANK LTD	US\$	1.12%	0.84%	Quarterly	215	639	854	101,712	-	-	101,712	
BANK OF TOKYO-MITSUBISHI LTD.	US\$	1.05%	0.74%	Quarterly	475	1,410	1,885	253,775	-	-	253,775	
HSBC BANK USA, N.A.	US\$	1.15%	0.84%	Quarterly	1,066	1,072	2,138	254,281	-	-	254,281	
EXPORT DEVELOP CANADA	US\$	1.10%	0.74%	Quarterly	471	1,397	1,868	253,741	-	-	253,741	
MIZUHO CORPORATE BANK LTD	US\$	1.09%	0.86%	Quarterly	654	1,977	2,631	5,256	304,595	-	309,851	
BANK OF AMERICA N.A.	US\$	1.10%	0.89%	Quarterly	1,363	1,363	2,726	5,444	305,436	-	310,880	
BANK OF TOKYO MITSUBISHI LTD.	US\$	1.01%	0.90%	Semi-annual	-	79	79	3,406	4,419	1,092	8,917	
JAPAN BANK INTERNATIONAL COOPERATION	US\$	0.81%	0.80%	Semi-annual	-	162	162	4,643	5,999	10,273	20,915	
BANCO SANTANDER S.A.	US\$	0.06%	0.06%	Quarterly	300,015	-	300,015	-	-	-	-	
ORIENTE COPPER NETHERLANDS B.V	US\$	3.60%	3.25%	Semi-annual	-	79,913	79,913	155,568	149,735	886,802	1,192,105	
BONO 144-A REG. 2014	US\$	4.99%	4.75%	Semi-annual	-	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	622,500	802,500	
BONO 144-A REG. 2020	US\$	3.98%	3.75%	Semi-annual	-	37,500	37,500	75,000	75,000	1,075,000	1,225,000	
BONO 144-A REG. 2021	US\$	4.07%	3.88%	Semi-annual	-	44,563	44,563	89,125	89,125	1,283,688	1,461,938	
BONO 144-A REG. 2022	US\$	3.16%	3.00%	Semi-annual	18,750	18,750	37,500	75,000	75,000	1,400,000	1,550,000	
BONO 144-A REG. 2023	US\$	4.75%	4.50%	Semi-annual	16,875	16,875	33,750	67,500	67,500	918,750	1,053,750	
BONO 144-A REG. 2035	US\$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	978,125	1,090,625	
BONO 144-A REG. 2036	US\$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	1,053,500	1,176,500	
BONO 144-A REG. 2042	US\$	4.40%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,515,000	1,642,500	
BONO 144-A REG. 2043	US\$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	1,309,219	1,522,969	
					Total ThUS\$	394,643	1,006,152	1,400,795	2,519,087	1,455,184	11,053,949	15,028,220
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	8,694,000	9,798,000	
					Total U.F.	138,000	138,000	276,000	552,000	552,000	8,694,000	9,798,000
					Subtotal ThUS\$	6,132	6,132	12,263	24,526	24,526	386,288	435,340
					Total ThUS\$	400,775	1,012,284	1,413,058	2,543,613	1,479,710	11,440,237	15,463,560

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	12/31/2014			12/31/2013		
	Gross	Interest	Net	Gross	Interest	Net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Less than 90 days	7,505	(2,265)	5,240	6,994	(2,446)	4,548
Between 90 days and 1 year	22,327	(6,846)	15,481	24,195	(7,500)	16,695
Between 1 and 2 years	24,151	(6,833)	17,318	34,723	(13,433)	21,290
Between 2 and 3 years	18,972	(6,106)	12,866	21,978	(9,640)	12,338
Between 3 and 4 years	18,009	(6,025)	11,984	28,833	(11,590)	17,243
Between 4 and 5 years	17,773	(6,054)	11,719	20,126	(5,369)	14,757
More than 5 years	52,284	(9,854)	42,430	16,954	(6,342)	10,612
Total	161,021	(43,983)	117,038	153,803	(56,320)	97,483

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 issues	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Less than one year	928,510	900,787
Between one and five years	516,932	492,528
More than five years	224,053	297,745
Total	1,669,495	1,691,060

Rental fees recognized in the Statement of Comprehensive Income	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Minimum payments for operating leases	238,857	282,029

13. Fair Value of financial assets and liabilities

As the carrying amount of financial assets is a reasonable approximation of their fair value, no incremental disclosures are required in accordance with IFRS 7.

Regarding to financial liabilities, the following table shows a comparison to December 31, 2014 between the book value and the fair value of financial liabilities other than those whose book value is a reasonable approximation of fair value.

Comparison between book value & fair value	Accounting treatment for valuation	Book value	Fair value
		ThUS\$	ThUS\$
As of December 31, 2014			
Financial Liabilities			
Bond Obligations	Amortized cost	9,316,632	10,025,600

The fair value of loans from financial institutions is a reasonable approximation of their book value. Liabilities arising from hedging are valued in the financial statements at fair value.

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 December 31, 2014:

Financial assets and liabilities at fair value with effect in profit and loss statement	12/31/2014			Total ThUS\$
	Level 1 ThUS\$	Level 2 ThUS\$	Level 3 ThUS\$	
Financial Assets				
Provisionally priced sales contracts	-	(60,330)	-	(60,330)
Cross Currency Swap	-	53,405	-	53,405
Mutua funds units	-	-	-	-
Metals futures	16,264	-	-	16,264
Financial Liabilities				
Metals Futures	771	-	-	771

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:

Concept	Current Liabilities	
	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Trade payables	1,222,597	1,287,112
Payables to employees	2,483	18,796
Withholdings	89,728	109,767
Tax withholdings	36,879	70,943
Other payables	91,963	86,079
TOTAL	1,443,650	1,572,697

16. Other provisions

Other short-term accrued expenses and provisions as of the indicated dates are detailed as follows:

Other Provisions	Current		Non-current	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade ⁽¹⁾	12,568	9,859	-	-
Operating ⁽²⁾	143,334	79,732	-	-
Law No, 13,196	169,856	65,773	-	-
Sundry	109,607	66,028	2,299	2,502
Closure, decommissioning and restoration ⁽³⁾	-	-	1,395,008	1,336,842
Contingencies	-	-	41,518	48,546
Total	435,365	221,392	1,438,825	1,387,890

Accrual for employee benefits	Current		Non-current	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Employees' collective bargaining agreements	201,384	218,964	-	-
Employee termination benefit	43,735	51,005	762,146	790,939
Bonus	4,056	6,113	-	-
Vacation	145,206	162,125	-	-
Medical care programs ⁽⁴⁾	805	820	492,277	349,339
Retirement plans ⁽⁵⁾	46,630	118,652	99,834	147,512
Other	11,936	9,876	8,984	10,577
Total	453,752	567,555	1,363,241	1,298,367

(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 2.01% in Chilean pesos, 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 Company determines and records the liability in accordance with the accounting policies mentioned in note II.1 letter d) and II.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.

Movements of Other provisions were as follows:

Movements	1/1/2014 12/31/2014			
	Provision for mine closure ThUS\$	Contingencies ThUS\$	Other Provisions, non-current ThUS\$	Total ThUS\$
Annual cost	1,336,842	48,546	2,502	1,387,890
Costo/Capitalización del periodo	2,514	-	(53)	2,461
ARO Adjustments	160,198	-	-	160,198
Financial expenses	41,222	-	-	41,222
Payment of liabilities	(8,228)	(1,694)	(140)	(10,062)
Foreign exchange rate differences	(129,912)	(5,469)	388	(134,993)
Other variations	(7,628)	135	(398)	(7,891)
Final balance	1,395,008	41,518	2,299	1,438,825

17. Employee benefits

a. Provisions for post employment benefits and other long term benefits

Provision for post employment benefits mainly corresponds to employee termination benefits, registered to reflect the obligations for severance, and medical care plans, 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 the period of January to December 2014, there were no significant changes in post-employment benefits plans.

Actuarial assumptions for calculating the employee termination benefit accrual are as follows:

Assumptions	12/31/2014		12/31/2013	
	Retirement plan	Health plan	IPAS	Retirement plan
Annual Discount Rate	4.65%	4.76%	5.60%	6.00%
Voluntary Annual Turnover Rate for Retirement (Men)	4.66%	4.66%	3.11%	3.11%
Voluntary Annual Turnover Rate for Retirement (Women)	5.51%	5.51%	0.25%	0.25%
Salary Increase (real annual average)	4.00%	4.00%	1.08%	1.08%
Future Rate of Long-Term Inflation	3.00%	3.00%	3.00%	3.00%
Inflation Health Care	5.05%	5.05%	4.08%	4.08%
Mortality tables used for projections	RV-2009	RV-2009	RV-2009	RV-2009
Average duration of future cash flows (years)	9.04	18.42	9.11	20.41
Expected Retirement Age (Men)	65	65	65	65
Expected Retirement Age (Women)	60	60	60	60

The discount rates correspond to the price in the secondary market of government bonds issued in Chile. Annual inflation corresponds to the long-term goal publicly declared by the Central Bank of Chile. Rotation rates were determined by reviewing the experience of the Corporation, by studying the cumulative expenditures for the last three years on the current (analysis executed by causal) behavior. Growth rates of compensable revenues respond to the long-term trend observed in reviewing the historical salaries paid by the Corporation. The mortality tables used for the actuarial calculations correspond to numbers issued by the Superintendency of Securities and Insurance, and these are used because they

are an appropriate representation of the Chilean market and the lack of comparable statistical series to develop own studies. Financial liabilities term corresponds to average maturity of payment flows of the respective defined benefit. Retirement ages are defined in the scheduled withdrawal of AFP, which is a parameter generally accepted in the Chilean market.

Reconciliation of post employment benefit and other long term benefits provision:

Movements	1/1/2014	
	12/31/2014	
	Retirement plan	Health plan
	ThUS\$	ThUS\$
Opening balance	841,944	350,159
Service cost	75,087	2,734
Financial cost	20,543	10,199
Paid contributions	(130,845)	(36,268)
Actuarial (gains) / losses	120,578	194,647
Subtotal	927,307	521,471
(Gains) / Losses on foreign exchange rate	(121,426)	(28,389)
Final Total	805,881	493,082

A technical revaluation has been carried out for the liability of severance benefits for years of service, with a net effect of ThUS\$120,578 in equity as of December 31, 2014, which decomposes in a Actuarial gain of ThUS\$994, which corresponds to changes in demographic assumptions, a loss of ThUS\$85,897 by the revaluation of financial assumptions; and a loss of ThUS\$35,675, for the effect of the historical behavior of severance payments, the fair value exceeded the actuarial valuation assumptions. Similarly, the liability arising from health benefit plans has resulted in an actuarial loss of ThUS\$194,647.

The balance at December 31, 2014 comprises a portion of ThUS\$43,735 and ThUS\$805 in the

short term, corresponding to compensation for years of service and Health Plans respectively. At December 31, 2014 a balance of ThUS\$795,360 is projected for the provision of compensation and ThUS\$474,376 for health benefits. The compensation payments flow over the next twelve months reach an expected monthly average of ThUS\$3,645 for severance and of ThUS\$67 per concept of health benefit plans.

The next table shows a review of the sensitivities performed over the provisions, from an average scenario, at low or high scenario with unit percentage change, respectively, and the two separate effects of reduction or increase of the book value of these provisions states:

Severance Benefits for Years of Service	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.648%	4.648%	5.648%	7.66%	-6.73%
Financial effect on the real increase in income	3.504%	4.004%	4.504%	-2.93%	3.19%
Demographic effect of job rotations	4.245%	4.745%	5.245%	0.04%	-0.03%
Demographic effect on mortality tables	-25.00%	RV09 SVS. Chile	25.00%	-0.01%	0.11%

Health Benefits and Other	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.761%	4.761%	5.761%	15.39%	-12.88%
Financial effect on health inflation	4.550%	5.050%	5.550%	-7.49%	8.31%
Demographic effect, planned retirement age	58 / 63	60 / 65	62 / 67	4.68%	-4.65%
Demographic effect on mortality tables	-25.00%	RV09 SVS. Chile	25.00%	6.69%	-8.51%

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 December 31, 2014 and December 31, 2013, a running balance is presented by these obligations ThUS\$46,630 and ThUS\$118,652 respectively, while non-current balance represents

ThUS\$105,264 and ThUS\$147,512 respectively, the latter associated with the provision related to the term of the collective bargaining process that the Administration argued CodeLco Chuquicamata during the month of December 2012 with workers Unions that Division. These values have been discounted using a discount rate equivalent to that used for calculating employee benefits provisions and whose outstanding balances are part of the accounting balances at December 31, 2014 and December 31, 2013

c. Employee benefits expenses by nature of the benefits

The costs associated with employee benefits classified by their nature, are:

Expenditure by Nature of Employee Benefits	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Benefits - Short term	1,755,622	1,957,895
Benefits - Post employment	2,734	2,439
Benefits - Termination	61,742	71,192
Benefits by years of service	75,087	70,793
Total	1,895,185	2,102,319

18. Net equity

In accordance with article 6 of Decreto 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 immediate previous year, 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.

Pursuant to the Exempt Finance Decree No. 217 of June 28, 2013 of the Ministry of Finance, the Corporación authorized capitalization amounting to US\$1,000 million, under the accounting profits generated by the purchase of shareholding Anglo American Sur S.A., arising from the fair value measurement of this operation, in accordance with applicable accounting standards.

On December 13, 2013 and by Exempt Finance Decree No. 415, the Corporation authorized capitalization of US\$1,000 million under the accounting profits generated by the purchase of shares of Anglo American Sur S.A., arising from the fair value measurement of this operation, in accordance with applicable accounting standards.

Pursuant to the Exempt Finance Decree No. 184 of June 27, 2014 of the Ministry of Finance, the Corporación

authorized capitalization amounting to US\$200 million of the net profit of the prior financial statements. Those resources will be charged to the profits of 2014.

On October 24, 2014, the President of the Republic signed the Law No. 20,790. Such Law establishes an extraordinary capital contribution up to US\$3 billion to the Corporation during the period 2014-2018, whose resources, together with the earning capitalization – up to US\$1 billion – generated in that period, will serve to boost the Investment Plan in mining projects, sustainability, mining development and renewal of equipment and industrial plants. At December 31, 2014, there are no capitalized resources under such statute.

As of December 31, 2014 and December 31, 2013, no dividends payable were provisioned.

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.

Reclassification adjustments from other comprehensive income to profit or loss meant a gain of ThUS\$3,023 and ThUS\$1,780 for the period January-December 2014 and 2013, respectively.

a) Other reserves

Other equity reserves are listed in the table below, as of the dates indicated in each case.

Other reserves	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Foreign exchange differences on conversion reserves	(5,763)	1,220
Cash flow hedge reserves	(3,442)	(8,704)
Capitalization fund and reserves	4,938,359	4,729,556
Reserve of gains (losses) of defined benefit plans	(220,695)	(113,519)
Other reserves	635,338	637,154
Total other reserves	5,343,797	5,245,707

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.

Subsidiaries	Non-controlling participation		Net equity		Profit (loss)	
	12/31/2014 %	12/31/2013 %	12/31/2014 ThUS\$	12/31/2013 ThUS\$	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
Biosigma S.A.	33.30%	33.30%	636	439	(804)	(1,119)
Inversiones GacruX SpA	32.20%	32.20%	1,862,844	2,046,231	(9,968)	42,471
Ecosea Farming S.A.	14.97%	14.97%	245	420	(241)	15
Others	-	-	10	12	-	-
Total			1,863,735	2,047,102	(11,013)	41,367

Between January 1 and December 31, 2014, Inversiones GacruX SpA did not report any dividends paid to non-controlling participations.

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	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Current Assets	151,275	182,195
Non-current assets	5,860,559	6,374,917
Current liabilities	92,660	86,475
Non-current liabilities	720,267	771,727

Results	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Revenues	239,794	181,675
Expenses	(274,805)	(95,872)
Profit (loss) of the period	(35,011)	85,803

Cash flow	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Net cash flow from operating activities	530	188,730
Net cash flow from investing activities	45,322	174
Net cash flow from financing activities	(79,987)	(81,285)

19. Operating income

The following table shows the sources of the Corporation's consolidated revenue.

Item	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Revenue from sales of own copper	10,720,801	12,022,179
Revenue from sales of third-party copper	1,858,630	1,897,401
Revenue from sales of molybdenum	669,686	493,389
Revenue from sales of other products	564,968	544,650
Gain/(Losses) in futures market	12,592	(1,336)
Total	13,826,677	14,956,283

20. Expenses by nature

The Corporation's consolidated expenses by nature are detailed as follows:

Item	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Personnel expenses	1,755,622	1,957,895
Depreciation	1,171,158	1,152,739
Amortization	775,699	595,281
Total	3,702,479	3,705,915

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	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Penalties to suppliers	8,498	14,290
Delegated Administration	4,491	4,655
Miscellaneous sales (net)	17,875	23,499
Compensations by insurance companies	50	380
Realized profit in subsidiaries	19,563	19,563
Other Expenses	47,869	100,165
Total	98,346	162,552

b) Other expenses by function

Item	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Law No. 13.196	(1,081,259)	(1,156,637)
Research expenses	(84,215)	(67,856)
Bonus for the end of collective bargaining	(260,539)	(103,093)
Retirement plan	(61,742)	(71,192)
Penalty fixed assets	(13,438)	(11,739)
Medical care plan	(2,734)	(2,439)
Impairment of assets	(12,000)	(96,170)
Other Expenses	(105,050)	(4,308)
Total	(1,620,977)	(1,513,434)

22. Finance costs

Finance costs are detailed as follows:

Item	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Bond interests	(286,810)	(168,362)
Bank loan interests	(66,083)	(55,241)
Exchange differences on severance indemnity provision	(18,154)	(21,344)
Exchange differences on other non-current provisions	(64,171)	(55,300)
Other	(29,453)	(26,866)
Total	(464,671)	(327,113)

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 performs extraction and processing, are organized in divisions: Chuquicamata, Radomiro Tomic, Salvador, Andina, El Teniente and Gabriela Mistral. Additionally the Ventanas division is added even though it is operating solely as a smelter and refinery, and Ministro Hales whose estimated date to start its operations has occurred during the first half of 2014 (at the end of 2013, the mine was already operating its full pre-stripping and the concentrator finished loading tests and is about to start its operating phase, only missing the roasting plant). 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: electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Radomiro Tomic

Types of mine sites: open pit mines
 Operating: since 1997.
 Location: Calama – Region II

Products: electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Salvador

Type of mine: underground mine and open pit mine
 Operating: since 1926
 Location: Salvador – Region III
 Products: electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Andina

Type of mines: underground and open pit mines
 Operating: since 1970
 Location: Los Andes – Region V
 Product: copper concentrate

El Teniente

Type of mine: underground mine
 Operating: since 1905
 Location: Rancagua – Region VI
 Products: fire-refined copper and copper anodes

Ministro Hales

In charge of the future development of the open pit mine Ministro Hales whose authorization is dated November 19, 2010. The date for the start of operations has occurred during the first half of 2014.

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

There were no reversals of impairment made during the financial year ended December, 31 2014 and 2013, 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:

Segments	from 01/01/2014 to 12/31/2014										Total Consolidated ThUS\$
	Chucucamata ThUS\$	R. Tomic ThUS\$	Salvador ThUS\$	Andina ThUS\$	El Teniente ThUS\$	Ventanas ThUS\$	G. Mistral ThUS\$	M. Hales ThUS\$	Total Segments ThUS\$	Subsidiaries Associates and Head Office, netThUS\$	
Revenue from sales of own copper	2,153,944	2,087,070	642,120	1,385,840	2,934,752	76,652	830,038	635,489	10,755,905	(35,104)	10,720,801
Revenue from sales of third-party copper	-	-	-	1,372	-	136,373	-	-	137,745	1,720,885	1,858,630
Revenue from sales of molybdenum	281,686	27,204	18,168	178,469	164,159	-	-	-	669,686	-	669,686
Revenue from sales of other products	121,106	-	88,270	8,113	103,012	206,776	-	37,691	564,988	-	564,988
Revenue from futures market	2,383	2,056	315	43	546	3,970	2,515	483	12,321	271	12,592
Revenue between segments	121,016	-	49,856	195	6,840	76,877	-	-	254,784	(254,784)	-
Revenue	2,680,135	2,116,330	798,729	1,584,032	3,209,309	500,648	832,553	673,673	12,395,409	1,431,268	13,826,677
Cost of sales of own copper	(1,542,468)	(1,428,198)	(738,202)	(1,045,940)	(1,619,459)	(78,228)	(847,617)	(553,846)	(7,653,956)	(8,304)	(7,662,260)
Cost of sales of copper third-party copper	-	-	-	(323)	-	(142,530)	-	-	(142,853)	(1,709,386)	(1,852,239)
Cost of sales of molybdenum	(77,854)	(26,014)	(11,292)	(41,367)	(37,805)	-	-	-	(194,332)	-	(194,332)
Cost of sales of other products	(6,505)	-	(52,479)	(85)	(96,318)	(244,001)	-	(1,193)	(402,551)	-	(402,551)
Cost of sales between segments	(230,965)	63,210	(41,325)	14,515	22,387	(97,407)	-	14,801	(254,784)	254,784	-
Cost of sales	(1,859,792)	(1,391,002)	(843,298)	(1,073,200)	(1,731,195)	(562,164)	(847,617)	(540,238)	(8,648,506)	(1,462,506)	(10,111,412)
Gross profit	820,343	725,328	(44,569)	510,832	1,478,114	(61,516)	184,936	133,435	3,746,903	(31,638)	3,715,265
Other income, by function	16,149	14,413	14,472	5,753	17,134	417	3,224	(1,496)	70,066	28,280	98,346
Distribution costs	(420)	(37)	(266)	(280)	(388)	(556)	-	(60)	(1,977)	(7,366)	(9,343)
Administrative expenses	(57,987)	(23,809)	(17,241)	(85,043)	(77,758)	(10,901)	(29,182)	(29,987)	(281,908)	(1,692,114)	(451,122)
Other expenses, by function	(103,328)	3,931	(29,852)	(28,244)	(224,847)	(2,120)	(19,142)	(29,313)	(432,915)	(106,803)	(539,718)
Law No. 13,196	(241,493)	(210,466)	(70,988)	(139,870)	(260,036)	(19,597)	(82,711)	(56,098)	(1,081,259)	-	(1,081,259)
Other gains (losses)	-	-	-	-	-	-	-	-	-	37,682	37,682
Finance income	2,336	787	796	326	2,099	80	90	223	6,737	13,007	19,744
Finance costs	(105,783)	(28,916)	(9,253)	(84,395)	(136,999)	(8,143)	(8,031)	(50,261)	(412,781)	(51,890)	(464,671)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	(515)	-	313	(3,092)	(11)	-	-	-	(3,305)	251,299	247,994
Exchange differences	127,385	40,527	26,063	34,741	133,429	13,587	12,901	16,226	404,859	(26,040)	378,819
Profit (loss) before taxes	485,687	521,768	(130,525)	260,728	930,767	(88,749)	62,065	(17,331)	2,014,420	(62,683)	1,951,737
Income tax expenses	(252,939)	(285,878)	93,451	(150,065)	(471,143)	(49,220)	(55,048)	(155,433)	(1,306,275)	65,452	(1,240,823)
Profit (loss)	202,748	235,890	(37,074)	130,663	459,624	(137,969)	27,037	(172,764)	708,145	2,769	710,914

Segment	from 01/01/2013 to 12/31/2013										
	Chuquicamata THUSS	R. Tomic THUSS	Salvador THUSS	Andina THUSS	El Teniente THUSS	Ventanas THUSS	G. Mistral THUSS	M. Hales THUSS	Total Segments THUSS	Subsidiaries Associates and Head Office, net THUSS	Total Consolidated THUSS
Revenue from sales of own copper	2,434,870	2,557,653	752,018	1,634,777	3,242,284	476,663	909,419	-	12,007,484	14,695	12,022,179
Revenue from sales of third-party copper	-	-	-	51,856	-	83,083	-	-	134,939	1,762,462	1,897,401
Revenue from sales of molybdenum	141,172	26,524	21,944	145,070	158,679	-	-	-	493,389	-	493,389
Revenue from sales of other products	113,065	-	74,121	4,665	105,427	250,015	(2,643)	-	544,650	-	544,650
Revenue from futures market	1,248	922	(1,380)	(208)	(4,630)	-	1,309	-	(2,739)	1,403	(1,336)
Revenue between segments	128,815	-	20,530	392	651	61,505	-	-	211,893	(211,893)	-
Revenue	2,818,970	2,585,099	867,233	1,836,552	3,502,411	874,266	908,085	-	13,389,616	1,566,667	14,956,283
Cost of sales of own copper	(1,937,561)	(1,414,307)	(850,867)	(1,094,347)	(1,903,854)	(490,062)	(673,664)	-	(8,304,662)	5,653	(8,299,009)
Cost of sales of copper third-party copper	-	-	-	(37,528)	-	(84,045)	-	-	(121,573)	(1,753,086)	(1,874,659)
Cost of sales of molybdenum	(70,922)	(24,969)	(15,089)	(38,637)	(42,400)	-	-	-	(192,017)	-	(192,017)
Cost of sales of other products	(24,798)	-	(42,551)	(240)	(92,988)	(275,552)	-	-	(436,130)	-	(436,130)
Cost of sales between segments	(296,087)	166,538	(45,230)	19,991	56,074	(113,179)	-	-	(211,893)	211,893	-
Cost of sales	(2,329,368)	(1,272,738)	(953,737)	(1,090,761)	(1,983,169)	(962,838)	(673,664)	-	(9,296,275)	(1,535,540)	(10,801,815)
Gross profit	489,602	1,312,361	(86,504)	745,791	1,519,242	(91,572)	234,421	-	4,123,341	31,127	4,154,468
Other income, by function	36,167	6,343	11,045	4,228	12,406	2,334	3,982	4,498	81,003	81,549	162,552
Distribution costs	(181)	(41)	(9)	(218)	(256)	-	-	-	(732)	(10,325)	(11,057)
Administrative expenses	(45,428)	(20,965)	(23,787)	(29,470)	(77,352)	(12,252)	(47,891)	(10,884)	(268,209)	(203,353)	(471,562)
Other expenses, by function	29,885	(37,698)	(149,014)	(23,814)	(103,459)	(3,998)	(11,754)	(28)	(299,880)	(66,917)	(366,797)
Law No. 13,196	(247,072)	(256,475)	(81,071)	(148,883)	(284,482)	(48,477)	(90,177)	-	(1,156,637)	-	(1,156,637)
Other gains (losses)	-	-	-	-	-	-	-	-	-	52,249	52,249
Finance income	2,229	1,004	774	341	3,156	423	150	32	8,109	20,742	28,851
Finance costs	(113,050)	(26,060)	(6,755)	(128,175)	(60,730)	(5,231)	(29,752)	93,012	(276,741)	(50,372)	(327,113)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	62	-	426	1,136	-	-	-	-	1,624	442,509	444,133
Exchange differences	104,123	22,700	15,482	19,246	44,205	8,735	10,142	4,331	228,964	(16,141)	212,823
Profit (loss) before taxes	256,337	1,001,169	(319,440)	440,182	1,052,550	(150,038)	69,121	90,961	2,440,842	291,068	2,731,910
Income tax expenses	(125,759)	(628,972)	202,265	(284,678)	(673,730)	88,936	(38,522)	(7,325)	(1,467,785)	(149,554)	(1,617,339)
Profit (loss)	130,578	372,197	(117,175)	155,504	378,820	(61,102)	30,599	83,636	973,057	141,514	1,114,571

The assets and liabilities related to each operating segment, including the Corporation's head office as of December 31, 2014 and of December 31, 2013 are detailed in the following tables:

Category	12/31/2014									
	Chuquicamata ThUS\$	Radomiro Tomic ThUS\$	Salvador ThUS\$	Andina ThUS\$	El Teniente ThUS\$	Ventanas ThUS\$	G. Mistral ThUS\$	M. Hales ThUS\$	Subsidiaries Associates and Head Office, net ThUS\$	Total Consolidated ThUS\$
Current assets	965,849	697,884	335,594	424,987	828,368	138,138	432,040	581,367	1,753,154	6,157,381
Non-current assets	4,211,281	1,846,975	957,133	3,965,064	4,718,564	304,787	1,196,707	3,879,274	8,019,400	29,099,185
Current liabilities	569,254	172,483	202,050	223,530	485,623	85,698	116,499	162,208	1,558,491	3,575,835
Non-current liabilities	1,006,128	225,616	332,181	264,276	821,232	55,028	75,896	45,793	17,329,069	20,155,219
Category	12/31/2013									
	Chuquicamata ThUS\$	Radomiro Tomic ThUS\$	Salvador ThUS\$	Andina ThUS\$	El Teniente ThUS\$	Ventanas ThUS\$	G. Mistral ThUS\$	M. Hales ThUS\$	Subsidiaries Associates and Head Office, net ThUS\$	Total Consolidated ThUS\$
Current assets	1,052,825	741,528	410,839	336,743	785,660	250,815	368,231	168,686	1,308,913	5,424,240
Non-current assets	3,721,726	1,620,915	691,550	3,782,954	4,244,771	261,878	1,084,670	3,799,355	8,723,104	27,930,923
Current liabilities	526,944	218,826	180,856	237,748	450,063	175,146	124,236	135,123	1,729,814	3,778,756
Non-current liabilities	1,065,178	260,946	178,384	233,453	796,866	39,143	79,831	38,214	14,476,772	17,168,787

Revenue classified by geographical area is detailed as follows:

Revenue per geographical areas	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Total revenue from domestic customers	1,181,592	1,295,272
Total revenue from foreign customers	12,645,085	13,661,011
Total	13,826,677	14,956,283

Revenue per geographical areas	1/1/2014	1/1/2013
	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
China	1,986,149	3,543,606
Rest of Asia	2,242,853	2,591,990
Europe	3,017,196	2,215,853
America	2,185,496	3,383,076
Other	4,394,983	3,221,758
Total	13,826,677	14,956,283

The main customers of the Corporation are listed in the following table:

Principal clients	Country	1/1/2014
		12/31/2014
		ThUS\$
Nexans France	France	734,611
Southwire Company	USA	637,813
Red Kite Master Fund Ltd.	Bermuda	504,511
Trafigura Pte Ltd.	Singapore	447,004
Mitsui & Co., Ltd.	Japan	356,461
Cobre Cerrillos S.A.	Chile	302,999
Kuniosa Metals Co. Ltd	Japan	287,072
N.V. Umicore S. A.	Belguim	275,618
Maike Metals International Ltd	Hong Kong	275,279
LS-Nikko Copper Inc	Singapore	268,212
Total		4,089,579

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 included in the Consolidated Statements of Comprehensive Income:

Gain (loss) from foreign exchange differences recognized in income	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
Gain from foreign exchange differences	528,603	292,666
Loss from foreign exchange differences	(149,784)	(79,843)
Total exchange difference, net	378,819	212,823

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	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
VAT Refund	1,395,278	1,807,834
Other	260,485	331,852
Total	1,655,763	2,139,686

Other payments for operating activities	1/1/2014 12/31/2014 ThUS\$	1/1/2013 12/31/2013 ThUS\$
Contribution to the Chilean Treasury (Law No. 13.196)	(989,032)	(1,197,555)
Finance hedge and sales	12,731	(50,808)
VAT and other similar taxes paid	(1,275,419)	(1,436,493)
Total	(2,251,720)	(2,684,856)

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. Also, there is another portion in Euro, which corresponds mainly to a long-term loan through the issued in the international market, which exchange rate risk is mitigated with hedging instruments.

Taking the financial assets and liabilities as of December 31, 2014 as the base, a fluctuation (positive or negative) of 10 Chilean pesos against the U.S. dollar (keeping the other variables constant), could affect profits before taxes by US\$41 million of gains or losses, respectively. 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, 2014 and December 31, 2013, Codelco does not have balance of these deposits.

- 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, 2014, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US\$34 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, 2014, amount to ThUS\$10,210,164 and ThUS\$3,425,331, 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.

At December 31, 2014, if the future price of copper will vary by + / - 5% (with the other variables constant), the result would vary + / - US\$183 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect at December 31, 2014 (MTMF 570). To estimate indicated, all those physical sales contracts be valued according to the average of the month immediately following the close of the financial statements, and proceeds to estimate what the final settlement price if there is a difference of + / - 5% with respect to the future price known to date to this period.

In order to protect your cash flow and adjusted, where necessary, their sales contracts to trade policy, the Corporation has operations in future markets. At the date of presentation of the financial statements, these contracts are adjusted to fair value, recorded this effect, the settlement date of the hedging transactions as part of net 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.

At December 31, 2014, a variation of U.S. ¢ 1 in the price per pound of copper, considering derivatives contracted by the Corporation, involves a change in income or payments for existing contracts (exposures) of ThUS\$ 1 before taxes. This calculation is obtained from a simulation curves future copper prices, which are used to assess all those subscribed derivative instruments by the Corporation; estimating so, how would vary the exposure of these instruments, if there is an increase / U.S. ¢ 1 decrease in the price per pound of copper.

No hedging transactions with the specific aim to mitigate the price risk caused by fluctuations in prices of production inputs.

c. Liquidity risk

The Corporation ensures that it has sufficient resources, such as pre-approved credit lines (including refinancing), in order to meet short-term requirements, after considering the necessary working capital for its operations and any other commitments it has.

In this sense, Codelco Chile maintains resources at its disposal sufficient to meet its obligations, whether in cash, liquid financial instruments or credit facilities.

In addition, the Finance Department constantly monitors the Corporation's cash flow projections based on short and long term projections and available financing alternatives. In addition, the Corporation estimates that it has enough 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:

Maturity of financial liabilities as of December 31, 2014	Less than ThUS\$	Between one ThUS\$	More than ThUS\$
Loans from financial institutions	828,554	2,568,382	799,375
Bonds	122,552	594,093	8,722,539
Finance leases	20,721	53,887	42,430
Derivatives	10,513	96,626	-
Other financial liabilities	3,828	73,910	-
Total	986,168	3,386,898	9,564,344

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.

The indications with respect to the payment conditions to the Corporation are detailed in every sales contract and the negotiation management is in charge of the Vice presidency of Commercialization.

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, 2014 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, 2014 and 2013, 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 January-December 2014 and 2013,

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 measurements from exchange rate variations, whose net deferred tax exposure amounts to ThUS\$9,732.

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

December 31, 2014									
Hedge item	Bank	Type of derivative contract	Maturity	Currency	Amount ThUS\$	Financial obligation: hedging instrument ThUS\$	Exposure ThUS\$	Asset ThUS\$	Liability ThUS\$
Bond UF Maturity 2025	Credit Suisse (USA)	Swap	01/04/25	US\$	279,771	208,519	53,405	331,861	(278,456)
Bond EUR Maturity 2024	Santander (Chile)	Swap	09/06/24	US\$	364,920	409,650	(48,679)	421,024	(469,703)
Bond EUR Maturity 2024	Deutsche Bank (UK)	Swap	09/06/24	US\$	364,920	409,680	(47,918)	421,093	(469,011)
Total					1,009,611	1,027,849	(43,192)	1,173,978	(1,217,170)

December 31, 2013									
Hedge item	Bank	Type of derivative contract	Maturity	Currency	Amount ThUS\$	Financial obligation: hedging instrument ThUS\$	Exposure ThUS\$	Asset ThUS\$	Liability ThUS\$
Bond UF Maturity 2025	Credit Suisse (USA)	Swap	4/1/2025	US\$	306,582	208,519	83,838	264,632	(348,470)
Total					306,582	208,519	83,838	264,632	(348,470)

As of December 31, 2014 and December 31, 2013 there are no balances which guarantee deposits in cash.

The current methodology for valuing currency swaps uses bootstrapping technique from the mid - swap rate to construct the 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 December 31, 2014, these operations generated a higher net realized income of ThUS\$13,000 (plus an effect of lower net income equivalents to ThUS\$ 271 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, 2014, the Corporation performed derivative market transactions of copper that represent 287,475 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

The current contracts as of December 31, 2014 presenting a ThUS\$13,638 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 December 31, 2014 generated a net positive effect on net income of ThUS\$9,030, 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, 2014 the Corporation maintains contracts for derivatives the sale of gold for MOZT41 and silver for MOZT1,812.9.

The contracts outstanding at December 31, 2014 show a positive exposure of ThUS\$ 1,856. 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 December 31, 2014 generated a positive effect on net income of ThUS\$ 3,970 which are added to the amounts received from the sales contracts and the sales of products related to these transactions. These hedging transactions mature in May 2015.

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

The Corporation does not hold actual transactions at December 31, 2014, resulting from these operations, which allowed protecting future cash flows, by way of ensuring the sales prices levels of production.

Exposure of metal hedges is summarized in the following tables, as referred to in point b above:

December 31, 2014	Maturity date						Outcoming	Total
	ThUS\$	2014	2015	2016	2017	2018		
Flex Com Copper (Asset)	12,595	1,766	46	-	-	-	14,407	
Flex Com Copper (Liability)	(743)	(26)	-	-	-	-	(769)	
Flex Com Gold/Silver	1,856	-	-	-	-	-	1,856	
Price setting	-	-	-	-	-	-	-	
Metal options	-	-	-	-	-	-	-	
Total	13,708	1,740	46	-	-	-	15,494	

December 31, 2013	Maturity date						Outcoming	Total
	ThUS\$	2014	2015	2016	2017	2018		
Flex Com Copper (Asset)	5,516	40	-	-	-	-	5,556	
Flex Com Copper (Liability)	(14,119)	(1,245)	-	-	-	-	(15,364)	
Flex Com Gold/Silver	1,655	-	-	-	-	-	1,655	
Price setting	-	-	-	-	-	-	-	
Metal options	-	-	-	-	-	-	-	
Total	(6,948)	(1,205)	-	-	-	-	(8,153)	

December 31, 2014	Maturity date							
	ThTM/Ounces	2015	2016	2017	2018	2019	Outcoming	Total
Copper Futures [MT]	228.6	55.9	3.0	-	-	-	-	287.5
Gold/Silver Futures [ThOZ]	1,853.9	-	-	-	-	-	-	1,853.9
Copper price setting [MT]	-	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-	-

December 31, 2013	Maturity date							
	ThTM/Ounces	2014	2015	2016	2017	2018	Outcoming	Total
Copper Futures [MT]	279.0	50.0	-	-	-	-	-	329.0
Gold/Silver Futures [ThOZ]	1,869.0	-	-	-	-	-	-	1,869.0
Copper price setting [MT]	-	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-	-

28. Contingencies and restrictions

a) Litigations and contingencies

a) Juicios y contingencias

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 286 cases that have a clearly estimated value. It is estimated that 175 of these, which represent 61.19% of the total and which amount to ThUS\$ 41,518, could have a negative impact on the Corporation. There are also 87 lawsuits, representing 30.42% of the total and which amount to ThUS\$851, about which there is no certainty that the outcome would be unfavorable for Codelco. For the 24 remaining cases, which amount to ThUS\$1,797, the Corporation's legal advisors believe that an unfavorable outcome is unlikely. In addition, there are 96 lawsuits for undetermined amounts. It is believed that the result of 22 of these could be unfavorable to Codelco.

The Corporation received Liquidations N° 45, 46 and 47, issued on 29 June, 2012 by the Large Taxpayers Internal Revenue Service (SII), all relating to the audit of the transactions that the Corporation has with the associated company Copper Partners Investment Company Limited, for which Codelco has requested the Review of the Performance Audit (RAF), adding to similar review requested by Liquidations N° 1 and N° 2 and Assistant Director-Control (SDF) Ex. Resolution No. 1 issued dated July 30, 2010 by the Division of Control of IRS in relation to transactions of the same species before indicated.

IRS, date of December 23, 2013, invited the Corporation for the conciliation procedure. January 21, 2014, the SDF exempted its resolution N° 178/2014, Branch Control is delivered in the revision of the supervisory action, under the Liquidations N° 1 and N° 2 and SDF Ex. The

Corporation launched an attempt to reposition that service, requesting in January 27, 2014, the reconsideration of the resolution N° 178/2014. In March 4, 2014, the IRS in response granted the application of evidentiary procedure special made by the company. As of September 27, 2014, during the fiscalization process of the year 2010, Codelco received the liquidations N° 7 y N° 8.

For litigation costs and potential loss, the necessary provisions exist, which 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, 2014, 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, 2014, 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. As of December 31, 2014, the Corporation does not have guarantees of the derivative transactions made by GNL Mejillones S.A.

v. Law 19.993 dated December 17, 2004, which authorized the purchase of the Fundación 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, at December 31, 2014 and 2013, has complied with 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 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 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 approves the Regulations of this Law, was published in the Diario Oficial.

This law requires the Corporation, among other requirements, to provide financial guarantees to the State to ensure the implementation of closure plans. It also establishes the obligation to make contributions to a fund which aims to cover the costs of post-closure activities.

The Corporation, in accordance with the mentioned regulation, must provide to SERNAGEOMIN the Mine Closure Plan for every Codelco operating segment, while in April 2015 it must submit a proposal for the creation of guarantees. In the month of June 2015, Codelco should create guarantees for the initial 20% of the obligation under the regulations of this Code, amounting US\$ 709 million according to the estimations. 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 mine closure plans delivered to SERNAGEOMIN were developed by invoking the transitional regime

of the Act, which was specified for the affected mining companies under the general application procedure (extraction capacity > 10,000 tons per month), and which, at the date of enactment of the Law, will abide in operation and account with a mine closure plan previously approved under Mine Safety Regulations Supreme Decree No. 132.

In accordance with the legal regulations about the transitional regime, mine closure plan corresponds to the plan valorization and close activities previously approved which include the closure and post-closure commitments established in Environmental Qualification Resolutions (Resoluciones de Calificación Ambiental – RCA) for each division, as well as the closure commitments in sectoral authorizations delivered by SERNAGEOMIN.

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.

x. On May 24, 2012, the Corporation has signed with Japan Bank for International Cooperation and Bank of Tokyo-Mitsubishi UFJ Ltd., a financing contract for up to US\$ 320 million for the development, construction and operation of a plant metal processing in the second region of Chile, of which at December 31, 2014, have been drawn ThUS\$129,000.

xi. 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	12/31/2014 Maturity	ThUS\$	12/31/2013 ThUS\$
Oriente Copper Netherlands B.V.	Pledge on shares	Nov-32	877,813	877,813
Total			877,813	877,813

Guarantees received from third parties		
Division	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Andina	41,819	40,112
Chuquicamata	49,045	39,424
Casa Matriz	473,072	580,823
Radomiro Tomic	6,377	7,233
Salvador	39,946	31,626
Ministro Hales	1,289	1,648
El Teniente	51,983	80,345
Ventanas	6,489	3,628
Gabriela Mistral	877	845
Total	670,897	785,684

As of December 31, 2014 and December 31, 2013, there are not indirect guarantees extended to financial institutions.

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:

30. Balances in foreign currency

a) Assets by Type of Currency

Category	12/31/2014	12/31/2013
	ThUS\$	ThUS\$
Liquid assets	1,342,364	756,297
US Dollars	1,184,792	703,513
Euros	4,265	31,712
Other currencies	4,261	4,474
Non-indexed Ch\$	134,818	14,691
U.F.	14,228	1,907
Cash and cash equivalents	1,310,616	750,670
US Dollars	1,167,009	699,809
Euros	3,974	31,373
Other currencies	4,261	4,474
Non-indexed Ch\$	133,276	13,107
U.F.	2,096	1,907
Other current financial assets	31,748	5,627
US Dollars	17,783	3,704
Euros	291	339
Other currencies	-	-
Non-indexed Ch\$	1,542	1,584
U.F.	12,132	-
Short and long term receivables	2,312,169	2,356,185
US Dollars	1,616,831	1,808,056
Euros	106,783	69,143
Other currencies	699	1,717
Non-indexed Ch\$	578,803	473,598
U.F.	9,053	3,671
Trade and other receivables	2,177,782	2,186,182
US Dollars	1,607,119	1,776,949
Euros	106,206	68,174
Other currencies	579	1,699
Non-indexed Ch\$	454,825	335,689
U.F.	9,053	3,671

Category	12/31/2014 ThUS\$	12/31/2013 ThUS\$
Rights receivables, non-current	124,675	138,896
US Dollars	-	-
Euros	577	969
Other currencies	120	18
Non-indexed Ch\$	123,978	137,909
U.F.	-	-
Due from related companies, current	9,488	30,883
US Dollars	9,488	30,883
Euros	-	-
Other currencies	-	-
Non-indexed Ch\$	-	-
U.F.	-	-
Due from related companies, non-current	224	224
US Dollars	224	224
Euros	-	-
Other currencies	-	-
Non-indexed Ch\$	-	-
U.F.	-	-
Rest of assets	31,602,033	30,242,681
US Dollars	27,979,313	27,396,894
Euros	455,316	383,148
Other currencies	31,094	28,506
Non-indexed Ch\$	2,453,819	2,103,094
U.F.	682,491	331,039
Total assets	35,256,566	33,355,163
US Dollars	30,780,936	29,908,463
Euros	566,364	484,003
Other currencies	36,054	34,697
Non-indexed Ch\$	3,167,440	2,591,383
U.F.	705,772	336,617

b) Liability by type of currency:

Current liability by currency	12/31/2014		12/31/2013	
	Up to 90 days	90 days to 1 year	Up to 90 days	90 days to 1 year
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current liabilities	2,744,429	831,406	3,025,377	753,379
US Dollars	2,086,579	811,819	2,156,736	741,045
Euros	97,965	-	59,610	-
Other currencies	1,223	-	3,773	-
Non-indexed Ch\$	552,007	14,253	795,943	6,380
U.F.	6,655	5,334	9,315	5,954
Other current financial liabilities	166,541	819,627	412,234	748,067
US Dollars	88,646	811,819	371,179	741,045
Euros	69,363	-	34,994	-
Other currencies	-	-	-	-
Non-indexed Ch\$	4,345	3,330	1,583	2,328
U.F.	4,187	4,478	4,478	4,694
Bank loans	62,630	765,924	337,406	183,487
US Dollars	1,165	763,638	302,412	181,887
Euros	61,465	-	34,994	-
Other currencies	-	-	-	-
Non-indexed Ch\$	-	1,709	-	844
U.F.	-	577	-	756

Obligations	84,330	38,222	62,384	549,545
US Dollars	73,588	38,222	59,267	549,545
Euros	7,898	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch\$	-	-	-	-
U.F.	2,844	-	3,117	-
Finance lease	5,240	15,481	6,208	15,035
US Dollars	3,380	9,959	4,374	9,613
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch\$	517	1,621	473	1,484
U.F.	1,343	3,901	1,361	3,938
Others	14,341	-	6,236	-
US Dollars	10,513	-	5,126	-
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch\$	3,828	-	1,110	-
U.F.	-	-	-	-
Other current liabilities	2,577,888	11,779	2,613,143	5,312
US Dollars	1,997,933	-	1,785,557	-
Euros	28,602	-	24,616	-
Other currencies	1,223	-	3,773	-
Non-indexed Ch\$	547,662	10,923	794,360	4,052
U.F.	2,468	856	4,837	1,260

Non-current liability by currency	12/31/2014				12/31/2013			
	1 to 3	3 to 5	5 to 10	More than	1 to 3	3 to 5	5 to 10	More than
	years	years	years	10 years	years	years	years	10 years
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-Current liabilities	8,350,793	2,239,020	4,940,940	4,624,466	8,074,278	607,395	4,741,700	3,745,414
US Dollars	7,349,081	2,228,878	4,202,051	4,326,013	6,903,208	602,033	4,714,661	3,416,873
Euros	-	-	716,070	-	-	-	-	-
Other currencies	-	-	-	-	29	-	-	-
Non-indexed Ch\$	965,152	-	1,062	-	1,000,803	736	1,284	-
U.F.	36,560	10,142	21,757	298,453	170,238	4,626	25,755	328,541
Other non-current financial liabilities	1,147,878	2,239,020	4,939,878	4,624,466	1,754,617	607,395	4,740,416	3,745,414
US Dollars	1,136,183	2,228,878	4,202,051	4,326,013	1,731,231	602,033	4,714,661	3,416,873
Euros	-	-	716,070	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	1,856	-	-	-	4,349	736	-	-
U.F.	9,839	10,142	21,757	298,453	19,037	4,626	25,755	328,541
Bank loans	947,158	1,621,224	83,498	715,877	1,639,536	594,295	28,889	767,337
US Dollars	947,158	1,620,232	83,498	715,877	1,638,156	594,295	28,889	767,337
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	-	992	-	-	1,380	-	-	-
Obligations	-	594,093	4,813,950	3,908,589	-	-	4,684,311	2,978,077
US Dollars	-	594,093	4,097,880	3,610,136	-	-	4,684,311	2,649,536
Euros	-	-	716,070	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	-	-	-	298,453	-	-	-	328,541
Finance Lease	30,184	23,703	42,430	-	35,924	13,100	27,216	-
US Dollars	18,489	14,553	20,673	-	15,009	7,738	1,461	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	1,856	-	-	-	3,258	736	-	-
U.F.	9,839	9,150	21,757	-	17,657	4,626	25,755	-
Others	170,536	-	-	-	79,157	-	-	-
US Dollars	170,536	-	-	-	78,066	-	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	1,091	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other liabilities non current	7,202,915	-	1,062	-	6,319,661	-	1,284	-
US Dollars	6,212,898	-	-	-	5,171,977	-	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	29	-	-	-
Non-indexed Ch\$	963,296	-	1,062	-	996,454	-	1,284	-
U.F.	26,721	-	-	-	151,201	-	-	-

31. Sanctions

As of December 31, 2014 and December 31, 2013, neither Codelco Chile nor its Directors and Managers have been sanctioned by the Superintendency of Securities and Insurance or any other administrative authorities.

32. Subsequent events

On February 27, 2015, it was communicated as an essential fact that the following designations for main executives have been proceeded:

- Mr. Patricio Chávez Inostroza as Vice President of Corporate Affairs & Sustainability, beginning his functions as of March 1, 2015.
- Mr. Alejandro Rivera Stambuck, who will be integrated to the Corporation at the latest on April 1, 2015 as Vice President of Management and Finances. Mr. Rivera will have in charge the following departments: Budget & Control, Evaluation of Investments & Projects Control, CoMptroller, TICA (IT Control & Automatization), Finance & Strategic Business.
- Mr. José Robles Becerra, as Vice President of Costs & Productivity, beginning his functions on April 1, 2015. Mr. Robles will have in charge the followings departments: Costs & Productivity Structural Project, Divisional Projects, Supply Management, Management & Oversight of Contractors, FURE Water Resources & Optimization.
- Mr. César Correa Parker as Corporate General Auditor, who will assume the charge at the latest on April 1, 2015.
- The Company's management is not aware of significant events of a financial or other nature that would affect these statements, which have occurred between 1 January 2015 and the date of issuance of these financial statements (March 26, 2015), that may affect them.

33. Environmental Expenditures

Each of Codelco's operations is subject to national, regional and local regulations related to protection of the environment and natural resources, including standards relating to water, air, noise and disposal and transportation of dangerous residues, among others. Chile has introduced environmental regulations that have companies, including Codelco, to carry out programs to reduce, control or eliminate relevant environmental impacts. Codelco has executed and shall continue to execute a series of environmental projects to comply with these regulations.

Pursuant to the Letter of Values approved in 2010, Codelco is governed by a series of internal policies and regulations that frame its commitment to the environment, including the Sustainable Development Policy (2003) and the Corporate Security, Occupational Health and Environmental Management Policy (2007).

The environmental management systems of the divisions and the Head Office, structure their efforts in order to comply with the commitments assumed by the corporation's environmental policies, incorporating planning, operating, verifying and reviewing elements. As of December 31, 2014, they have received ISO 14001 certification for the environmental management of Chuquicamata, Radomiro Tomic, Andina, Salvador, El Teniente, Ventanas, Gabriela Mistral and the Head Office.

To comply with the Circular N°1.901 of 2008 of the Chilean Superintendency of Securities and Insurance, you find below details of the Corporation's main expenditures related to the environment during the period from January, 1 to December 31, 2014 and 2013, and the projected future expenses.

Entity	Project name	Project status	Disbursements 12/31/2014			12/31/2013		Expenditures	
			Amount ThUS\$	“Asset/Expenditure”	“Asset item/Expenditure”	Amount ThUS\$	Amount	Estimated date	
Chuquicamata			83,579			129,519	490,282		
Codelco Chile	Talambre dam extension, 7th stage	In Process	8,057	Asset	P, P & E	58,170	-	2014	
Codelco Chile	Talambre dam extension, 8th stage	In Process	2,535	Asset	P, P & E	-	375,426	2018	
Codelco Chile	Emergency restoration system dust control crushing plant 2 ° / 3 °	In Process	3,151	Asset	P, P & E	5,061	4,803	2015	
Codelco Chile	Fifth CPS enlargement cast	Finished	-	Asset	P, P & E	72	-	2015	
Codelco Chile	Replacement of circulation pot 1A and 2A	In Process	878	Asset	P, P & E	14	33,908	2018	
Codelco Chile	Acid plants	In Process	42,307	Expenditure	Admin. Expenditure	54,129	47,405	2015	
Codelco Chile	Solid waste	In Process	2,930	Expenditure	Admin. Expenditure	3,314	-	-	
Codelco Chile	Tailings	In Process	22,518	Expenditure	Admin. Expenditure	5,448	28,740	2015	
Codelco Chile	Acid drainage	In Process	-	Expenditure	Admin. Expenditure	511	-	2014	
Codelco Chile	Water treatment plant	In Process	410	Expenditure	Admin. Expenditure	1,505	-	-	
	Environmental monitoring	In Process	793	Expenditure	Admin. Expenditure	1,294	-	-	

Entity	Project name	Project status	Disbursements 12/31/2014			12/31/2013		Expenditures	
			Amount ThUS\$	"Asset/Expenditure"	"Asset item/Expenditure"	Amount ThUS\$	Amount	Estimated date	
Salvador			58,612			44,721	318,430		
CodeLco Chile	Dust collection improvement	In Process	3,270	Asset	P, P & E	2,245	2,752	2014	
CodeLco Chile	Construction V stage of tailing treatment	Finished	-	Asset	P, P & E	3,116	-	-	
CodeLco Chile	Constuction north wall camber 2nd stage	In Process	2,194	Asset	P, P & E	56	-	-	
CodeLco Chile	Improvement of integrated gas collection process	In Process	7,656	Asset	P, P & E	724	265,143	2018	
CodeLco Chile	Construction of sanitary filling	In Process	709	Asset	P, P & E	111	427	2014	
CodeLco Chile	Tailings	In Process	5,251	Expenditure	Admin. Expenditure	2,564	4,173	2015	
CodeLco Chile	Acid plants	In Process	37,327	Expenditure	Admin. Expenditure	33,872	43,189	2015	
CodeLco Chile	Solid waste	In Process	1,165	Expenditure	Admin. Expenditure	1,305	1,485	2015	
CodeLco Chile	Water treatment plant	In Process	1,040	Expenditure	Admin. Expenditure	728	1,261	2015	
CodeLco Chile	Environmental Management, Monitoring and Advising	In Process	-	Expenditure	Admin. Expenditure	-	-	2014	

Entity	Project name	Project status	Disbursements 12/31/2014		12/31/2013		Expenditures	
			Amount ThUS\$	"Asset/Expenditure"	Amount ThUS\$	"Asset item/Expenditure"	Amount	Estimated date
Andina			184,481		189,335		367,771	
CodeLco Chile	Construction of water trap for east ballast deposit	In Process	5,308	Asset	6,110	P, P & E	3,021	2015
CodeLco Chile	Drains expansion stage 5	Finished	-	Asset	1,130	P, P & E	-	-
CodeLco Chile	Drain water treatment	In Process	554	Asset	1,223	P, P & E	-	-
CodeLco Chile	Drain internal water treatment E1	In Process	2,646	Asset	7,907	P, P & E	-	-
CodeLco Chile	Drainage water treatment	In Process	46,799	Asset	78,922	P, P & E	-	-
CodeLco Chile	Water Normative Phase 2	In Process	17,138	Asset	10,140	P, P & E	20,343	2017
CodeLco Chile	Building evacuation and capturing towers	In Process	11,669	Asset	6,890	P, P & E	4,319	2015
CodeLco Chile	Construction of tailings canal (Ovejería)	In Process	-	Asset	2,972	P, P & E	-	-
CodeLco Chile	Improvement to irrigation	In Process	4,082	Asset	-	P, P & E	3,794	2015
CodeLco Chile	Improvements to line wall sand	In Process	2,052	Asset	-	P, P & E	264	2014
CodeLco Chile	Improvement of drainage system	In Process	877	Asset	-	P, P & E	-	-
CodeLco Chile	Enabling Ovejería injection wells dam	Finished	-	Asset	989	P, P & E	-	-
CodeLco Chile	Improvement of interception filters (Ovejería)	Finished	-	Asset	807	P, P & E	-	-

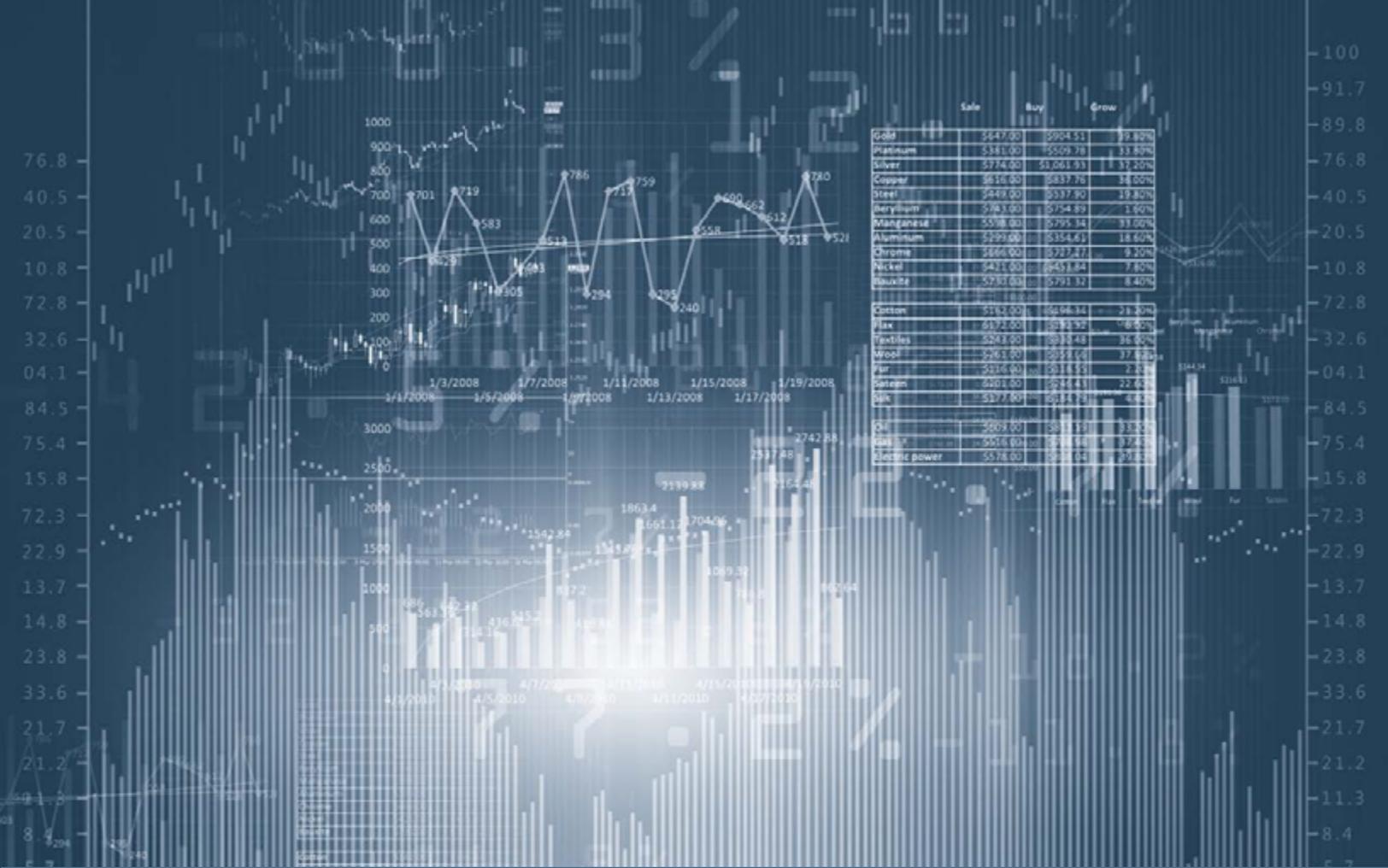
Entity	Project name	Project status	Disbursements 12/31/2014		"Asset item/Expenditure"	12/31/2013 Amount ThUS\$	Expenditures	
			Amount ThUS\$	"Asset/Expenditure"			Amount	Estimated date
Andina			184,481			189,335	367,771	
Codelco Chile	Rebuilding of bypass cameras	In Process	561	Asset	P, P & E	323	-	-
Codelco Chile	Construction site emergency plan	In Process	15,526	Asset	P, P & E	472	22,434	2015
Codelco Chile	Logistics farm dam Ovejería	In Process	12,569	Asset	P, P & E	1,297	-	-
Codelco Chile	Construction adduction Los Leones	In Process	352	Asset	P, P & E	-	4,435	2014
Codelco Chile	Well construction container spill	In Process	10	Asset	P, P & E	-	712	2015
Codelco Chile	Address acquisition field PMFC	In Process	45	Asset	P, P & E	-	28	2015
Codelco Chile	Drainage water treatment DLN	In Process	879	Asset	P, P & E	-	44,690	2016
Codelco Chile	Cota 640 tranque	In Process	3,680	Asset	P, P & E	-	164,321	2017
Codelco Chile	Improved water internal tip E2	In Process	19	Asset	P, P & E	-	19,737	2017
Codelco Chile	Replacement liena Ovejería tailings	In Process	18	Asset	P, P & E	-	8,252	2016
Codelco Chile	Solid waste	In Process	2,279	Expenditure	Admin. Expenditure	2,920	3,425	2015
Codelco Chile	Water treatment plant	In Process	4,295	Expenditure	Admin. Expenditure	3,982	5,320	2015
Codelco Chile	Trailings	In Process	51,937	Expenditure	Admin. Expenditure	63,251	58,605	2015
Codelco Chile	Acid drainage	In Process	1,186	Expenditure	Admin. Expenditure	-	4,071	2015
Subtotal			326,672			363,575	1,176,483	

Entity	Project name	Project status	Disbursements 12/31/2014			12/31/2013		Expenditures	
			Amount ThUS\$	"Asset/Expenditure"	"Asset item/Expenditure"	Amount ThUS\$	Amount ThUS\$	Amount	Estimated date
El Teniente			185,289			210,894	310,529		
CodeLco Chile	Apliation of tailing Route 5	Finished	-	Asset	P, P & E	-	-	-	
CodeLco Chile	Construction of 6th phase of Carén	In Process	7,682	Asset	P, P & E	9,724	133,005	2016	
CodeLco Chile	Environmental reconstruction of courts	In Process	4,294	Asset	P, P & E	145	1,788	2015	
CodeLco Chile	Construction emergency reservoir	In Process	1,202	Asset	P, P & E	-	3,098	2015	
CodeLco Chile	Reinforcement structure critical sector and other	In Process	89	Asset	P, P & E	-	1,676	2015	
CodeLco Chile	Acid plants	In Process	73,693	Expenditure	Admin. Expenditure	96,321	72,506	2015	
CodeLco Chile	Solid waste	In Process	3,507	Expenditure	Admin. Expenditure	2,947	3,038	2015	
CodeLco Chile	Water treatment plant	In Process	19,240	Expenditure	Admin. Expenditure	25,145	14,846	2015	
CodeLco Chile	Tailings	In Process	75,582	Expenditure	Admin. Expenditure	76,612	80,572	2015	

Entity	Project name	Project status	Disbursements 12/31/2014		12/31/2013 Amount ThUS\$	Expenditures	
			Amount ThUS\$	"Asset/ Expenditure"		Amount	Estimated date
Gabriela Mistral			2,790		3,081	2,629	
Codelco Chile	Implementation wastewater treatment system	Finished	-	Asset	23	-	-
Codelco Chile	Environmental monitoring	In Process	46	Expenditure	-	-	-
Codelco Chile	Solid waste	In Process	1,419	Expenditure	1,703	1,683	2015
Codelco Chile	Water treatment plant	In Process	1,325	Expenditure	1,355	946	2015
Ventanas			51,464		38,579	101,648	
Codelco Chile	Supply of arsenic in electric oven	Finished	-	Asset	241	-	-
Codelco Chile	Increase uptake Mat.	Finished	-	Asset	40	-	-
Codelco Chile	Increase uptake M/p He	Finished	-	Asset	65	-	-
Codelco Chile	Cold load mechanical system Cps N°1 y 3	Finished	-	Asset	1,129	-	-
Codelco Chile	Catching second gases	In Process	7,252	Asset	110	15,974	2016
Codelco Chile	Catching racking gases	In Process	8,639	Asset	487	6,149	2015
Codelco Chile	Tail gas treatment	In Process	4,538	Asset	84	11,163	2015

Entity	Project name	Project status	Disbursements 12/31/2014			12/31/2013		Expenditures	
			Amount ThUS\$	"Asset/Expenditure"	"Asset item/Expenditure"	Amount ThUS\$	Amount	Estimated date	
Ventanas			51,464			38,579	101,648		
Codelco Chile	Natural gas conversion burner	In Process	12	Asset	P, P & E	-	529	2015	
Codelco Chile	Standardization inst. measurement standard	In Process	384	Asset	P, P & E	-	112	2015	
Codelco Chile	Raf visible smoke removal	In Process	29	Asset	P, P & E	-	21,180	2016	
Codelco Chile	Treatment of gases in line	In Process	56	Asset	P, P & E	-	15,947	2016	
Codelco Chile	Acid plants	In Process	22,353	Expenditure	Admin. Expenditure	26,211	18,125	2015	
Codelco Chile	Solid waste	In Process	1,631	Expenditure	Admin. Expenditure	3,004	1,753	2015	
Codelco Chile	Environmental monitoring	In Process	1,513	Expenditure	Admin. Expenditure	1,442	1,644	2015	
Codelco Chile	Effluent treatment plant	In Process	5,057	Expenditure	Admin. Expenditure	5,766	9,072	2015	

Entity	Project name	Project status	Disbursements 12/31/2014			12/31/2013		Expenditures	
			Amount ThUS\$	"Asset/Expenditure"	"Asset item/Expenditure"	Amount ThUS\$	Amount	Estimated date	
Radomiro Tomic			3,956			3,065	3,129		
Codelco Chile	Solid waste	In Process	1,757	Expenditure	Admin. Expenditure	1,143	1,506	2015	
Codelco Chile	Environmental monitoring	In Process	-	Expenditure	Admin. Expenditure	275	-	-	
Codelco Chile	Effluent treatment plant	In Process	2,199	Expenditure	Admin. Expenditure	1,647	1,623	2015	
Ministro Hales			321			-	2,764		
Codelco Chile	And wash assembly acquisition system	In Process	320	Asset	P, P & E	-	564	2015	
Codelco Chile	Acquisition sprinkler truck	In Process	1	Asset	P, P & E	-	2,200	2015	
Ecometales Limited			416			328	413		
Ecometales Ltd	Smelting plant of foundry dust	In Process	416	Expenditure	Admin. Expenditure	328	413	2015	
Subtotal			244,236			255,947	421,112		
Total			570,908			619,522	1,597,595		



Corporación Nacional del Cobre de Chile

Ratio Analysis of the Consolidated Financial Statements

as of December 31, **2014**



Corporación Nacional del Cobre de Chile

Ratio Analysis of the Consolidated Financial Statements

as of December 31, 2014

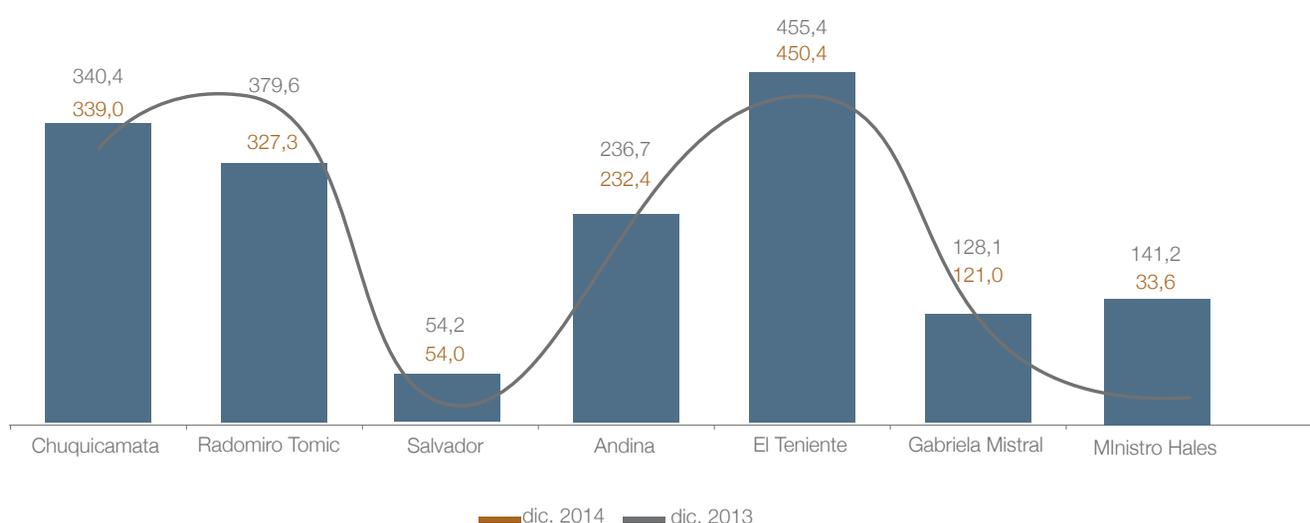
The purpose of this document is to provide the analysis of the Consolidated Financial Statements of Corporación Nacional del Cobre de Chile (Codelco) for the year 2014 and its comparison with the year 2013.

This report is to be understood as a supplement to the consolidated financial statements and its notes and should be read together with such information to obtain a more complete conclusion on the topics recorded therein.

I ANALYSIS OF RESULTS OF OPERATIONS

1. Production

Producción January-december in Miles de ThMFT



As of December 31, 2014, the total copper production of Codelco Chile amounted to ThFMT 1,672, representing an increase in production of 3.1% compared to 2013.

At divisional level, such aggregated behavior variation is mainly due to the contribution in production of the Ministro Hales Division (ThFMT 141.2), which at the end of 2013 was commencing its operating phase. The volume of the new production, which represents 8.4% of Codelco's total production, offsets the decreases in production in the Radomiro Tomic (-14%), Gabriela Mistral (-6%) and Andina (-2%) Divisions, which in aggregate, represented a decrease in production of THFMT 64 compared with the prior year.

At El Teniente and Chuquibambilla Divisions, the production contribution of fine copper of both divisions increased by +ThFMT 7 compared with 2013.

Note that in results in this production management Codelco has to address adverse factors in mining operations in particular with respect to divisions with older deposits (i.e., a decline in ore grades, higher rock hardness, greater depth of deposits, among others). We seek that such factors be permanently offset by management actions and/or improvements in the factorial productivity of resources used and the contribution in operations made by the new deposits (as in the case of the Ministro Hales division).

2. Physical sales volume

Sales, expressed in fine metric tons of own and third party copper and molybdenum are detailed as follows:

Despachos	12/31/2014 FMT	12/31/2013 FMT	Change FMT	Change %
Own copper	1,623,661	1,598,939	24,722	1.5%
Own copper third party minerals	64,046	124,422	(60,376)	-48.5%
Sales of own copper, own and third party minerals	1,687,707	1,723,361	(35,654)	-2.1%
Copper acquired from third parties	294,966	258,180	36,786	14.2%
Total own and third party copper sales	1,982,673	1,981,541	1,132	0.1%
Own molybdenum	26,670	21,708	4,962	22.9%

Table 2: Total physical copper and molybdenum sales.

Total deliveries of own copper during (ThFMT 1,687.7) processed in Codelco's plants from own and third party minerals, decreased from 2.1% compared with 2013. Total deliveries of own copper produced from mineral resources from Codelco's deposits reflected an increase of 1.5% (ThFMT +24.7%), whereas own physical copper sales with minerals from third parties decreased by 48.5%

Adding to this figure copper acquired from third parties, which increased by ThFMT+36.8 (which mainly arises to offset decreased referred to above), total sales volume amounted to ThFMT 1,982.7, which represents an increase of 0.1% compared with 2013 (ThFMT +1.1)

In addition, delivery volume of molybdenum increased by 22.9% (ThFMT+5). This has mainly an effect on sales revenue from such by-product, the effect of the increase in the price of molybdenum (variation of +10.4%).

3. Profit for the period (expressed in millions of U.S. dollars, ThUS\$)

Concept	12/31/2014	12/31/2013	Change
	MThUS\$	MThUS\$	(%)
Revenue from sales of own copper	13,827	14,956	-8%
Revenue from sales of third party copper	10,721	12,022	-11%
Ingresos por ventas de cobre de terceros	1,859	1,897	-2%
Revenue from sales of molybdenum	670	493	36%
Revenue from sales of other products and services	565	545	4%
Revenue from future market	12	(1)	-
Cost of sales:	(10,111)	(10,802)	-6%
Cost of own copper sold	(7,662)	(8,299)	-8%
Cost of third party copper sold	(1,852)	(1,875)	-1%
Cost of molybdenum sold	(194)	(192)	1%
Cost of third party copper sold	(403)	(436)	-8%
Gross profit	3,716	4,154	-11%
Finance costs	(465)	(327)	42%
Depreciation expense	(1,947)	(1,748)	11%
EBIT (Earnings Before Interests and Taxes)	2,417	3,059	-21%
Law N° 13.196	(1,081)	(1,157)	-7%
Income tax expense	(1,241)	(1,617)	-23%
"EBITDAL (Earnings Before Interest, Taxes, Depreciation, Amortization and Law No.13.196)"	5,445	5,964	-9%
Corporate surplus	3,033	3,889	-22%
Profit for the period	711	1,115	-36%

Table 3: Consolidated profit or loss as of December 31, 2014 and 2013.

The chart above shows the behavior of the statement of income of Codelco as of December 31, 2014 and 2013, respectively. Main aspects to be highlighted which explain the decrease in corporate surplus (lower than ThUS\$856), are the decrease in sales revenues, mainly affected by the negative change in copper price¹, which is only partially offset by the decrease in cost of sales. Additionally, finance costs are added to this sum, because of the effect of payments of maturities of interest on loans and bonds, higher charges from other income (expenses) by function, and the lower gain from share of investees. These increased expenses are offset by foreign currency exchange gains for changes in the exchange rate recorded during 2014.

In its turn, gross profit as of December 31, 2014 amounted to ThUS\$3,716, which is lower by ThUS\$438 than the amount recorded for 2013. This negative variation is mainly explained by the decrease in sales revenue resulting from the lower price of copper¹ during 2014 compared with 2013 (change in price of -6.28%).

The variation in production costs for the periods is detailed below.

Type of cost (US¢/lb)	jan - dec 2014	jan - dec 2013	Change (%)
Total costs	230.6	231.5	-0.4%
Net cost to cathode(C3)	213.3	217.0	-1.7%
Direct cash cost (C1)	150.4	163.1	-7.8%

Table 4: Production costs as of December 31, 2014 and 2013.

This table above shows the variations in production costs for the periods compared, which reflects the effect of the implementation of the cost containment and reduction plan performed by Codelco. This is evident at cash cost level (C1), the main principal industry indicator for this aspect, showing a reduction of 7.8% compared with the prior year. At total cost and net cost for cathodes level the reduction is of 0.4% and 1.7%, respectively.

4. Other income and expenses per function Los Other income and expenses per function (net effect) amount to net expense of ThUS\$ 1,523 as of December 31, 2014 which has increased by ThUS\$ 172 compared with 2013. This variation is mainly explained by the increase in expenses associated with end of collective negotiation bonuses during the year, which is partially offset by an effect of lower expense associated with tax under Law No.13.196.

Indeed, the tax under Law No.13.196, which imposes a rate of 10% on the return from exports of own copper and by-products, recognized within the caption other expenses per function, decreased by ThUS\$ 76 compared with 2013. (Period from January to December 2014 of ThUS\$ 1,081 compared with ThUS\$ 1,157 for the period from January to December 2013).

In addition, a positive effect on the concept indicated in this number refers to Codelco's increased net foreign currency exchange gains (variation of +ThUS\$ 166), whose increase in the period implied a gain of ThUS\$ 378 compared with the ThUS\$ 213 in 2013.

5. Surplus – profit (loss) before taxes and net profit (loss)

As of December 31, 2014, Codelco's surplus before income tax and tax under Law No.13.196, amounted to ThUS\$ 3,033 which is lower than the ThUS\$ 3,889 recorded at the same date of the prior year, a negative

variation explained by a lower gross profit (ThUS\$ 438), attributable to the lower sales revenue because of the effect of the variation in copper price, referred to above; in addition to greater finance costs because of interest on loans and borrowings and bonds payable obtained abroad, an increase in expenses (net effect) from other income and expenses and lower results from share of investees, which were partially offset by gains obtained from the favorable evolution of exchange rate for Codelco.

In addition, the profit before income tax and specific tax on mining activities amounted to ThUS\$1,952, whereas net profit was ThUS\$ 711, which represents return on assets and return on equity of 2.02% and 5.94%, respectively. Return on assets and return on equity for the same period of prior year without considering the tax expense, tax under Law No.13.196, interest, depreciation and amortization was 15.44% and 47.24%, respectively.

II - CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Caption	12/31/2014 MThUS\$	12/31/2013 MThUS\$	Change %
Current assets	6,158	5,424	14%
Non-current assets	29,099	27,931	4%
Total assets	35,257	33,355	6%
Current liabilities	3,576	3,778	-5%
Non-current liabilities	20,155	17,169	17%
Total liabilities	23,731	20,947	13%
Equity	11,526	12,408	-7%
Total equity and liabilities	35,257	33,355	6%

Table 5: Consolidated statements of financial position as of December 31, 2014 and 2013.

From total assets as of December 31, 2014, items of current assets represent 17% and the remaining percentage relates to non-current assets where property, plant and equipment has the greater percentage (76%).

From total liabilities and equity as of December 31, 2014, current liabilities represents 10%. Non-current liabilities and equity represent 57% and 33% respectively.

1. Assets

As of December 31, 2014, current assets amounted to ThUS\$ 6,158, mainly composed of Inventories of ThUS\$ 2,406 (39%), Trade and other receivables of ThUS\$ 2,178 (35%), Cash and cash equivalents of ThUS\$ 1,311 (21%), Current tax assets of ThUS\$ 190 (3%) and the difference is composed of other current asset accounts.

Inventories increased by 7% compared with December 31, 2013, due to the greater physical amount of product-in-process, mainly copper concentrate recorded at the Ministro Hales division and materials in warehouse, which is explained by the combined effect of several factors related to inputs, supplies and supply policies. In addition, the physical amount of finished products decreased by ThUS\$ 13, mainly related to by-products maintained in inventories.

Inventories for the period from January to December 2014 are detailed below:

Inventory	December 2014 MThUS\$	December 2013 MThUS\$	Variation D14/D13 MThUS\$
Total inventory	2,406	2,244	162
Total Inventory - Codelco	2,312	2,170	142
Finished products	592	605	(13)
Products-in-process	1,259	1,130	129
Warehouse	461	435	26
Consolidation of subsidiaries	94	74	20

Table 6: Inventories as of December 2014 and 2013.

The table below includes items of property, plant and equipment as of December 31, 2014.

Property, Plant and Equipment	12/31/2014 MThUS\$	12/31/2013 MThUS\$	Change. D14/D13
Construction in progress, gross	6,574	7,711	-14.7%
Land, gross	126	127	-0.8%
Buildings, gross	4,871	3,598	35.4%
Plant and equipment, gross	13,929	11,874	17.3%
Facilities and fixtures, gross	52	48	8.3%
Motor vehicles, gross	1,875	1,646	13.9%
Land improvements, gross	4,302	3,944	9.1%
Mining operations, gross	5,195	4,452	16.7%
Mine development, gross	1,164	1,164	0.0%
Other assets, gross	1,389	1,258	10.4%
Total Property, plant and equipment, gross	39,477	35,822	10.2%
Total Accumulated Depreciation	17,424	15,695	11.0%
NET VALUE	22,053	20,127	9.6%

Table 7: Property, plant and equipment as of December 31, 2014 and 2013.

In net terms, there was an increase of ThUS\$ 1,926 (increase in these assets of ThUS\$ 3,655 less accumulated depreciation of ThUS\$ 1,729) compared with the balance existing as of December 31, 2013. This change in property, plant and equipment corresponds to the execution of Codelco's investment program in its structural projects (aimed at maintaining and/or replenishing, or increasing production capacity of the operating divisions), and also in a significant proportion the performance of development and sustainability projects performed at divisional level.

2.2. Liabilities

As of December 31, 2014, current liabilities amounted to ThUS\$3,576 (ThUS\$ 3,778 as of December 31, 2013) and is composed of other current financial liabilities of ThUS\$ 986 (28%), trade and other payables of ThUS\$1,444 (40%), current provisions for employee benefits of ThUS\$ 454 (13%), other current provisions of ThUS\$ 435 (12%) plus other miscellaneous liabilities.

As of December 31, 2014, non-current liabilities amounted to ThUS\$ 20,155 (ThUS\$ 17,169 as of December 31, 2013), mainly composed of other non-current financial

liabilities of ThUS\$ 12,951 (64%), deferred tax liabilities of ThUS\$ 4,204 (21%), other long-term provisions of ThUS\$ 1,439 (7%), non-current provisions for employee benefits of ThUS\$ 1,363 (7%), plus other non-current liabilities.

Other current and non-current financial liabilities within liabilities include financial obligations with banks, financial institutions and bonds payable issued both in the local and mainly the international markets.

Movements in obligations with banks and financial institutions for the period between January 1 and December 31, 2014 relate to obtaining new bank borrowings and loans and the payment and accrual of financial interest, included in the table below.

Movements in bank borrowings	Current MThUS\$	No Current MThUS\$
Initial balance of bank borrowings	521	3,030
Increases	471	1,095
Repayment of borrowings	(958)	-
Transfer to the current portion	741	(741)
Foreign currency difference, accrual of interests and other	54	(16)
Total movements	308	338
Final balance of bank borrowings	829	3,368

On July 9, 2014, Codelco issued and placed bonds in international markets under Rule 144-A and Regulation S, for a nominal amount of EUR 600,000,000, maturing in a single payment on July 9, 2024 with an annual coupon of 2.25% and annual payment of interest.

On November 4, 2014, Codelco issued and placed bonds in the U.S. markets under Rule 144-A and Regulation S, for a nominal amount of ThUS \$ 980,000, maturing in a single payment on November 4, 2044 with an annual coupon of 4.875% and bi-annual payment of interest.

In addition, during 2014, a bond matured, which was paid in conformity with the maturity established at the time of its related issuance.

3.3. Equity

As of December 31, 2014, equity amounted to ThUS\$ 11,526 (ThUS\$ 12,408 as of December 31, 2013) reflecting a profit obtained for the year of ThUS\$ 711. The decrease in equity (net negative variation of ThUS\$ 882), which is mainly explained by the fact of having charged to equity

the effects of Law No. 20.780 on the "Tax Reform which modifies the taxation system and introduces several adjustments to the tax system," which, in accordance with the provisions of Circular No. 856 issued by the Chilean Superintendence of Securities and Insurance (SVS) required that differences in deferred tax assets and liabilities generated as a direct effect of the increase in the corporate income tax rate should be recognized in the related year against equity. The amount recognized for this concept is equivalent to ThUS\$ 647, considered within the caption retained earnings.

In addition, during 2014 a negative variation is recorded for other comprehensive income of ThUS\$110 and dividends distributed of ThUS\$661, whereas non-controlling interests had a negative variation of ThUS\$ 172.

III FINANCIAL RATIOS

Liquidity ratios	12/31/2014	12/31/2013	Change (%)
Current liquidity: Current assets/current liabilities	1.72	1.44	19.44%
Acid test: (Current assets-inventories-prepayments)/current liabilities	1.04	0.84	23.81%

Indebtedness ratios	12/31/2014	12/31/2013	Change (%)
Indebtedness ratio: Total liabilities/equity (times)	2.06	1.69	21.89%
Short-term to total debt: Current liabilities/total liabilities	0.15	0.18	-16.67%
Long-term debt to total debt: Non-current liabilities/total liabilities	0.85	0.82	3.66%

Hedges and profitability ratios	12/31/2014	12/31/2013	Change (%)
Profit before taxes and interest / finance costs (times)	5.20	9.35	-44%
Return on assets %	2.1%	3.4%	-40%
Return on equity %	5.9%	9.1%	-34%
Return on operating assets %	3.2%	6.1%	-47%

Activity ratios	12/31/2014	12/31/2013	Change (%)
Accounts receivable turnover (times)	6.35	6.84	-7%
Collection recovery (days)	57	53	8%
Inventory turnover (times)	4.20	4.81	-13%
Inventory permanence (days)	86	75	15%

Assets	12/31/2014	12/31/2013	Change (%)
Total assets (millions of US\$)	35.257	33.355	5.7%

As of December 31, 2014, the current liquidity ratio increased compared to December 31, 2013 due to an increase in current assets and a decrease in current liabilities. The former of such effects mainly is due to the increase in cash and cash equivalents, greater balances in banks and time deposits; in inventories and other financial assets. In addition, the decrease in current liabilities is basically explained by a decrease in current financial liabilities for the concept of payment of bonds, per the maturities occurred during 2014. Additionally, the decrease in the balances of trade payables, which jointly offset the increase (net effect) reflected in other provisions.

The increase in the percentage of the indebtedness ratio is mainly explained by an increase in total liabilities (13%, ThUS\$ 2,784), from the increase in other non-current financial liabilities, associated with the debt and issuance of new borrowings and loans and obligations with banks and financial institutions assumed for financing investments. In this aspect and during 2014, Codelco issued and placed bonds of EURO 600 million and US\$980 million in the international financial market.

IV STATEMENT OF CASH FLOWS

Net cash flows from operating activities for the year ended December 31, 2014 determined a positive movement in cash flows of ThUS\$ 3,501, which is greater by ThUS\$ 364 compared with 2013, mainly because of lower payments to suppliers of goods and services (the effect of foreign currency exchange gains and losses also has an effect in this aspect), lower expenses for the period related to the payment of income taxes and sales taxes, which are partially offset by lower revenue obtained by Codelco, between both periods, because of the effect of the price of copper.

Cash flows from operating activities highlight the following items:

Concept	12/31/2014 MThUS\$	12/31/2013 MThUS\$
Cash receipts from sales of goods and rendering of services	14,153	15,107
Other cash receipts for operating activities	1,656	2,140
Cash payments to suppliers for the supply of goods and services	(7,882)	(9,092)
Finance hedges and sales	13	(51)
Law No.13.196	496	605
Dividends received	(989)	(1,198)
Income taxes paid	(579)	(887)
Other cash payments	(3,368)	(3,486)

Table 8: Cash flows from operating activities as of December 31, 2014 and 2013.

On the other hand, financing activities as of December 31, 2014 resulted in a positive flow of ThUS\$ 846, reflecting a variation of ThUS\$ 38 compared to the prior period. This variation corresponds to an offset effect between bank borrowings and loans, payments for this concept, expenses associated with interest and payment of dividends.

As part of the cash flows from financing activities, we may highlight the following:

Concept	12/31/2014 MThUS\$	12/31/2013 MThUS\$
Total proceeds from bank borrowings	3,885	4,039
Repayment of bank borrowings	(1,911)	(2,054)
Interest paid	(468)	(363)
Dividends paid	(661)	(776)

Table 9: Cash flows provided by financing activities as of December 31, 2014 and 2013

Finally, investing activities generated a net negative cash flow of ThUS\$ 3,818 as of December 31, 2014, which represents a decrease (net effect) of ThUS\$ 656 compared with 2013, which is mainly explained by a time lag in Codelco's investment program occurred during 2014.

Considering cash flows indicated above and the initial cash balances as of December 31, 2014, Codelco obtained final cash and cash equivalents balance of ThUS\$ 1,311, which is greater than the balance of ThUS\$ 751 determined at the end of the period from January to December 2013.

V MAIN DIFFERENCES BETWEEN THE CARRYING AMOUNT AND THE MARKET OR ECONOMIC VALUE OF CODELCO'S ASSETS

Codelco's deposits are recorded in the accounting records in conformity with the industry's customary policies at a nominal value of US\$1 each, which naturally implies a significant difference in their carrying value compared to the actual economic value of these deposits.

This generates the effect that equity for accounting purposes and assets are a subgroup of Codelco's economic value.

The exception from the above-mentioned concept of the valuation of Codelco's interest in Anglo American Sur S.A., which is regulated by the fair value concept in accordance with IFRS as it is an acquisition regulated by market parameters.

VI INFORMATION ON MARKET AND COMPETITION

Codelco is the World's biggest producer of mine copper with worldwide. During 2014, its production totaled ThFMT 1,841 (including the share of production in El Abra and Anglo American Sur), representing 10% of the World's production and a 32% of the domestic production. In addition, Codelco has 8% the World's copper reserves, contained in world-class deposits and with a share of 10% is the second biggest producer of molybdenum.

Codelco has seven mining divisions: Radomiro Tomic, Chuquicamata, Gabriela Mistral, Salvador, Andina, El Teniente and the new Ministro Hales division, which commenced its production during the last quarter of 2013. The Ventanas Division, with Smelter and Refinery facilities, is also added to these divisions.

In addition, Codelco has interest of 49% in Sociedad Contractual Minera El Abra and since 2012 is the owner of 20% of Anglo America Sur S.A. In addition, it has interest in different companies focused on technology exploration and development both in Chile and abroad.

Since the nationalization of copper in 1971, Codelco's deposits and operations have generated surpluses for US\$ 115.4 thousand millions, expressed in currency of 2014. Thanks to the high prices of copper, over 60% of this amount was generated over the period between 2004 and 2014, representing contributions equivalent to 12% to the Chilean Treasury of the Central Government's revenue during that period. During such period, Codelco represented an 18% of Chilean exports and its investments exceeded by close to 35% of the total foreign investment in mining (Decree Law No. 600).

During 2014, Codelco generated surpluses before tax and Restricted Law on Copper of US\$ 3,033 million, an amount lower than US\$ 3,889 million recognized in 2013. This reduction is mainly explained by a decrease in the Price of copper, mainly offset by greater production, an increase in the Exchange rate, lower prices of electric energy and supplies and positive results from plans

deployed for reducing costs and expenses.

The price of copper in the LME had an average of 311.26 c/lb, with a drop of 6.28% compared with the prior year. Causes behind this reduction are the evolution in the World's economy and the own dynamics in the copper market.

To the lower dynamism of China and other emerging countries (the crisis in Russia, the deceleration in Brazil) the uncertainty and concern for a possible exit of Greece from the Euro, the speculation about the increase in interest rates in the United States and the significant strengthening of U.S. dollars are added. These factors have affected all commodity markets. In its turn, the price of copper has also been influenced by the speculation about the impact in production costs of lower prices of oil and other supplies and services, within a context where consensus would exist on the change in phase of the refined copper market from a deficit to a surplus. All this has been translated into a deterioration of expectations on the future evolution of price.

For costs, Codelco has continued its efforts, through the Production and Cost Structural Project, achieving average cash cost C1 of 150.4 c/lb, which represents a decrease of 7.8% compared with 2013, confirming the trend to the contraction in Codelco's production costs. In terms of industry competitive positioning, in accordance with preliminary background information available, Codelco was found in the close of the second quartile cash cost (C1) of the industry for 2014.

In addition to the generation of cash surpluses, Codelco contributes to the development of Chile through a number of clusters. Codelco permanently uses supplies and services for its productive operations, projects and investments. For such purposes, Codelco performs acquisition and contracting processes; and establishes collaborating relationships mainly with domestic supply contractor companies. During 2014, Codelco performed businesses with suppliers of goods and services for US\$8,321 million.

Looking at the long-term, market foundations are foreseen as solid. The expected growth in China and in other emerging economies, which are in the development stages, with more intense use of copper, and the emergence of new uses and applications of copper, support the vision of growth in consumption at rates higher than historical average. For the supply side, the ageing and declining richness of the current deposits, the new environmental requirements and requirements for the relations with the communities, the greater capitalized expenditure and complexities of new projects and greater geopolitical risks of the new mining districts set up a challenging outlook.

Considering such outlook and its own challenges, Codelco has continued to implement its Strategic Plan, based on three aspects: sustainable mining (inclusive and virtuous), the growth in competitiveness and change management. The main working environments for those aspects are presented below.

For Safety and Occupational Health, during 2014, Codelco had to regret the death of 2 employees recording a frequency rate of 1.32 accidents with time lost for each million of hours-persons worked of 6% over the rate for 2013. Such results have led Codelco to define a new approach for Safety and Occupational Health that allows turning its Statement of Values into a reality.

Also, in the area of the Environment and Communities, Codelco has continued its progress towards the reduction of environmental vulnerabilities and the elimination of incidents. It should be noted that Codelco has completed two years without grave or very grave environmental incidents. Codelco has a new sustainability strategy focused on compliance with world-class standards and ensuring environmental and social approval of its operations and projects.

Today, Codelco is developing the most ambitious project portfolio in its history, highlighting in its breakdown the Mining Structural Projects: Ministro Hales project, the first of these initiatives was completed in 2013, New Mine Level at El Teniente, Transfer of Andina and Chuquicamata Underground Mine (an investment approved in December 2014) are currently under construction; Andina Expansion and RT Sulfuros II (Sulfides II) continue their process to achieve environmental approval; whereas Rajo Inca (Inca Open Pit) of Salvador is conducting its pre-feasibility study.

The formalization of a set of projects requires significant investments. During 2014, Codelco made investments of US\$ 3,364 million, including projects, deferred expenses and contributions to companies. For the concepts indicated above, for the five-year period between 2015 and 2019, Codelco has projections of investments that will be close to US\$ 25,000 million.

The financing of investments that ensure Codelco's leadership in the industry has been possible thanks to the support received from the Chilean Government and its credit rating. During 2014, sources of financing highlight the following:

- Bilateral loans of US\$ 395 million on a 5-year term.
- Issuance of bonds of € 600 million at 10-year term.
- Issuance of bonds of US\$ 980 million at 30-year term.
- Profit withholdings of US\$ 200 million

In October 2014, the Multiple Year Capitalization Law was approved for Codelco, which has up to US\$3,000 million of capital contribution between 2014 and 2018. In addition, the President announce her commitment of authorizing Codelco to withhold profits for up to US\$1,000 during such period.

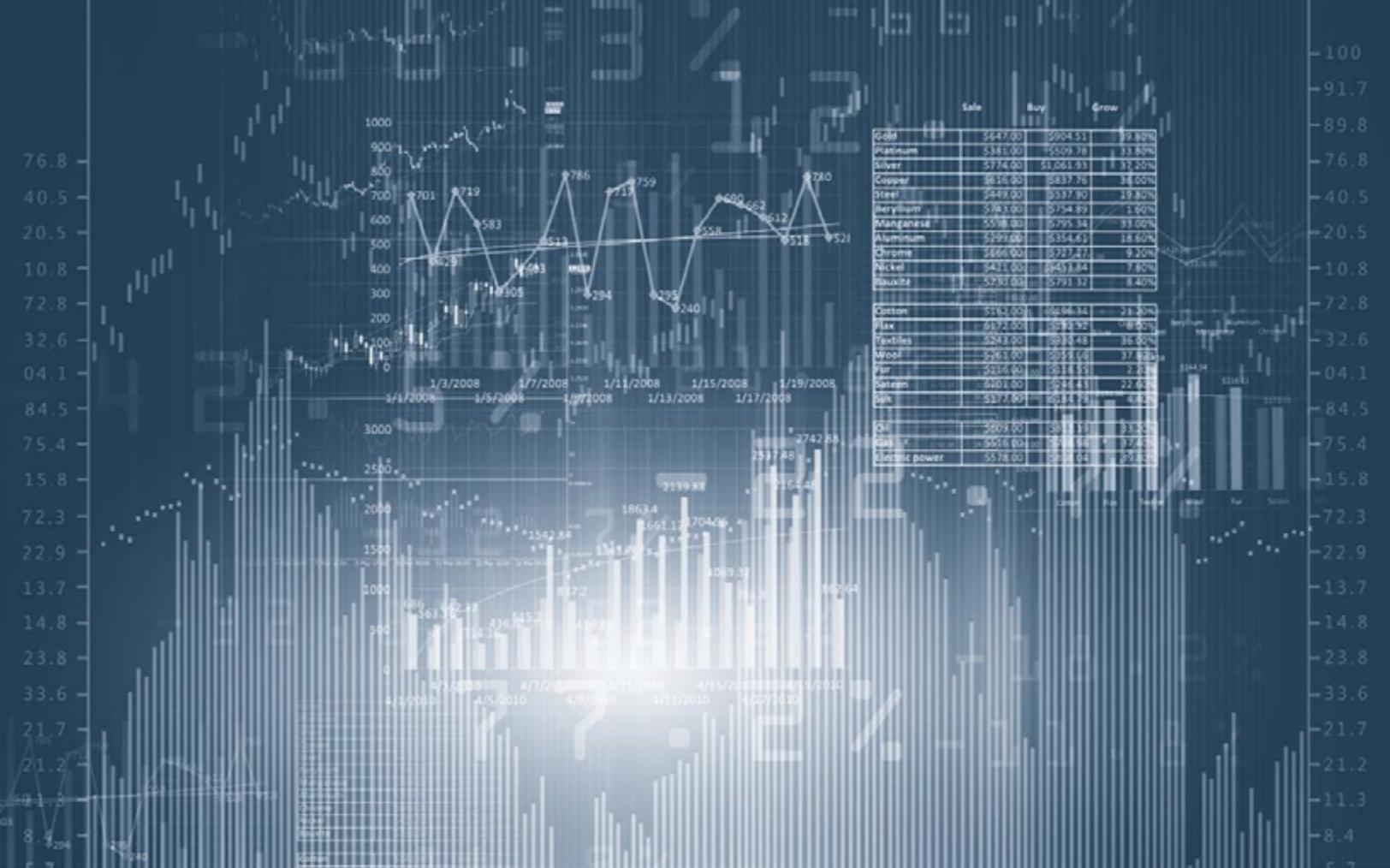
Codelco's success will only be possible through the active involvement of high-performing, creative and innovative employees, professionals and executives. During 2014, per the Board of Directors' instructions, Codelco installed a process for recruiting and promoting employees within a transparent informed and traceable process, to have the individuals required in terms of timing, quantity and quality. An aspect that should be specially highlighted is the incorporation of women into our staffing, which have achieved representation of 8.7% of total employees, the highest involvement by women in the mining industry in Chile (during 2015, this aspect will be regulated by the agreement on corporate performance with an indicator on gender diversity, aiming at achieving, over a period to be defined, certification in accordance with the Chilean regulation on such matter). Likewise, Codelco continued with employee training and development efforts.

Finally, Codelco has continued to make efforts in technology and process innovation and the replenishment and development of its mining basis.

VII MARKET RISK ANALYSIS

Corporación Nacional del Cobre de Chile (Codelco-Chile) has created instances within its organization which search for generating strategies to minimize market risks to which the Corporation may be exposed.

For further analysis on this subject, please refer to Notes 26 and 27 to the Financial Statements



Corporación Nacional del Cobre de Chile

Divisional Statement Of Income

For the year ending December 31, **2014**





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Independent Auditor's Report
(A free translation of the original report issued in Spanish)

To the Shareholders and Directors of
Corporación Nacional del Cobre de Chile:

We have audited the consolidated financial statements of Corporación Nacional del Cobre de Chile (hereinafter, the financial statements) as of December 31, 2014 and for the year then ended, and have issued our report dated March 26, 2015, which includes an unqualified opinion of these financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The statements of divisional allocation of income are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the management and was derived from and is directly related to the accounting records and other underlying records used to prepare the financial statements.

The information has been subject to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparison and reconciliation of such information directly to the accounting records and other underlying records used to prepare financial statements, including these financial statements, as well as additional procedures in accordance with generally accepted auditing standards in Chile.

In our opinion, the information is fairly presented in all material respects in relation to the financial statements taken as a whole.


Oscar Gálvez R.

Santiago, March 26, 2015

EY LTDA.

Corporación Nacional del Cobre de Chile

Divisional Statement of Income

Chuquicamata

For the year ending December 31, 2014

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	2,149,288
Sale of copper bought from third parties	372,090
Income from sale of by-products and other	402,791
Income from transfers	121,016
TOTAL INCOME FROM ORDINARY ACTIVITIES	3,045,185
COST OF SALES	
Cost of sale of own copper	(1,544,263)
Cost of sale of copper bought from third parties	(369,604)
Cost of sale of by-products and other	(86,359)
Cost of sale from transfers	(230,965)
TOTAL COST OF SALES	(2,231,191)
GROSS INCOME	813,994
Other income by function	21,744
Distribution costs	(2,013)
Administrative costs	(97,318)
Other expenses by function	(368,568)
Other profits (losses)	8,148
Finance income	5,374
Finance costs	(118,141)
Participation in profits (losses) of related companies and joint ventures recorded using the equity method	71,845
Foreign currency translation	121,077
PRE-TAX PROFIT (LOSS)	456,142
Income tax expenses	(251,940)
PROFIT (LOSS)	204,202
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to parent company owners	206,099
Profit (loss) attributable to non-parent company shares	(1,897)
PROFIT (LOSS)	204,202

Corporación Nacional del Cobre de Chile

Divisional Statement of Income

Radomiro Tomic

For the year ending December 31, 2014

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	2,077,304
Sale of copper bought from third parties	293,815
Income from sale of by-products and other	27,204
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	2,398,323
COST OF SALES	
Cost of sale of own copper	(1,429,616)
Cost of sale of copper bought from third parties	(291,852)
Cost of sale of by-products and other	(26,014)
Cost of sale from transfers	63,210
TOTAL COST OF SALES	(1,684,272)
GROSS INCOME	714,051
Other income by function	25,607
Distribution costs	(1,295)
Administrative costs	(48,767)
Other expenses by function	(221,904)
Other profits (losses)	6,434
Finance income	2,661
Finance costs	(37,564)
Participation in profits (losses) of related companies and joint ventures recorded using the equity method	57,138
Foreign currency translation	37,119
PRE-TAX PROFIT (LOSS)	533,480
Income tax expenses	(290,987)
PROFIT (LOSS)	242,493
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to parent company owners	243,992
Profit (loss) attributable to non-parent company shares	(1,499)
PROFIT (LOSS)	242,493

Corporación Nacional del Cobre de Chile

Divisional Statement of Income

Salvador

For the year ending December 31, 2014

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	640,852
Sale of copper bought from third parties	110,889
Income from sale of by-products and other	106,438
Income from transfers	49,856
TOTAL INCOME FROM ORDINARY ACTIVITIES	908,035
COST OF SALES	
Cost of sale of own copper	(738,737)
Cost of sale of copper bought from third parties	(110,148)
Cost of sale of by-products and other	(63,771)
Cost of sale from transfers	(41,325)
TOTAL COST OF SALES	(953,981)
GROSS INCOME	(45,946)
Other income by function	21,709
Distribution costs	(741)
Administrative costs	(30,505)
Other expenses by function	(107,353)
Other profits (losses)	2,428
Finance income	1,843
Finance costs	(12,724)
Participation in profits (losses) of related companies and joint ventures recorded using the equity method	21,877
Foreign currency translation	23,760
PRE-TAX PROFIT (LOSS)	(125,652)
Income tax expenses	94,703
PROFIT (LOSS)	(30,949)
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to parent company owners	(30,383)
Profit (loss) attributable to non-parent company shares	(566)
PROFIT (LOSS)	(30,949)

Corporación Nacional del Cobre de Chile

Divisional Statement of Income

Andina

For the year ending December 31, 2014

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	1,392,744
Sale of copper bought from third parties	221,288
Income from sale of by-products and other	186,582
Income from transfers	195
TOTAL INCOME FROM ORDINARY ACTIVITIES	1,800,809
COST OF SALES	
Cost of sale of own copper	(1,047,001)
Cost of sale of copper bought from third parties	(218,769)
Cost of sale of by-products and other	(41,452)
Cost of sale from transfers	(14,515)
TOTAL COST OF SALES	(1,292,707)
GROSS INCOME	508,102
Other income by function	8,288
Distribution costs	(1,221)
Administrative costs	(55,591)
Other expenses by function	(181,391)
Other profits (losses)	4,815
Finance income	1,900
Finance costs	(70,972)
Participation in profits (losses) of related companies and joint ventures recorded using the equity method	39,675
Foreign currency translation	31,677
PRE-TAX PROFIT (LOSS)	285,282
Income tax expenses	(164,716)
PROFIT (LOSS)	120,566
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to parent company owners	121,688
Profit (loss) attributable to non-parent company shares	(1,122)
PROFIT (LOSS)	120,566

Corporación Nacional del Cobre de Chile

Divisional Statement of Income

El Teniente

For the year ending December 31, 2014

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	2,928,938
Sale of copper bought from third parties	445,557
Income from sale of by-products and other	267,171
Income from transfers	6,840
TOTAL INCOME FROM ORDINARY ACTIVITIES	3,648,506
COST OF SALES	
Cost of sale of own copper	(1,621,609)
Cost of sale of copper bought from third parties	(442,578)
Cost of sale of by-products and other	(134,123)
Cost of sale from transfers	22,387
TOTAL COST OF SALES	(2,175,923)
GROSS INCOME	1,472,583
Other income by function	17,415
Distribution costs	(2,265)
Administrative costs	(119,231)
Other expenses by function	(515,967)
Other profits (losses)	9,756
Finance income	5,291
Finance costs	(150,327)
Participation in profits (losses) of related companies and joint ventures recorded using the equity method	86,636
Foreign currency translation	127,210
PRE-TAX PROFIT (LOSS)	931,101
Income tax expenses	(475,336)
PROFIT (LOSS)	455,765
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to parent company owners	458,038
Profit (loss) attributable to non-parent company shares	(2,273)
PROFIT (LOSS)	455,765

Corporación Nacional del Cobre de Chile

Divisional Statement of Income

Ventanas

For the year ending December 31, 2014

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	79,630
Sale of copper bought from third parties	205,879
Income from sale of by-products and other	206,776
Income from transfers	76,877
TOTAL INCOME FROM ORDINARY ACTIVITIES	569,162
COST OF SALES	
Cost of sale of own copper	(78,561)
Cost of sale of copper bought from third parties	(211,572)
Cost of sale of by-products and other	(244,001)
Cost of sale from transfers	(97,407)
TOTAL COST OF SALES	(631,541)
GROSS INCOME	(62,379)
Other income by function	1,440
Distribution costs	(853)
Administrative costs	(18,752)
Other expenses by function	(25,457)
Other profits (losses)	1,522
Finance income	705
Finance costs	(10,300)
Participation in profits (losses) of related companies and joint ventures recorded using the equity method	13,517
Foreign currency translation	12,240
PRE-TAX PROFIT (LOSS)	(88,317)
Income tax expenses	(45,896)
PROFIT (LOSS)	(134,213)
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to parent company owners	(133,858)
Profit (loss) attributable to non-parent company shares	355
PROFIT (LOSS)	(134,213)

Corporación Nacional del Cobre de Chile

Divisional Statement of Income

Gabriela Mistral

For the year ending December 31, 2014

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	829,991
Sale of copper bought from third parties	115,586
Income from sale of by-products and other	-
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	945,577
COST OF SALES	
Cost of sale of own copper	(648,176)
Cost of sale of copper bought from third parties	(114,813)
Cost of sale of by-products and other	-
Cost of sale from transfers	-
TOTAL COST OF SALES	(762,989)
GROSS INCOME	182,588
Other income by function	5,602
Distribution costs	(495)
Administrative costs	(41,059)
Other expenses by function	(108,315)
Other profits (losses)	2,531
Finance income	987
Finance costs	(11,530)
Participation in profits (losses) of related companies and joint ventures recorded using the equity method	22,478
Foreign currency translation	11,084
PRE-TAX PROFIT (LOSS)	63,871
Income tax expenses	(33,970)
PROFIT (LOSS)	29,901
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to parent company owners	30,491
Profit (loss) attributable to non-parent company shares	(590)
PROFIT (LOSS)	29,901

Corporación Nacional del Cobre de Chile

Divisional Statement of Income

Ministro Hales

For the year ending December 31, 2014

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	634,646
Sale of copper bought from third parties	93,527
Income from sale of by-products and other	37,691
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	765,864
COST OF SALES	
Cost of sale of own copper	(554,297)
Cost of sale of copper bought from third parties	(92,903)
Cost of sale of by-products and other	(1,193)
Cost of sale from transfers	14,801
TOTAL COST OF SALES	(633,592)
GROSS INCOME	132,272
Other income by function	(3,459)
Distribution costs	(460)
Administrative costs	(39,899)
Other expenses by function	(92,022)
Other profits (losses)	2,048
Finance income	983
Finance costs	(53,113)
Participation in profits (losses) of related companies and joint ventures recorded using the equity method	18,188
Foreign currency translation	14,652
PRE-TAX PROFIT (LOSS)	(20,810)
Income tax expenses	(149,105)
PROFIT (LOSS)	(169,915)
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to parent company owners	(169,438)
Profit (loss) attributable to non-parent company shares	(477)
PROFIT (LOSS)	(169,915)

Corporación Nacional del Cobre de Chile Consolidated Divisional Statement of Income

For the year ending December 31, 2014
Expressed in thousands of dollars - ThUS\$

INCOME STATEMENTS	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	HEAD OFFICE	CONSOLIDATED	ADJUSTMENTS	TOTAL
INCOME FROM ORDINARY ACTIVITIES												
Income for sale of own copper	2,149,288	2,077,304	640,852	1,392,744	2,928,938	79,630	829,991	634,646	-	10,733,393	-	10,733,393
Sale of copper bought from third parties	372,090	293,815	110,889	221,288	445,557	205,879	115,586	93,527	-	1,858,631	-	1,858,631
Income from sale of by-products and other	402,791	27,204	106,438	186,582	267,171	206,776	-	37,691	-	1,234,653	-	1,234,653
Income from transfers	121,016	-	49,856	195	6,840	76,877	-	-	-	254,784	(254,784)	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	3,045,185	2,398,323	908,035	1,800,809	3,648,506	569,162	945,577	765,864	-	14,081,461	(254,784)	13,826,677
COSTS OF SALES												
Cost of sale of own copper	(1,544,263)	(1,429,616)	(738,737)	(1,047,001)	(1,621,609)	(78,561)	(648,176)	(554,297)	-	(7,662,260)	-	(7,662,260)
Cost of sale of copper bought from third parties	(369,604)	(291,852)	(110,148)	(218,769)	(442,578)	(211,572)	(114,813)	(92,903)	-	(1,852,239)	-	(1,852,239)
Cost of sale of by-products and other	(86,359)	(26,014)	(63,771)	(41,452)	(134,123)	(244,001)	-	(1,193)	-	(596,913)	-	(596,913)
Cost of sale from transfers	(230,965)	63,210	(41,325)	14,515	22,387	(97,407)	-	14,801	-	(254,784)	254,784	-
TOTAL SALES COSTS	(2,231,191)	(1,684,272)	(953,981)	(1,292,707)	(2,175,923)	(631,541)	(762,989)	(633,592)	-	(10,366,196)	254,784	(10,111,412)
GROSS INCOME	813,994	714,051	(45,946)	508,102	1,472,583	(62,379)	182,588	132,272	-	3,715,265	-	3,715,265

Corporación Nacional del Cobre de Chile

Consolidated Divisional Statement of Income

For the year ending December 31, 2014
Expressed in thousands of dollars - ThUS\$

INCOME STATEMENTS	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	HEAD OFFICE	CONSOLIDATED	ADJUSTMENTS	TOTAL
Other income by function	21,744	25,607	21,709	8,288	17,415	1,440	5,602	(3,459)	-	98,346	-	98,346
Distribution costs	(2,013)	(1,295)	(741)	(1,221)	(2,265)	(853)	(495)	(460)	-	(9,343)	-	(9,343)
Administrative costs	(97,318)	(48,767)	(30,505)	(65,591)	(119,231)	(18,752)	(41,059)	(39,899)	-	(451,122)	-	(451,122)
Other expenses by function	(368,568)	(221,904)	(107,353)	(181,391)	(515,967)	(25,457)	(108,315)	(92,022)	-	(1,620,977)	-	(1,620,977)
Other profits (losses)	8,148	6,434	2,428	4,815	9,756	1,522	2,531	2,048	-	37,682	-	37,682
Finance income	5,374	2,661	1,843	1,900	5,291	705	987	983	-	19,744	-	19,744
Finance costs	(118,141)	(37,564)	(12,724)	(70,972)	(150,327)	(10,300)	(11,550)	(53,113)	-	(464,671)	-	(464,671)
Participation in profits (losses) of related companies and joint	71,845	57,138	21,877	39,675	86,636	13,517	22,478	18,188	(83,360)	247,984	-	247,984
Foreign currency translation	121,077	37,119	23,760	31,677	127,210	12,240	11,084	14,652	-	378,819	-	378,819
PRE-TAX PROFIT (LOSS)	456,142	533,480	(125,652)	285,282	931,101	(88,317)	63,871	(20,810)	(83,360)	1,951,737	-	1,951,737
Income tax expenses	(251,940)	(290,987)	94,703	(164,716)	(475,336)	(45,896)	(33,970)	(149,105)	76,424	(1,240,823)	-	(1,240,823)
PROFIT (LOSS)	204,202	242,493	(30,949)	120,566	455,765	(134,213)	29,901	(169,915)	(6,936)	710,914	-	710,914
PROFIT (LOSS) ATTRIBUTABLE TO												
Profit (loss) attributable to parent company owners	206,099	243,992	(30,383)	121,688	458,038	(133,858)	30,491	(169,438)	(4,702)	721,927	-	721,927
Profit (loss) attributable to non-parent company shares	(1,897)	(1,499)	(566)	(1,122)	(2,273)	(355)	(590)	(477)	(2,234)	(11,013)	-	(11,013)
PROFIT (LOSS)	204,202	242,493	(30,949)	120,566	455,765	(134,213)	29,901	(169,915)	(6,936)	710,914	-	710,914

GUIDELINES FOR THE PREPARATION OF DIVISIONAL STATEMENTS OF INCOME

Divisional statements of income are prepared in compliance with the Corporation's statutes, in accordance with the International Financial Reporting Standards and the following internal guidelines:

Note 1. Interdivisional transfers. The interdivisional transfer of products and services is carried out and recorded at negotiated prices similar to those in the market. Therefore, these divisional statements of income include the following concepts:

- Income from sales shows, on separate lines, sales to third parties of products received from other divisions and the divisional income from transfers made to other divisions.
- Consequently, the Cost of sales also show, on separate lines, the costs corresponding to products received from other divisions and sold to third parties, and the costs attributable to divisional income from transfers to other divisions.

Note 2. Assignment of Corporate Income and Expenses. The income and expenses controlled by the Parent Company and Corporation affiliates are added to the income and expenses of the divisions, according to current guidelines established for the period, as shown in the Statement of Assignment of Income and Expenses Controlled by the Parent Company and Affiliates to the Division.

Other expenses by function includes the expense for Law No. 13,196, which taxes the Corporation 10% upon returns in foreign currency for the sale of its copper production abroad, including by-products, and its distribution by Division is:

Division	ThUS\$
Chuquicamata	241,493
Radomiro Tomic	210,466
Salvador	70,989
Andina	139,869
El Teniente	260,036
Ventanas	19,597
Gabriela Mistral	82,711
Ministro Hales	56,098
Total Law N°13,196	1,081,259



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Independent Auditor's Report
(A free translation of the original report issued in Spanish)

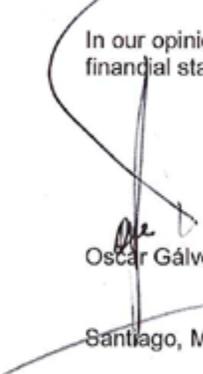
To the Shareholders and Directors of
Corporación Nacional del Cobre de Chile:

We have audited the consolidated financial statements of Corporación Nacional del Cobre de Chile (hereinafter, the financial statements) as of December 31, 2014 and for the year then ended, and have issued our report dated March 26, 2015, which includes an unqualified opinion of these financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The statement of allocation of income and expenses of the head office and affiliated divisions is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the management and was derived from and is directly related to the accounting records and other underlying records used to prepare the financial statements.

The information has been subject to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparison and reconciliation of such information directly to the accounting records and other underlying records used to prepare financial statements, including these financial statements, as well as additional procedures in accordance with generally accepted auditing standards in Chile.

In our opinion, the information is fairly presented in all material respects in relation to the financial statements taken as a whole.


Oscar Gálvez R.

EY LTDA.

Santiago, March 26, 2015

Statement of Assignment of Income and Expenses Controlled by Parent Company and Affiliates to the Division

Corresponding to the period between January 1 and December 31, 2014
Expressed in thousands of U.S. dollars - ThUS\$

	TOTAL	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	HEAD OFFICE
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales operations Head Office and affiliates	1,680,029	364,609	277,862	109,306	216,439	438,294	68,514	112,814	92,191	-
Sales costs Head Office and affiliates	(1,717,690)	(371,399)	(293,270)	(110,683)	(219,507)	(444,728)	(69,377)	(115,372)	(93,354)	-
Adjustment for unrealized affiliate sales	6,024	442	4,131	-	338	903	-	210	-	-
Other Income by function	28,280	5,595	11,194	7,237	2,555	281	1,023	2,378	(1,963)	-
Distribution costs	(7,366)	(1,593)	(1,258)	(475)	(941)	(1,907)	(297)	(495)	(400)	-
Administrative expenses	(169,216)	(39,831)	(24,959)	(13,265)	(20,548)	(41,473)	(7,851)	(11,877)	(9,912)	-
Other Expenses by function	(106,804)	(23,747)	(15,369)	(6,512)	(13,279)	(31,084)	(3,740)	(6,462)	(6,611)	-
Other Profits (Losses)	37,682	8,148	6,434	2,428	4,815	9,756	1,522	2,531	2,048	-
Finance Income	13,007	3,038	1,874	1,047	1,574	3,192	625	897	760	-
Finance Costs	(51,890)	(11,358)	(8,648)	(3,471)	(6,577)	(13,328)	(2,157)	(3,499)	(2,852)	-
Participation in profits (losses) of related companies and joint ventures recorded using the equity method	251,299	72,360	57,138	21,564	42,767	86,647	13,517	22,478	18,188	(83,360)
Foreign currency translation	(26,040)	(6,308)	(3,407)	(2,303)	(3,064)	(6,219)	(1,348)	(1,817)	(1,574)	-
Chilean tax contribution Law No. 13196	(1,081,259)	(241,493)	(210,466)	(70,989)	(139,869)	(260,036)	(19,597)	(82,711)	(56,098)	-
Income taxes	(1,240,824)	(251,940)	(290,987)	94,703	(164,716)	(475,337)	(45,896)	(33,970)	(149,105)	76,424
TOTAL	(2,384,768)	(492,977)	(489,731)	28,587	(300,033)	(735,039)	(65,062)	(114,895)	(208,682)	(6,936)
PROFIT (LOSS) ATTRIBUTABLE TO										
Profit (loss) attributable to parent company owners	(2,373,755)	(491,080)	(488,232)	29,153	(298,911)	(732,766)	(64,707)	(114,305)	(208,205)	(4,702)
Profit (loss) attributable to non-parent company shares	(11,013)	(1,897)	(1,499)	(566)	(1,122)	(2,273)	(355)	(590)	(477)	(2,234)
TOTAL	(2,384,768)	(492,977)	(489,731)	28,587	(300,033)	(735,039)	(65,062)	(114,895)	(208,682)	(6,936)

CRITERIA FOR THE ASSIGNMENT OF INCOME AND EXPENSES CONTROLLED BY THE PARENT COMPANY AND AFFILIATES TO THE DIVISION

Income and expenses controlled by the Parent Company and affiliates are assigned to the Divisions according to the criteria indicated for each category in the income accounts:

1. Commercial operations income and costs of the Parent Company, affiliates and the adjustment of unrealized sales to affiliates

Distribution to the Divisions is done in proportion to the ordinary income of each Division.

2. Other income, by function

- Other income, by function, associated and identified with each Division in particular is assigned directly.
- The reporting of realized profits and other income by function of affiliates is distributed in proportion to the ordinary income of each Division.
- The remaining other income is distributed in proportion to the sum of the balances of the “other income” and “finance income” categories of the respective Divisions.

3. Distribution costs

- Expenses associated and identified with each Division are assigned directly.
- Distribution costs of affiliates are assigned in proportion to the ordinary income of each Division.

4. Administrative expenses

- Administrative expenses recorded in cost centers identified with each Division are assigned directly.
- Administrative expenses recorded in cost centers associated with the sales function and administrative expenses of affiliates are distributed in proportion to the ordinary income of each Division.
- Administrative expenses recorded in cost centers associated with the supply function are assigned in relation to the accounting balances of materials in the warehouse of each Division.
- The remaining expenses recorded in cost centers are assigned in relation to the operational cash expenditures of the respective Divisions.

5. Other expenses, by function

- Other expenses associated and identified with each Division in particular are assigned directly.
- Pre-investment study expenses and other expenses by function of affiliates are distributed in proportion to the ordinary income of each Division.

6. Other profits

- Other profits associated and identified with each Division in particular are assigned directly.
- Other affiliate profits are distributed in proportion to the ordinary income of each Division.

7 .Finance income

- Finance income associated and identified with each Division in particular is assigned directly.
- Finance income of affiliates is distributed in proportion to the ordinary income of each Division.
- Remaining finance income is distributed in relation to the operational cash expenditures of each Division.

8. Finance costs

- Finance costs associated and identified with each Division in particular are assigned directly.
- The financial costs associated with debt managed in the Head Office are distributed in relation to the investments made by each Division.
- Finance costs of affiliates and Head Office are distributed in proportion to the administrative costs of each Division.

9. Participation in profits (losses) of Related companies and joint ventures, recorded using the equity method

- Participation in the profits or losses of related companies and joint ventures identified with each Division in particular are assigned directly.
- Participation in the profits or losses of related companies and joint ventures of affiliates is distributed in proportion to the ordinary income of each Division.

10. Foreign currency translation

- Foreign currency translation identifiable with each Division in particular is assigned directly.
- Foreign currency translation of affiliates is distributed in proportion to the ordinary income of each Division.
- Remaining foreign currency translation is distributed in relation to the operational cash expenditures of each Division.

11. Chilean tax contribution Law No. 13,196

- The contribution amount is assigned and recorded in relation to the taxable values billed and recorded for the export of copper and by-products of each Division.

12. Income (expenses) from income taxes

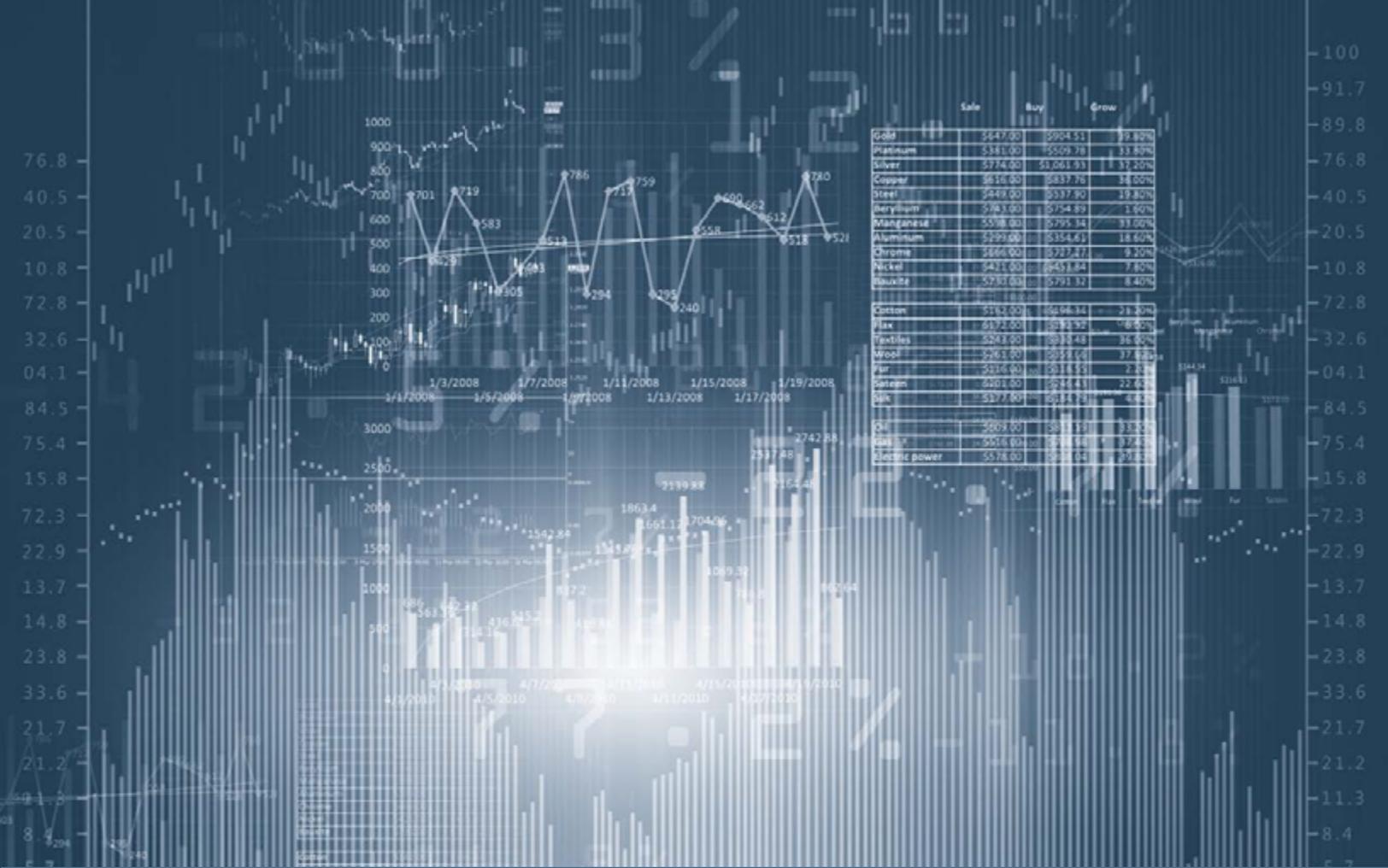
- First category income tax, D.L. 2,398 tax, and the specific tax on mining activities, are assigned based on the pre-tax income of each Division, considering for these purposes the abovementioned assignment of income and expenses of the Parent Company and affiliates.
- Other tax expenses are assigned in proportion to the first category income tax, the specific tax on mining activities and the D.L. 2,398 tax assigned to each Division.

2014	CHILE COPPER LTD. CONSOLIDATED	CODELCO RUPPELHANDEL GMBH CONSOLIDATED	CODELCO USA GROUP CONSOLIDATED	CODELCO INTERNATIONAL LIMITED CONSOLIDATED	CODELCO SHANGHAI COMPANY LIMITED	CIA. CONTRACTUAL MINERA LOS ANDES	CIA. MINERA PICACHO SCM	SANTIAO DE RIO GRANDE S.A.	EXPLORACIONES S.A. MINERAS ANINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTD.	INVERSIONES MINERAS GACHUX SPA CONSOLIDATED	COMPLEJO PORTUARIO MELLONES S.A.	IMZ S.A.	BIOISGMA S.A.	ASOCIACION GARANTIZADA DE PENSIONES	CLINICA RIO BLANCO S.A.	CENTRO DE ESPR MEDICAS RIO BLANCO LTD.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RIO BLANCO LTD.	ISAPRE CHUQUICAMATA LTD.	CLINICA SAN LORENZO LTD. CONSOLIDATED	FUSAT CONSOLIDATED	ENERGIA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOIBDENO LTD.	ANGLO AMERICAN SUR S.A. (1)		
	105	6,104	1,168	2,083	1,852	-	-	-	2,578	-	(1,054)	3,084	6,587	2,412	916	15	(232)	1,384	-	388	1,908	2,104	17,286	-	-	-	2,791,891		
Gross Profit																													
Other incomes (expenses) and profits (losses)	(47)	(2,300)	(825)	117,648	(1,315)	(1,802)	122	(4)	(1,923)	(8)	(1,855)	(37,518)	(5,228)	(1,997)	(5,327)	(85)	(1,810)	(2,554)	4	(198)	(1,693)	(1,773)	(18,678)	(12,534)	(61)	(3,197)	(2,120,131)		
Profit (loss) for the period before tax	148	3,804	343	119,711	537	(1,802)	122	(4)	655	(8)	(2,939)	(34,434)	1,361	415	(2,411)	(20)	(2,042)	(1,170)	4	200	303	331	(1,412)	(12,534)	(61)	(3,197)	671,760		
Income tax expense	(28)	(453)	(131)	-	(143)	-	-	-	(9)	2	(322)	(577)	(47)	(95)	-	-	(83)	(24)	-	(83)	21	(17)	507	2,520	13	1,222	(235,550)		
PROFIT (LOSS)	120	3,351	212	119,711	394	(1,802)	122	(4)	646	(7)	(3,261)	(35,011)	1,314	320	(2,411)	(20)	(2,042)	(1,194)	4	117	324	314	(605)	(10,014)	(48)	(1,975)	438,210		
STATEMENTS OF CASH FLOWS - DIRECT METHOD																													
Cash flow provided by (used in) operating activities	(424)	(38,757)	(174)	915	476	(2,585)	(2,585)	(18)	5,902	-	1,265	530	(2,184)	(1,821)	(2,664)	(37)	1,231	702	-	(494)	(16,752)	346	1,860	(1,419)	-	(101,250)	1,344,445		
Cash flows provided by (used in) investing activities	12	(46)	(20)	133,849	(69)	-	-	-	(1,66)	-	(1,958)	45,322	(7,182)	(71)	(200)	-	(718)	-	-	473	16,743	(94)	195	-	-	-	(817,285)		
Cash flows provided by (used in) financing activities	-	38,586	-	(131,644)	-	2,835	18	18	-	-	(462)	(79,987)	-	-	3,000	-	(57)	(655)	-	-	-	(255)	(2,040)	1,417	-	114,298	(739,406)		
Net increase (decrease) in cash and cash equivalents from foreign exchange difference	(412)	(218)	(194)	3,120	377	250	(2,567)	-	5,736	-	(1,155)	(34,135)	(9,346)	(1,892)	136	(67)	456	47	-	(21)	(9)	(3)	15	(2)	-	13,046	77,754		
Effects of exchange rate changes on cash and cash equivalents	-	-	-	125	(10)	-	-	-	(2,359)	-	(8)	-	43	(244)	-	(3)	-	-	-	-	188	(82)	(558)	-	-	(3,131)	-		
Net increase (decrease) in cash and cash equivalents	(412)	(218)	(194)	3,245	367	250	(2,567)	-	3,367	-	(1,163)	(34,135)	(9,303)	(2,138)	136	(40)	456	47	-	(21)	179	(95)	(543)	(2)	-	9,917	77,754		
Cash and cash equivalents at beginning of period	4,667	256	2,796	2,518	1,664	181	2,567	-	4,842	918	2,132	100,982	19,023	2,362	535	373	(17)	302	-	74	1,327	677	3,236	2	1	383	281,183		
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,255	38	2,602	5,763	2,031	431	-	-	8,209	918	969	75,847	9,720	226	671	333	439	349	-	53	1,506	682	2,693	-	1	10,300	358,937		

2013	SUMMARIZED STATEMENT OF FINANCIAL POSITION																													
	CHILE COPPER LTD. CONSOLIDATED	GOELENCO KUPFERHANDEL GMBH CONSOLIDATED	GOELENCO USA GROUP CONSOLIDATED	GOELENCO INTERNACIONAL LIMITED CONSOLIDATED	GOELENCO SHANGHAI COMPANY LIMITED	CLA CONTRACTUAL MINERA LOS ANDES	CLA MINERA PICACHO SCM	SANTIAGO DE RIO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	INVERSIONES MINERAS GACHUA SPA CONSOLIDATED	SOC. INVERSIONES COMENFIELD LTDA.	COMPLEJO PORTUARIO MELLONES S.A.	IN2 S.A.	BIOGIMA S.A.	MCM EQUIPOS S.A.	ASOCIACION GARANTIZADORA DE PENSIONES	CLINICA RIO BLANCO S.A.	CENTRO DE ESP. MEDICAS RIO BLANCO LTDA.	SOC. EJECUTORIA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RIO BLANCO LTDA.	ISAPRE CHUQUICAMATA LTDA.	CLINICA SAN LORENZO LTDA. CONSOLIDATED	FUSAT CONSOLIDATED	ENERGIA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	PLANTA RECUPERADORA DE METALES SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA.	ANGLO AMERICAN SUR S.A. (1)	
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
ASSETS																														
Total current assets	5,883	96,352	22,342	14,213	2,734	3,053	191	-	6,251	918	150,945	5,124	21,034	5,328	1,092	591	595	3,156	3,566	4,833	2,240	7,093	2,983	30,050	30,050	3	1	1,448	1,017,744	
Total non-current assets	148	5,070	73	274,837	154	462	1	-	700	86	6,400,387	26,504	93,833	384	1,606	39	1,031	8,811	796	19,145	2,815	5,853	1,407	49,675	13,704	258	8	41,205	4,887,285	
TOTAL ASSETS	6,031	101,422	22,415	286,650	2,848	3,515	192	-	6,951	1,004	6,551,112	31,628	114,867	5,712	2,698	600	1,619	11,967	4,322	23,978	5,055	12,796	4,390	79,725	13,707	259	9	42,653	5,905,009	
LIABILITIES																														
Total current liabilities	1,344	54,829	19,787	6,313	419	14	85	50	4,500	20	86,475	4,298	7,006	1,327	1,302	2,793	199	6,720	2,338	5,048	2,232	8,119	4,092	22,213	757	1,291	40	7,155	1,004,003	
Total non-current liabilities	29	-	-	122,291	-	-	-	-	292	-	771,727	11,479	78,093	66	66	-	1,090	3,960	1,931	18,969	307	798	1,284	49,459	-	-	-	30,647	831,799	
TOTAL LIABILITIES	1,373	54,829	19,787	128,604	419	14	85	50	5,212	20	874,202	15,747	86,098	1,327	1,370	2,793	1,209	10,670	4,269	24,017	2,539	8,917	5,336	71,672	757	1,291	40	37,802	1,835,802	
EQUITY																														
Equity attributable to owners of the parent	4,194	46,503	2,628	180,246	2,629	3,501	107	800	1,739	984	3,662,629	15,481	28,789	4,386	1,318	2,188	300	4,297	63	698	2,816	3,819	1,046	8,052	12,950	(1,002)	(31)	4,851	4,128,167	
Non-controlling interests	464	-	-	-	-	-	-	-	-	-	2,046,231	420	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	
TOTAL EQUITY	4,658	46,503	2,628	180,246	2,629	3,501	107	(50)	1,739	984	5,698,810	15,881	28,789	4,386	1,318	(2,193)	300	4,297	63	(39)	2,816	3,819	(1,046)	8,053	12,950	(1,032)	(21)	4,851	4,128,167	
TOTAL LIABILITIES AND EQUITY	6,031	101,422	22,415	286,650	2,848	3,515	192	-	6,951	1,004	6,551,112	31,628	114,867	5,712	2,698	600	1,619	11,967	4,322	23,978	5,055	12,796	4,390	79,725	13,707	259	9	42,653	5,905,009	

These financial statements have been prepared according to uniform accounting policies used the parent for like transactions and other economics facts.

(1) Anglo American Sur S.A. the associate company is included, according to seccion II.A.1.4.b.1 N.C.C. 30 SVS



Corporación Nacional del Cobre de Chile

Relevant Events

as of December 31, **2014**



Corporación Nacional del Cobre de Chile

Relevant Events

as of December 31, 2014

The Corporation has reported to the Chilean Superintendence of Securities and Insurance (SVS) the following relevant events occurred during 2014 and 2013:

1) Changes in the Board of Directors, Executives and the Organizational Structure

- On January 31, 2013, Codelco reported as an Essential Event the elimination of the Vice Presidency of Technology and Innovation and the Assistant Vice Presidency to the Executive Presidency as part of Codelco's senior organization the duties of which become a part of the Vice Presidency of Business Development.

Likewise, Codelco created the Vice Presidency of Corporate Affairs and Sustainability from the current General Management with the same name appointing Mr. Juan Pablo Schaeffer Fabres as the Vice President of Corporate Affairs and Sustainability.

Such changes become effective on February 1, 2013.

- On April 1, 2013, Codelco reported as an Essential Event that Francisco Carvajal Palacios resigned to his position of General Manager of the Radomiro Tomic Division.

Mr. Julio Aranis Vargas, as the Vice President of the Northern Operations transitionally took office as the General Manager of the Radomiro Tomic Division, being responsible for two positions on an interim and simultaneous basis.

On April 1, 2013, the Radomiro Tomic Division normally resumed its productive operations.

- On April 16, 2013, the following appointments were reported as an Essential Event:

-

1. Mr. Juan Medel Fernández was appointed as the General Manager of the Radomiro Tomic Division.

2. Mr. Claudio Olguín Valdivia was appointed as the General Manager of the Ministro Hales Division.

3. Mr. Oscar Jiménez Medina was appointed as the General Manager of the Gabriela Mistral Division.

Such appointments will become effective from such a date.

- On May 23, 2013, Codelco reported as an Essential Event that the President of Chile has appointed effective on that date Mr. Blas Tomic Errázuriz and Mr. Gerardo Jofré Miranda as members of the Board, the latter being appointed by the President as the Chairman of the Board of Directors.

Likewise, it has been reported that, in their turn, the new members of the Board are also members of Codelco's Board of Directors' Committee.

- On August 9, 2013. Codelco reported as an Essential Event that Mr. Juan Pablo Schaeffer Fabres, Vice President of Corporate Affairs and Sustainability resigned beginning on September 30, 2013.

- Mr. René Aguilar Sáez who as of to-date was the Director of Safety and Health of the International Council on Mining and Metals (ICMM) in London will take office as the Vice President of Corporate Affairs and Sustainability beginning on October 1, 2013.

- On October 28, 2013, Codelco reported as an Essential Event certain organizational changes in the Senior Management.

Such changes are as follows:

1. Mr. Jaime Pérez de Arce, the current Development Manager of El Teniente Division will take office as the Vice President of Human Resources.

2. Mr. Marcelo Villouta González will take office as Vice President of the Northern Operations.

3. Messrs. Sebastián Conde Donoso and Julio Aranís Vargas, who are currently performing those positions referred to above, will continue working for the organization.

- On December 27, 2013, Codelco reported as an Essential Event that Mr. Carlos Patricio Enei, who as of to-date was Codelco's Legal Counsel, has resigned to his position. Such resignation will become effective on January 31, 2014.

Additionally, Codelco reports that beginning on March 15, 2014, Mr. Cristián Quinzio Santelices has been appointed as Codelco's Legal Counsel.

Finally, it has been reported that between February 1 and March 14, 2014, Mrs. Paola Cifuentes Miranda, Codelco's Director of Legal Affairs will act as the Interim Legal Counsel.

- On April 3, 2014, Codelco reported changes in the Senior Management.

Such changes are as follows:

1. Mr. Sergio Fuentes Sepúlveda, Vice President of Projects resigned to Codelco. Such resignation will be effective on April 30, 2014.

2. Mr. Gerhard Von Borries H., Vice President of Business Development will assume take office as the interim Vice President of Projects starting from May 1, 2014.

3. Beginning on the same date, Mr. Fidel Báez Núñez, the Manager of Technology and Innovation will assume as the interim Vice President of Business Development.

- On May 12, 2014, Codelco communicated as an essential event that the President of Chile has appointed as members of the Board of Directors of Codelco Mr. Oscar Landerretche Moreno, Mr. Dante Contreras Guajardo and Mrs. Laura Albornoz Pollmann.

In addition, the President of Chile has appointed Mr. Oscar Landerretche Moreno as Chairman of the Board of Directors.

The appointments indicated above will be effective beginning on May 11, 2014.

- On June 6, 2014, it has been communicated that Codelco's Board of Directors has decided to remove from his duties the Executive Chairman Mr. Thomas

Keller Lippold, beginning on June 30, 2014. Likewise, on such date Codelco will appoint the individual that will perform such duties temporarily during the period in which Codelco appoints the new regular Executive Chairman.

- On June 13, 2014, Codelco communicated that its Board of Directors has unanimously appointed Mr. Octavio Araneda Osés who is currently the Vice President of Operations for the Central – Southern area as the interim, Executive Chairman, replacing Mr. Thomas Keller, who ceased his duties beginning on such date. Additionally, Codelco agreed to start searching for the selection of the new Executive Chairman who will be proposed to the Board of Directors within a process that will be conducted by the Chairman of the Board of Directors.

- On July 31, 2014, Codelco communicated as an essential event that its Board of Directors has unanimously appointed Mr. Nelson Pizarro Contador as Codelco's Executive Chairman, who will take office on September 1, 2014, ceasing starting from such date the term as interim Executive Chairman of Mr. Octavio Araneda Osés, who will continue working as the Vice President of Operations for the Central – Southern area.

- On August 29, 2014, Codelco informed as an essential event that Mr. Marcelo Villouta González, the Vice President of Operations for the Northern area voluntarily resigned to Codelco and will perform such duties up to September 15, 2014.

Additionally, it has been informed that Mr. Octavio Araneda O., the Vice President of Operations for the Central – Southern area will become the interim Vice President of the Northern area starting from September 16, 2014. Without prejudice of continue to perform his duties as the Vice President of Operations for the Central – Southern area.

- On September 4, 2014, Codelco informed as an essential event that Mr. Jaime Pérez de Arce Araya, the current Vice President of Human Resources has been appointed Executive Vice President of ENAMI, and, accordingly, will continue to perform his duties for Codelco up to September 7, 2014. Likewise, it has been informed that Mr. Daniel Sierra Parra, the current Manager of Labor Relations, will become the interim Vice President of Human Resources beginning on September 8, 2014.

- On September 5, 2014, Codelco has informed as an essential event that Mr. Cristián Quinzio Santelices, Codelco's Legal Counsel renounce voluntarily to Codelco and will continue to perform his duties up to September 30, 2014.

- On September 30, 2014, Codelco communicated as an essential event the following appointments:

1. Mr. Octavio Araneda Osés was confirmed as the Vice President of Operations for the Central – Southern area.

2. Appointment of Mr. José Pesce Rosenthal, starting from October 6, 2014, as Vice President of Management of Mineral Resources and Development.

3. Appointment of Mr. Sergio Parada Araya, starting from November 1, 2014, as General Manager of the Chuquicamata division.

4. Appointment of Mr. Mauricio Barraza Gallardo, starting from November 1, 2014, as General Manager of the Radomiro Tomic division.

5. Appointment of Mr. Carlos Caballero Deramond, starting from November 1, 2014, as General Manager of the Ministro Hales division.

6. Appointment of Mr. Juan Carlos Avendaño Díaz, starting from November 1, 2014, as General Manager of the Salvador division.

Likewise, communication PE - 162/14 dated September 5, 2014 was modified because Codelco has requested that Mr. Cristián Quinzio Santelices, Legal Counsel to postpone the voluntary resignation, which he accepted. The final date of such resignation will be informed on a timely basis.

- On October 7, 2014, Codelco communicated as an essential event that it has appointed the following main executives:

1. Mr. Daniel Sierra Parra, starting from October 8, 2014, as the Vice President of Human Resources.

2. Mr. Ricardo Montoya Peredo, starting from November 1, 2014, as the General Manager of the Gabriela Mistral division.

- On October 13, 2014, Codelco communicated as an essential event that Mr. Cristián Quinzio Santelices, the Legal Counsel, has decided not to resign to his position working for Codelco and, accordingly, will continue to work for Codelco. Such communication modifies notes PE162/14 and 171/14 dated September 5 and 30, 2014, respectively.

- On September 30, 2014, Codelco communicated as an essential event that it has appointed the following main executives:

1. Mr. Gerhard Von Borries Harms, starting from November 1, 2014, as the Vice President of Projects.

2. Mr. Octavio Araneda Osés, starting from November 15, 2014 as the Vice President of Operations for the Northern area.

3. Mr. Alvaro Aliaga Jobet, starting from November 15, 2014, as the Vice President of Operations for the Central – Southern area.

4. Mr. Mauricio Larraín Medina, starting from November 15, 2014, as the interim General Manager for the El Teniente division.

- On November 12, 2014, Codelco communicated as an essential event that Mr. Iván Arriagada Herrera, Vice President of Administration and Finance has resigned voluntarily to Codelco to assume new professional challenges. Such resignation will become effective beginning on December 15, 2014. Because of this, Codelco has started searching for such replacement through a selection and recruitment company.

- On November 14, 2015, Codelco communicated as an essential event that Mr. René Aguilar Sáez, Vice President of Corporate Affairs and Sustainability has resigned voluntarily to Codelco to assume new professional challenges abroad and will continue to perform his duties up to December 31, 2014. Because of this, Codelco has started searching for such replacement through a selection and recruitment company.

- On December 15, 2014, Codelco communicated as an essential event that because of the resignation by Mr. Iván Arriagada Herrera to the position of Vice President of Administration and Finance through communication PE-198-14 of November 12, 2014, it has appointed Mr. Héctor Espinoza Villarroel, the Controllership Manager, as the interim Vice President of Administration and Finance, while the process for searching for the replacement is being performed by a selection and recruitment company.

- On December 18, 2014, Codelco communicated as an essential event that starting from that same date, it has appointed Mr. Mauricio Larraín Medina, as the General Manager of El Teniente division, who up to that time was the interim General Manager of El Teniente division.

2) Shareholders' Meeting

- On April 9, 2013, Codelco informed that its Board of Directors has opted to summon to an Ordinary Shareholders' Meeting for Friday, April 26, 2013 at 11:30

a.m. at Codelco's office located at Huérfanos 1270, piso 1, Santiago to deal matters that are addressed by the shareholders at Shareholders' Meetings.

- On April 26, 2013, it has been reported as an Essential Event that at Codelco's Ordinary Shareholders' Meeting held on April 26, 2013, conducted with the attendance of Messrs. Ministers of Finance and Mining representing the President of Chile, the following agreements were reached:

1. The shareholders approved the Annual Report, Balance Sheet and other financial statements for the year ended December 31, 2012 and Report of External Auditors for that year.

2. The shareholders appointed Ernst & Young as Codelco's external auditors for 2013.

3. The shareholders appointed Feller Rate, Fitch Rating, Moody's, and Standard & Poor's as Codelco's risk raters for 2013.

4. The shareholders appointed Diario Financiero as the newspaper for publications Codelco has to perform, in conformity with that provided in the Shareholders' Corporations Act and the instructions issued by the Chilean Superintendence of Securities and Insurance (SVS).

5. The operations which the Corporation has conducted with related entities or parties were informed, in conformity with article 44 of Law No. 18.046, the Shareholders' Corporations Act.

6. Expenses incurred by the Board of Directors and Board of Directors' Committee during 2012 were informed.

- On April 7, 2014, Codelco informed that its Board of Directors has opted to summon to an Ordinary Shareholders' Meeting for Tuesday, April 29, 2014 at 11:30 a.m. at Codelco's office located at Huérfanos 1270, piso 11 Santiago to deal matters that are addressed by the shareholders at Shareholders' Meetings.

At such meeting, the shareholders will address the following topics:

1. Conducting an analysis of Codelco's position, Report of the External Auditors, Annual Report, Balance Sheet and other financial statements for the year ended December 31, 2013;

2. Appointment of Codelco's external auditors and risk raters for 2014.

3. Determining a newspaper based in the legal domicile for legal publications.

4. Any other matter or topic of interest which is not to be discussed by the shareholders at an extraordinary shareholders' meeting.

The Company's financial statements as of December 31, 2013 and 2013 Annual Report have been published in Codelco's web site.

- On April 29, 2014, at Codelco's Ordinary Shareholders' Meeting conducted with the attendance of Messrs. Ministers of Finance and Mining representing the President of Chile, the following agreements were reached:

1. The shareholders approved the Annual Report, Balance Sheet and other financial statements as of December 31, 2013 and the Report of External Auditors for that year.

2. The shareholders appointed Ernst & Young as Codelco's external auditors for 2014.

3. The shareholders appointed Feller Rate, Fitch Rating, Moody's, and Standard & Poor's as Codelco's risk raters for 2014.

4. The shareholders appointed Diario Financiero as the newspaper for publications Codelco has to perform, in conformity with that provided in the Shareholders' Corporations Act and the instructions issued by the Chilean Superintendence of Securities and Insurance.

5. The operations which the Corporation has conducted with related entities or parties were informed, in conformity with article 44 of Law No. 18.046, the Shareholders' Corporations Act.

6. Expenses incurred by the Board of Directors and Board of Directors' Committee during 2013 were informed.

- On December 1, 2014, Codelco informed that its Board of Directors has opted to summon to an Extraordinary Shareholders' Meeting for Friday, December 19, 2014 at 9:00 a.m. at Codelco's office located at Huérfanos 1270, piso 11 to address the contents of the Annual report on progress of the "2014-2018 Business and Development Plan."

- On December 19, 2014, it has been reported as an Essential Event that at Codelco's Extraordinary Shareholders' Meeting held on December 19, 2014, conducted with the attendance of Messrs. Ministers of Finance and Mining representing the President of Chile, the shareholders agreed that the contents of the Annual

report on progress of the “2014-2018 Business and Development Plan” to which article 3 of Law No. 20.790 will be as follows:

1. Annual progress of total investments, disaggregating each structural project and financing.
2. Annual progress measured as performance at the end of the prior year.
3. Progress measured against the baseline version of the 2014-2018 Business and Development Plan, submitted to the Chilean Congress because of the processing of Law No. 20.790.
4. Annual progress in production, costs and results.

Likewise, Codelco should report any significant variation in the physical or financial progress of structural projects, detailing the reasons for such variations, as well as the consequences that this may have on investments to be made during the year and the related five-year period.

3) Financing

- On August 6, 2013, Codelco communicated as an essential Event that on that same date, Codelco had access to international financial markets through the issuance of bonds of US\$ 750 million at a term of 10 years with an annual coupon of 4.5% and annual performance of 4.517%.

Such issuance was led by the banks HSBC Securities (USA) Inc., Mitsubishi UFJ Securities (USA) Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, and the proceeds from such issuance will be destined to finance a portion of Codelco’s 2013 investment plan.

- On October 10, 2013, Codelco had access to international financial markets through the issuance of bonds of US\$950 million at a term of 30 years with an annual coupon of 5.625% and annual performance of 5.775%.

Such issuance was led by the banks HSBC Securities (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Mitsubishi UFJ Securities (USA) Inc.

These resources are part of Codelco’s long-term financing program.

- On July 2, 2014, Codelco communicated as an essential Event that on that same date, Codelco had access to international financial markets through the issuance of

bonds of EUR 600 million at a term of 10 years with an annual coupon of 2.25% and annual performance of 2.397%.

Such issuance was led by the banks Banco Santander S.A., Deutsche Bank AG, London Branch and HSBC Bank plc., and these resources are included in Codelco’s program to finance its investment plan.

- On October 28, 2014, Codelco communicated as an essential Event that on that same date, Codelco had access to international financial markets through the issuance of bonds of US\$ 980 million at a term of 30 years with an annual coupon of 4.875% and annual performance of 4.966%.

Such issuance was led by the banks HSBC, BofA Merrill Lynch and Mizuho Securities, and these resources are included in Codelco’s program to finance its investment plan.

4) Investment Project

- On August 30, 2013, Codelco communicates as an Essential Event that its Board of Directors approved the Andina Division “New Mine Plant Transfer System” project, which will require making annual investments of close to US\$170 million over the next 8 years, completing total investment of US\$ 1,365 million.

Such project is intended to maintain the Division’s production level, which currently processes 94 thousand tons of ore on a daily basis, which results in being able to generate close to 240 thousand tons of fine copper per year plus production of molybdenum of 3.9 tons.

- On December 18, 2014, Codelco communicated as an essential event, that its Board of Directors approved the investment of US\$ 3,306 million for the performance of Chuquicamata Underground Mine Site, the biggest investment in Codelco’s history, which is added to the US\$ 894 million already made in early construction work, totaling an investment of US\$ 4,200 million.

This decision will allow Codelco to start the construction of the project that will transform the World’s biggest open-pit mine to a large underground operation with high efficiency, safety and environmental sustainability standards.

The transformation of the current open-pit operation to an underground mine will extend the useful life of the Chuquicamata division for, at least, 40 years, thereby guaranteeing the continuity of a significant source of

resources for the Chilean Government and source of employment for thousands of employees.

This mega project will exploit a portion of the reserves that are located under the current deposit, which have been quantified to contain 1,760 million tons of copper, representing over 60% of the total ore that has been extracted over the 100 years of life of the Chuquicamata mine- When the mine commences the transformed operation, it will produce 320 thousand tons of copper and 15 thousand tons of molybdenum a year.

After 100 years contributing to development in Chile, the Chuquicamata division has faced over the last decade the difficulties inherent to a long-lived deposit, with lower ore grades and production. This complex scenario poses the need to transform it into an underground mine to have access to the existing reserves at cost that is competitive for Codelco and has lower environmental impacts.

During its construction, the project will generate an average of 6,000 direct jobs and other 18 thousand indirect jobs, in addition to contributing to making the Chilean economy dynamic through the demand for products and services for a hundred supplier companies.

This project will imply a very significant step in terms of environmental care and respect for the surrounding communities considering that the underground operation reduces particulate material emissions by 97% and reduces the use of diesel to a seventh of its current use.

The project contemplates the construction of 180 kilometers of tunnels for having access and extracting mineral, equivalent to the length of the Isla Grande de Chiloé (Chiloé Great Island) and a ventilation shaft with a diameter of 11 meters and depth of 918 meters, equivalent to over 7 times the height of the Torre Entel (Entel tower). At the end of the useful life of the mine in the year 2060, 1,020 kilometers of tunnels will have been constructed, equivalent to the distance between Santiago Puerto Montt.

Likewise, the Board of Directors approved, within the framework of the approval of the Chuquicamata structural underground project bearing in mind that Codelco's main objective is to maximize the value of Codelco, which is an entity owned by all Chilean individuals. The Executive Chairman and the Board of Directors have been consistent in agreeing that as a supplement of the retirement and expense program that are part of the management of the project, Codelco has to work on designing and implementing a plan for the reconversion and location of employee of the Chuquicamata division that searches

for reconciling within the to the maximum possible the specific labor requirements of the new underground mine project with Codelco's strategic objective of taking care of and cultivating competencies, experience, knowledge and skill levels of its employees.

5) Other

- On April 9, 2013, Codelco communicated as an Essential Event that the Federation of Copper Workers summoned to an illegal strike, which was qualified as a "warning" for a term of 24 hours for April 9, 2013. The effects of such strike on production and profit for the year were estimated as amounting to approximately a maximum sum of US\$35 million per day of lower operating income.

- On July 2, 2013, Codelco's Board of Directors has been communicated that the Chilean Government, through the Ministry of Finance, as the representative of the Chilean Government, owner of the Codelco and in accordance with its legal faculties, has resolved the capitalization of US\$1,000 million with a charge to 2012 profit for the year. Such capitalization will be made on a portion of the retained earnings from the Anglo American Sur operation.

- On July 31 and August 29, 2013, Codelco paid to the Chilean Treasury US\$ 164,556,000 and US\$163,811,000, respectively for the concept of prepayment of surplus for 2013.

- On September 5, 2013, Codelco communicated as an Essential Event that within the framework of a Collective Bargaining Negotiation, 1,122 employees of Codelco's Role B of the Salvador Division, who belong to unions No. 6 of El Salvador and No. 2 of Potrerillos, began a legal strike, which ended on September 18, 2013 through the agreement achieved by the Salvador Division and the above-mentioned unions, resulting in entering into a Collective Bargaining Agreement. The aforementioned legal strike resulted in not being able to produce close to 3,450 tons of copper, the impact of which on profit for the year was estimated to amount to approximately US\$12 million.

- On December 13, 2013 and through the Exempt Decree No. 415 issued by the Ministry of Finance, Codelco was authorized to capitalize US\$ 1,000 million with a charge to accounting profit generated by the acquisition of interest in Anglo American Sur S.A., derived from the valuation at fair value of such operation, in conformity with current accounting standards.

- On October 24, 2014, the President of Chile signed Law No. 20.790, which establishes an extraordinary

capital contribution of up to US\$ 43 billion for Codelco during the 2014-2018 period, whose resources together with the capitalization of profit of up to US\$ 1 billion, generated during such period, will be used to drive Codelco's investment plan in mining, sustainability, mine development, exploration projects and the renewal of equipment and industrial plants.

There are no other events that qualify as relevant occurred prior to December 31, 2014.

Board of Directors and Management Compensation

As of December 31, 2014 and 2013

Expressed in thousands of U.S. dollars - ThUS\$

During 2014 and 2013, the members of the Board of Directors have received the amounts indicated in the chart in transactions with related parties associated with the allowance for attending meetings and remuneration.

1) Directors' allowances and fees

Name	2014 ThUS\$	2013 ThUS\$
Jorge Bande Bruck	-	39
Raimundo Espinoza Concha	101	111
Gerardo Jofré Miranda	118	166
Marcos Büchi Buc (1)	-	-
Fernando Porcile Valenzuela	35	111
Andrés Tagle Domínguez	35	111
Marcos Lima Aravena	126	138
Juan Luis Ossa Bulnes	35	109
Blas Tomic Errázuriz	101	58
Augusto González Aguirre	101	111
Laura Albornoz Paulman	66	-
Oscar Landerretche Moreno	100	-
Dante Contreras Guajardo	66	-

(1) During the period between January 1st and December 31, 2014 and 2013, the company has not issued any payment of wages to Mr. Marcos Büchi Buc, stemming from his participation as a Director of the Corporation, as he has expressly and irrevocably waived such payments, in addition to any collection of wages present or future in relation to this participation.

2) Compensation

The remuneration of the Company's main executives for 2014 amount to ThUS\$ 8,751. This amount includes a performance bonus of ThUS\$ 1,040.

Criteria for determining remuneration were established by the Board of Directors on the basis of that proposed by the Board of Directors' Audit, Compensation and Ethics Committee:

- The reference market for Executives' remuneration will be measured by a standard survey.
- Market orientation will be agreed annually by the Board of Directors on the basis of the proposal by the Board of Directors' Audit, Compensation and Ethics Committee on the basis of the recommendation by the Executive President.
- The basis for the payment of an annual management bonus for executives and officers will be the Unique Performance Agreement and compliance with the individual performance goals and commitments subject to: (1) pre-tax and law reserved surpluses are greater than 20% of capital and reserves and (2) that comparable net profit for accounting purposes be equal to or higher than 8% of capital and reserves; and the Individual Performance Agreement.

For severance indemnities, the main executives received in 2014 payments equivalent to ThUS\$ 1,572.

Name	2014 ThUS\$	2013 ThUS\$
Raimundo Espinoza Concha	40	71
Augusto González Aguirre	187	133

Additional Information about Directory and Committee of Directors

As of December 31, 2014 and 2013

Expressed in thousands of U.S. dollars - ThUS\$

1) Advisory Engaged by the Board of Directors

During 2014, advisory expenses for advisory engaged by the Board of Directors were as follows:

Company	Objective	Amount in ThUS\$
ACCENTURE CHILE	Optimization of Service Management	50
ERNST & YOUNG SERVICIOS PROFESIONALES	Quality assessment review services on Codelco's general audit function	197
EGON ZEHNDER INTERNATIONAL CHILE S.A.	Advisory in search for the Executive Chairman	89
EGON ZEHNDER INTERNATIONAL CHILE S.A.	Professional fees	65
AVENDANO MERINO ABOGADOS LTDA.	Legal advisory	10
PRICEWATERHOUSECOOPERS CONSULTORES	Advisory in lobby matters	23
PRICEWATERHOUSECOOPERS CONSULTORES	Report on related party transactions	17
SEBASTIAN ZARATE ROJAS	Advisory in regulating lobby activities	8
VIERA GALLO Y CIA LTDA	Preparation of legal report	17
RICARDO ANDRES JUNGSMANN DAVIES	Advisory in regulating lobby activities	9

2) Composition of the Board of Directors' Committee

OIN accordance with letter d) of Article 9 of Decree Law No. 1350 the Board of Directors' Committee will be composed of the four directors appointed by the President of Chile from a three tern proposed for the position by the Senior Public Management Council.

In line with this, as of December 31, 2014, the following are members of the Board of Directors' Committee:

- Mr. Marcos Lima Aravena, ID No. 5.119.963-4, Chairman.

- Mr. Marcos Büchi Buc, ID No. 7.383.017-6.
- Mr. Gerardo Jofré Miranda, ID No. 5.672.444-3.
- Mr. Blas Tomic Errázuriz, ID No. 5.390.891-8

3) Board of Directors' Committee's Compensation

Fees for the years ended December 31, 2014 and 2013 are available in the Chilean Superintendence of Securities and Insurance (SVS) web site as part of the annual report for 2014 in the section Consolidated Financial Statements in Note 3 to such consolidated financial statements referred to Balances and transactions with related parties, letter b) Key management personnel.

For transactions addressed by Title XVI of Law No. 18.046, is available in the SVA web site as part of the annual report for 2014 in the section Consolidated Financial Statements in Note 3 to such consolidated financial statements referred to Balances and transactions with related parties, letter a) Related transactions through persons.

For letter b), number v) of No. 5) of General Standard No. 30, referred to expenses in advisory engaged by the Board of Directors' Committee, we may indicate that no expenses other than those reported in the preceding point exist.

4) Annual Management Activities Report

The meetings of the Audit Committee will be held on a monthly basis in accordance with previously established topics.

Accordingly, with the periodicity referred to above, the following topics are the subject of knowledge, review, analysis and approval, as applicable, by the Committee:

1. Monthly:

- a) Transactions with related parties whose disclosure is duly contained in Note 3 to the consolidated financial statements contained in the annual report for 2014.
- b) Transactions with subsidiaries and affiliates, detailed as disclosed in Note 3 to such consolidated financial statements.
- c) Contracts for approval for amounts exceeding US\$ 100 million, in accordance with the Board of Directors' powers have been reserved for these purposes. During 2014, 16 contracts were submitted for such processing.
- d) Internal audit reports issued in the previous month by the Internal General Audit function, summarizing the most significant findings.
- e) Results in audit reports of the Chilean Copper Commission (Comisión Chilena del Cobre (Cochilco)), if any.

2. Quarterly

- a) Report on progress in the audit plan.
- b) In conformity with the current regulations, in March, May, August and November, the Audit Committee becomes aware of and recommends to the Board of Directors the approval of CodeLco's financial statements, which subsequently have to be submitted to the regulating agency, the Chilean

Superintendence of Securities and Insurance (SVS).

3. Bi-annual

The General Auditor, which is also responsible for crime prevention in accordance with the Law No. 20.393 submits a follow-up report and certification of the crime prevention model of CodeLco for the Board of Directors to become aware of and approve it. Every 3 years the individual responsible for crime prevention is confirmed or a new executive is appointed. The Committee is also aware of and authorizes the tender process for services in compliance with Law No. 20.393.

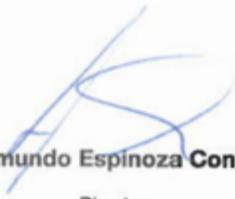
4. Annual

- a) Submission of the audit plan for becoming aware of and approval (December).
- b) As of November 30, of each year, the Committee receives and becomes aware of the Management Letter issued by the external auditors.
- c) Becomes aware and recommends to the Board of Directors the results of the evaluation of the tender process for external audit services on CodeLco's financial statements.
- d) Every 2 years, the Committee becomes aware and authorizes the tender process for support services to the Internal Audit.
- e) Annually a proposal is submitted for financial auditors and risk raters.

Additionally and without considering the periodicity established, the Committee becomes aware and reports to the Board of Directors on the High Impact Risks for CodeLco and different reports on specific matters such as energy and the analysis of contracts.

Sworn Statement of Responsibility

The undersigned, as Directors of Corporación Nacional del Cobre de Chile, at its registered address in Santiago, Calle Huérfanos 1270, in conformity with General Regulation No. 30 of the Superintendence of Securities and Insurance, we hereby declare and certify, under oath and our sole responsibility, that all information provided by Codelco in the Annual Report 2014 is true and correct.

 Oscar Landerretche Moreno Chairman RUT 8.366.611-0	 Dante Contreras Guajardo Deputy Chairman RUT 9.976.475-9	 Laura Albornoz Pollmann Director RUT 10.338.467-2
 Gerardo Jofré Miranda Director RUT 5.672.444-3	 Marcos Lima Aravena Director RUT 5.119.963-4	 Marcos Büchi Buc Director RUT 7.383.017-8
 Blas Tomic Errázuriz Director RUT 5.390.891-8	 Augusto González Aguirre Director RUT 6.826.396-7	 Raimundo Espinoza Concha Director RUT 5.512.182-4

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April 2015



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