CODELCO

FINANCIAL STATEMENTS 2016

Contents

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Independent Auditor's Report

(Translation of the original report issued in Spanish)

To the Shareholders and Board of Directors of
Corporación Nacional del Cobre de Chile

We have audited the accompanying consolidated financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015 and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We 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 from 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

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, 2016 and 2015, and the results of its operations, and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Oscar Gálvez R.

EY Audit SpA.

Santiago, March 30, 2017

Consolidated statements of financial position

As of December 31, 2016 and 2015

(In thousands of US dollars - ThUS$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	12-31-2016	12-31-2015
Assets			
Current Assets			
Cash and cash equivalents	1	576,726	1,747,718
Other current financial assets	12	9,861	10,202
Other current non-financial assets		28,638	34,611
Trade and other current receivables	2	2,254,731	1,876,863
Accounts receivable due from related companies, current	3	13,669	21,057
Inventory	4	1,800,270	2,097,026
Current tax assets	6	12,009	270,412
Total current assets		**4,695,904**	**6,057,888**
Non-current assets			
Non-current inventories	4	337,411	185,470
Other non-current financial assets	12	70,585	36,291
Other non-current non-financial assets	11	248,203	27,908
Non-current receivables	2	95,316	85,069
Accounts receivable due from related companies, non-current	3	21,713	224
Investment accounted for under the equity method	8	3,753,974	4,091,817
Intangible assets other than goodwill	9	196,897	186,082
Property, plant and equipment, net	7	23,977,261	22,628,311
Investment property		5,377	5,854
Total non-current assets		**28,706,737**	**27,247,026**
Total Assets		**33,402,641**	**33,304,915**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated statements of financial position

As of December 31, 2016 and 2015

(In thousands of US dollars - ThUS$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	12-31-2016	12-31-2015
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	13	352,610	1,166,210
Trade and other current payables	16	1,208,126	1,306,715
Accounts payable to related companies, current	3	103,894	163,366
Other current provisions	17	290,002	522,695
Current tax liabilities	6	15,068	16,253
Current employee benefit accruals	17	439,585	446,212
Other current non-financial liabilities		58,654	100,738
Total current liabilities		**2,467,939**	**3,722,188**
Non-current liabilities			
Other non-current financial liabilities	13	14,931,469	14,026,931
Other non-current liabilities		62,651	-
Accounts payable to related companies, non-current	3	-	157,049
Other non-current provisions and accrued expenses	17	1,592,612	1,176,187
Deferred tax liabilities	5	3,143,939	3,257,605
Non-current employee benefit accruals	17	1,308,871	1,228,227
Other non-current non-financial liabilities		4,751	3,907
Total non-curret liabilities		**21,044,293**	**19,849,906**
Total liabilities		**23,512,232**	**23,572,094**
Equity			
Issued capital		3,624,423	3,124,423
Retained earnings		(30,072)	33,623
Other reserves	19	5,317,392	5,531,920
Equity attributable to owners of the parent		**8,911,743**	**8,689,966**
Non-controlling interests	19	978,666	1,042,855
Total equity		**9,890,409**	**9,732,821**
Total liabilities and equity		**33,402,641**	**33,304,915**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated statements of comprehensive income

For the periods ended as of December 31, 2016 and 2015

(In thousands of US dollars - ThUS$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	01-01-2016 12-31-2016	01-01-2015 12-31-2015
Revenue	20	11,536,751	11,693,492
Cost of sales		(9,449,668)	(9,916,805)
Gross profit		**2,087,083**	**1,776,687**
Other Income, by function	23.a	138,474	152,889
Distribution costs		(11,891)	(12,435)
Administrative expenses		(415,395)	(363,494)
Other expenses	23.b	(1,324,149)	(2,086,728)
Other gains		29,400	20,885
Profit from operating activities		**503,522**	**(512,196)**
Finance income		23,402	17,198
Finance costs	24	(547,347)	(524,847)
Share of (loss) income of associates and joint ventures accounted for under the equity method	8	(177,358)	(2,501,652)
Foreign exchange differences	26	(232,895)	465,320
Loss for the period before tax		**(430,676)**	**(3,056,177)**
Income tax expense	5	97,096	728,398
Loss for the period		**(333,580)**	**(2,327,779)**
Loss attributable to owners of the parent		(275,418)	(1,492,216)
(Loss) profit attributable to non-controlling interests	19.b	(58,162)	(835,563)
Loss for the period		**(333,580)**	**(2,327,779)**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated statements of comprehensive income (continuation)

For the periods ended as of December 31, 2016 and 2015

(In thousands of US dollars - ThUS$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	01-01-2016 12-31-2016	01-01-2015 12-31-2015
Loss for the period		**(333,580)**	**(2,327,779)**
Components of other comprehensive income (loss), before tax: Exchange differences on translation of foreign operations			
Gain (loss) on exchange differences on translation of foreign operations, before tax		2,367	(7,211)
Other comprehensive income (loss), before tax, exchange differences on conversion		**2,367**	**(7,211)**
Cash flow hedges			
Loss on cash flow hedges, before tax		51,722	(8,664)
Other comprehensive loss, before tax, cash flow hedges		**51,722**	**(8,664)**
Other comprehensive loss, before tax, losses for defined benefit plans		(66,925)	(79,167)
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method, before tax (which will be reclassified to the results of the period)		936	(8,550)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method, before tax (which will not be reclassified to the results of the period)		219	(1,082)
Other comprehensive loss, before tax		**(11,681)**	**(104,674)**
Income tax related to other comprehensive income:			
Income tax related to cash flow hedges of other comprehensive income	5	(32,831)	5,557
Income (loss) tax relating to defined benefit plans of other comprehensive income		46,178	53,438
Aggregated income (loss) tax related to components of other comprehensive income		**13,347**	**58,995**
Other comprehensive loss		**1,666**	**(45,679)**
Other comprehensive loss, net, re-classified to profit or loss in subsequent periods		22,194	(18,868)
Other comprehensive loss, net, not re-classified to profit or loss in subsequent periods		(20,528)	(26,811)
Total comprehensive loss		**(331,914)**	**(2,373,458)**
Comprehensive loss attributable to:			
Comprehensive loss attributable to owners of the parent		(273,752)	(1,537,895)
Comprehensive (loss) income attributable to non-controlling interests	19.b	(58,162)	(835,563)
Total comprehensive loss		**(331,914)**	**(2,373,458)**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated statements of cash flows - Direct method

For the periods ended as of December 31, 2016 and 2015

(In thousands of US dollars - ThUS$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	01-01-2016 12-31-2016	01-01-2015 12-31-2015
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		11,255,159	12,134,350
Other cash flows provided by operating activities	27	1,636,941	1,775,106
Payments to suppliers for goods and services		(7,380,391)	(6,829,745)
Payments to and on behalf of employees		(1,664,512)	(1,672,219)
Other cash flows used in operating activities	27	(2,014,134)	(1,975,383)
Dividends received		78,297	211,142
Income taxes paid		(25,051)	(247,888)
Net cash flows provided by operating activities		**1,886,309**	**3,395,363**
Cash flows provided by (used in) investing activities:			
Other payments to acquire equity or debt instruments of other entities		(46,926)	(65,511)
Purchases of property, plant and equipment		(3,014,856)	(4,260,783)
Interest received		11,797	8,328
Other inflows (outflows) of cash		52,970	35,564
Net cash flows used in investing activities		**(2,997,015)**	**(4,282,402)**
Cash flows provided by (used in) financing activities:			
Payments of other participations in Equity		1,190	-
Total amounts from loans		884,472	2,331,000
Dividends paid		(851,904)	(1,042,821)
Interest paid		(588,283)	(550,536)
Other inflows (outflows) of cash		500,000	600,000
Net cash flows used in financing activities		**(54,525)**	**1,337,643**
Net decrease in cash and cash equivalents before foreign exchange difference		**(1,165,231)**	**450,604**
Effect of exchange rate changes		(5,761)	(13,503)
Net decrease in cash and cash equivalents		**(1,170,992)**	**437,102**
Cash and cash equivalents at the beginning of period	1	**1,747,718**	**1,310,616**
Cash and cash equivalents at the end of period	1	**576,726**	**1,747,718**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated statements of changes in equity

For the periods ended as of December 31, 2016 and 2015

(In thousands of US dollars - ThUS$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

12-31-2016	Issued capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial losses in defined benefits plans Note 18	Other miscellaneous reserves	Total other reserves Note 19	Retained earnings	Equity attributable to owners of the parent	Non controlling interests Note 19	Total Equity
Initial balance as of 1/1/2016	**3,124,423**	**(12,974)**	**(6,549)**	**(246,424)**	**5,797,867**	**5,531,920**	**33,623**	**8,689,966**	**1,042,855**	**9,732,821**
Changes in equity										
Loss for the period							(275,418)	(275,418)	(58,162)	(333,580)
Other comprehensive income (loss)		2,367	18,891	(20,747)	1,155	1,666		1,666		1,666
Comprehensive income								(273,752)	(58,162)	(331,914)
Dividends										
Capital Increases	500,000							500,000		500,000
Increase (decrease) through transfers and other changes					(216,194)	(216,194)	211,723	(4,471)	(6,027)	(10,498)
Total increase (decrease) in equity	**500,000**	**2,367**	**18,891**	**(20,747)**	**(215,039)**	**(214,528)**	**(63.695)**	**221.777**	**(64.189)**	**157.588**
Final balance as of 12/31/2016	**3,624,423**	**(10,607)**	**12,342**	**(267,171)**	**5,582,828**	**5,317,392**	**(30,072)**	**8,911,743**	**978,666**	**9,890,409**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated statements of changes in equity

For the periods ended as of December 31, 2016 and 2015

(In thousands of US dollars - ThUS$)

(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

12-31-2015	Issued capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial losses in defined benefits plans Note 18	Other miscellaneous reserves	Total other reserves Note 19	Retained earnings	Equity attributable to owners of the parent	Non controlling interests Note 19	Total Equity
Initial balance as of 1/1/2015	**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**
Changes in equity										
Profit for the period							(1,492,216)	(1,492,216)	(835,563)	(2,327,779
Other comprehensive income (loss)		(7,211)	(3,107)	(25,729)	(9,632)	(45,679)		(45,679)	-	(45,679)
Comprehensive income								(1,537,895)	(835,563)	(2,373,458)
Dividends							-	-		-
Capital Increases	600,000	-	-	-	-	-	-	600,000	-	600,000
Increase (decrease) through transfers and other changes	-	-	-	-	233,802	233,802	(267,718)	(33,916)	14,683	(19,233)
Total increase (decrease) in equity	**600,000**	**(7,211)**	**(3,107)**	**(25,729)**	**224,170**	**188,123**	**(1,759,934)**	**(971,811)**	**(820,880)**	**(1,792,691)**
Final balance as of 12/31/2015	**3,124,423**	**(12,974)**	**(6,549)**	**(246,424)**	**5,797,867**	**5,531,920**	**33,623**	**8,689,966**	**1,042,855**	**9,732,821**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

As of December 31, 2016

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 I.2)

I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile (hereinafter referred to as "Codelco", "Codelco - Chile", or the "Corporation"), is the largest copper producer in the world. Codelco's most important product is refined copper, primarily in the form of cathodes. The Corporation also produces copper concentrates, blister and anode copper and by-products such as molybdenum, anode slime and sulfuric acid. 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 Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina, El Teniente and Ventanas divisions. The Gabriela Mistral division is in charge of the ore deposit of the same name, whose operations were, until December 31, 2012, the responsibility of its subsidiary Minera Gaby SpA., a wholly owned subsidiary of the Corporation which was absorbed by Codelco on that date.

The Corporation also carries out similar activities in other mining deposits in association with third parties.

In accordance with letter e) of Article 10 of Law No. 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 Law 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.

The associates correspond to companies located in Chile and abroad, which are detailed in the Explanatory Notes Section III of 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 have been prepared based on the accounting records kept by the Corporation and its subsidiaries and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (hereinafter "IASB").

The Corporation's Consolidated Financial Statements as of December 31, 2015 and the Consolidated Income Statement of Comprehensive Income, Cash Flows and Changes in Equity for the period ended December 31, 2015 have been prepared according to the instructions of the Superintendence of Securities and Insurance (SVS), which are based on IFRS and the instructions of the SVS in their circulated report No.856 of October 17, 2014, which instructs to the listed entities to record the differences in deferred tax assets or liabilities produced as a direct effect of the increase of the first category tax rate against equity. Said increase in the first category tax rate was introduced by the Law 20.780. During the re-adoption of IFRS as of January 1st, 2016, the Administration has applied IFRS as if the Corporation would have never stopped of applying IFRS in its Financial Statements. Thus, the Administration has not opted for any of the alternatives exposed in IFRS 1 "First-time Adoption of the International Financial Reporting Standards".

Responsibility for the Information and Use of Estimates

The Board of Directors of the Corporation has been informed of the information included in these Consolidated Financial Statements and expressly states its responsibility for the consistent and reliable nature of the information included in aforementioned financial statements as of December 31, 2016, for the effects of which the instructions from SVS have been applied and fully prescribe the IFRS principles issued by the IASB. These consolidated financial statements as of December 31, 2016 were approved by the Board of Directors in a meeting held on March 30, 2017.

Accounting Principles

These Consolidated Financial Statements reflect the financial position of Codelco Chile and its subsidiaries as of December 31, 2016 and 2015, and the results of their operations, changes in equity and cash flows for the periods ended December 31, 2016 and 2015, and their related notes, all prepared in accordance with IAS 1 "Presentation of the Financial Statements", in consideration of the presentation instructions of the Superintendency of Securities and Insurance (SVS), which are not in conflict with IFRS.

For the convenience of the reader, these Consolidated Financial Statements and their accompanying notes have been translated from Spanish to English.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Judgments, Estimates and Assumptions

The preparation of these consolidated financial statements in accordance with the instructions of the Superintendency of Securities and Insurance (SVS), which fully prescribe the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (hereinafter "IASB"), requires the Corporation's management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

a. Useful economic lives and residual values of property, plant and equipment - The useful lives and residual values of property, plant and equipment that are used for calculating depreciation are determined based on technical studies prepared by specialists (internal or external). 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.

b. Ore reserves - The measurements of ore reserves are based on estimates of the ore resources that are legally and economically exploitable, and reflect the technical 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 conservative judgment in determining the ore reserves, and as such, possible changes in these estimates could significantly impact the estimates of net revenues over time. In addition, these changes would lead to modifications in the usage estimates related to charges for depreciation and amortization, calculation of stripping adjustments, determination of impairment charges, expected future disbursements related to decommissioning, restoration, termination and long term benefits plans and the accounting on financial instruments.

The Corporation estimates its reserves and mineral resources based on the information certified by the Competent Persons of the Corporation, who are defined and regulated according to the Chilean Law No. 20.235. These estimates correspond to the application of the Certification Code of Ore Reserves, Resources and Exploration, issued by the Mining Committee which was instituted through the aforementioned law. This does not modify the global volume of the Corporation's ore reserves and resources.

Notwithstanding the above, the Corporation also periodically reviews such estimates, supported by world-class external experts.

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

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

Estimates of factors influencing the calculation of cash flows, such as the price of copper or treatment charges and refining charges, among others, are determined based on studies conducted by the Corporation using uniform criteria over different periods. Any changes to these criteria may impact the estimated recoverable amount of the assets.

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

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

d. Provisions for decommissioning and site restoration costs - The Corporation is obligated to incur 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 these activities, the assumptions of the exchange rate for tradable goods and services must be made, as well as a discount rate used to discount the estimated cash flows, which considers the time value of money and the risks associated with the liabilities, which is determined based on the currency in which disbursements are expected to be made.

The liability amounts recorded as of a reporting date represent management's best estimate of the present value of the future decommissioning and site restoration costs. 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 adjusted 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 "Impairment of Assets". If the revised asset net of decommissioning and site restoration provisions exceeds the recoverable value, that portion of the increase is charged directly to profit or loss statement. Any decommissioning and site restoration costs that arose as a result of the production phase of a mine are expensed as incurred.

The decommissioning costs arise at the moment when a plant or other assets are installed. Such costs are capitalized as part of property, plant and equipment and discounted at their net present value. These decommissioning costs are charged to net income over the life of the mine, through the depreciation of the corresponding 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 and best estimates to determine the future obligation related to these benefits. Such estimates, as well as assumptions, are determined through external actuarial calculations. These assumptions include demographic assumptions, mortality and morbidity rates, 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 in provisional pricing arrangements. These adjustments are updated on a monthly basis. See Notes 2 r) "Revenue Recognition" of No. 2 "Significant accounting policies".

g. Fair Value of Derivatives and Other Instruments - Management may use its judgment to choose an adequate and proper valuation method for the financial 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 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 probable outcome will be obtained or when the results are not probable and the lawsuits are still pending resolution, no provisions are recognized.

Although the 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 new developments could lead the Corporation to modify these estimates in the future. Such modifications, if occurred, would be adjusted prospectively, as required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2. Significant accounting policies

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

- Statements of Financial Position as of December 31, 2016 and 2015
- Statements of Comprehensive Income for the periods ended December 31, 2016 and 2015.
- Statements of Changes in Equity for the periods ended December 31, 2016 and 2015.
- Statements of Cash Flows for the periods ended December 31, 2016 and 2015.

b. Basis of preparation - The consolidated financial statements of the Corporation for the period ended as of December 31, 2016 have been prepared in accordance with the instructions from the Superintendency of Securities and Insurance (SVS) which prescribe fully with IFRS, as issued by the IASB.

The Consolidated Statement of Financial Position as of December 31, 2015, and the Consolidated Statements of Comprehensive Income, net equity and of cash flows for the period ended December 31, 2015, included for comparison purposes, have been prepared in conformity with IFRS as issued by the IASB, and on a consistent basis with the accounting policies used by the Corporation for the period ended December 31, 2016.

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 translated using the exchange rates at the balance sheet date. Gains and losses from foreign currency translations are included in 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, is 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 "The Effects of Changes in Foreign Exchange Rates". However, for those subsidiaries and associates that represent 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 usually the Corporation obtains control, and continue to be consolidated until the date such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Corporation, using consistent accounting principles.

All significant balances and transactions between the consolidated companies are eliminated, and the equity share of non-controlling interests has been recognized and presented in the line "Non-controlling Interests". The elimination of balances, transactions and unrealized profits between the consolidated companies, which include local and foreign subsidiaries, are considered in the consolidated financial statements. The companies included in the consolidation are as follows:

Taxpayer Number	Company	Country	Currency	12-31-2016 % Participation			12-31-2015 % Participation
				Direct	Indirect	Total	Total
Foreign	Chile Copper Limited	England	GBP	100.00	-	100.00	100.00
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.00	100.00	100.00
Foreign	Codelco Group Inc.	United States of America	US$	100.00	-	100.00	100.00
Foreign	Codelco International Limited	Bermuda	US$	100.00	-	100.00	100.00
Foreign	Codelco Kupferhandel GmbH	Germany	EURO	100.00	-	100.00	100.00
Foreign	Codelco Metals Inc.	United States of America	US$	-	100.00	100.00	100.00
Foreign	Codelco Services Limited	England	GBP	-	100.00	100.00	100.00
Foreign	Codelco Shanghai Company Limited	China	US$	100.00	-	100.00	100.00
Foreign	Codelco Technologies Ltd.	Bermuda	US$	-	100.00	100.00	100.00
Foreign	Codelco USA Inc.	United States of America	US$	-	100.00	100.00	100.00
Foreign	Codelco Canada	Canada	US$	-	100.00	100.00	-
Foreign	Ecometales Limited	Anglonormandars	US$	-	100.00	100.00	100.00
Foreign	Exploraciones Mineras Andinas Ecuador EMSAEC S.A.	Ecuador	US$	-	100.00	100.00	100.00
Foreign	Cobrex Prospeccao Mineral	Brazil	BRL	-	51.00	51.00	51.00

Taxpayer Number	Company	Country	Currency	12-31-2016 % Participation			12-31-2015 % Participation
				Direct	Indirect	Total	Total
78.860.780-6	Compañía Contractual Minera los Andes	Chile	US$	99.97	0.03	100.00	100.00
79.566.720-2	Isapre Chuquicamata Ltda.	Chile	CLP	98.30	1.70	100.00	100.00
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.69	-	96.69	96.69
88.497.100-4	Clinica San Lorenzo Limitada	Chile	CLP	99.90	0.10	100.00	100.00
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda.	Chile	CLP	-	100.00	100.00	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	US$	99.99	0.01	100.00	100.00
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	US$	99.99	0.01	100.00	100.00
96.854.500-0	Instituto de Innovación en Minería y Metalurgia S.A.	Chile	US$	-	-	-	100.00
96.876.140-4	Santiago de Rio Grande S.A.	Chile	US$	-	-	-	100.00
76.024.442-2	Ecosea Farming S.A.	Chile	US$	-	91.32	91.32	85.03
96.991.180-9	Codelco Tec SpA (Ex -Biosigma S.A.)	Chile	US$	99.91	0.09	100.00	66.67
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	US$	99.90	0.10	100.00	100.00
99.573.600-4	Clinica Río Blanco S.A.	Chile	CLP	99.00	1.00	100.00	100.00
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.00	1.00	100.00	100.00
77.773.260-9	Inversiones Copperfield Ltda.	Chile	US$	99.99	0.01	100.00	100.00
76.883.610-8	Energía Minera S.A.	Chile	US$	-	-	-	100.00
76.043.396-9	Innovaciones en Cobre S.A.	Chile	US$	0.05	99.95	100.00	100.00
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	US$	99.90	0.10	100.00	100.00
76.167.903-1	Inversiones Mineras Acrux SpA	Chile	US$	-	67.80	67.80	67.80
76.173.357-5	Inversiones Gacrux SpA	Chile	US$	100.00	-	100.00	100.00
76.231.838-5	Inversiones Mineras Nueva Acrux SpA	Chile	US$	-	67.80	67.80	67.80
76.237.866-3	Inversiones Mineras Los Leones SpA	Chile	US$	100.00	-	100.00	100.00
76.173.783-K	Inversiones Mineras Becrux SpA	Chile	US$	-	67.80	67.80	67.80
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	US$	-	100.00	100.00	100.00
76.255.061-K	Central Eléctrica Luz Minera SpA	Chile	US$	100.00	-	100.00	100.00
70.905.700-6	Fusat	Chile	CLP	-	-	-	-
76.334.370-7	Inst. de Salud Previsional Fusat. Ltda.	Chile	CLP	-	-	-	-
78.394.040-K	Centro de Servicios Médicos Porvenir Ltda.	Chile	CLP	-	99.00	99.00	99.00
77.928.390-9	Inmobiliaria e Inversiones Rio Cipreces Ltda.	Chile	CLP	-	99.90	99.90	99.90
77.270.020-2	Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	CLP	-	99.00	99.00	99.00

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 decisions in order to obtain benefits from its activities in accordance with the provisions of IFRS 10, Consolidation. The consolidated financial statements include all assets, liabilities, revenues, expenses and cash flows of Codelco and its subsidiaries, after eliminating all inter-company balances and transactions. For partially owned subsidiaries, the net assets and net earnings attributable to non-controlling shareholders are presented as "Non-controlling interests" in the consolidated statements of financial position and consolidated statement of income.

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

  Codelco's interest ownership in such entities is recorded in the consolidated financial statements under the equity method. Under this method, the initial investment is recorded at cost. The carrying amount of the investment is adjusted to recognize changes in Codelco's share of net assets of the associate since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

  The statement of profit or loss reflects Codelco's share of the results of operations of the associate.

- Acquisitions and Disposals: The results of businesses acquired are incorporated in the consolidated financial statements from the date when the control is obtained; the results of businesses sold during the period are included into the consolidated financial statements up to the effective date of disposal. Gain or loss on disposal is the difference between the sale proceeds (net of expenses) and the carrying amount of the net assets attributable to the ownership interest that has been sold.

  If a control is lost over a subsidiary, the remaining investment will be recorded at its fair value.

  If at the acquisition date of an investment in an associate, the purchase price paid by Codelco is less than the fair value of the net identified assets and liabilities, Codelco records a gain at the date of the acquisition.

- Joint Ventures: The entities that qualify as joint ventures in which joint control exists are accounted using the equity method.

e. Foreign currency transactions - Monetary assets and liabilities denominated in a currency, other that the functional currency, have been translated into U.S. dollars at the closing exchange rate of the period.

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) (12/31/2016: US$39.36; 12/31/2015: US$36.09), are expressed in U.S. dollars at the closing exchange rates of the period. Income and expenses denominated in Chilean pesos have been translated into U.S. dollars at the exchange rate at the transaction date.

Exchange differences are recognized in profit and loss.

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

- Assets and liabilities are translated using the exchange rate at the closure date of the financial position statement.
- Income and expenses for each statement of comprehensive income are translated at average exchange rates for the reporting period.
- All resulting exchange differences are recognized as a separate component of comprehensive income in equity.

The exchange rates used in each period are as follows:

Relation	Exchange rates	
	12/31/2016	12/31/2015
US$ / CLP	0.00149	0.00141
US$ / GBP	1.23396	1.48280
US$ / BRL	0.30744	0.25109
US$ / EUR	1.05396	1.09075

f. Offsetting Balances and Transactions - In general, assets and liabilities, income and expenses, are not offset in the financial statements, except in cases in which there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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 recorded at cost. After their initial recognition, they are recorded at cost, less any accumulated depreciation and any accumulated impairment losses.

Costs of extension, modernization or improvement representing an increase in productivity, capacity or efficiency or an increase in the useful life of the assets are capitalized.

Furthermore, this caption includes acquired assets under finance lease contracts. These assets are not legally owned by the Corporation until the corresponding purchase option is exercised.

Starting fiscal year 2014, the assets included in property, plant and equipment are depreciated, as a general rule, using the units of production method, when the activity performed by the asset is directly related to the production process. Other assets are depreciated using the straight-line method.

The assets included in property, plant and equipment are depreciated over their economic useful lives, as described below:

Items	Useful Life
Land	Not depreciated
Land on mine site	Units of production
Buildings	Straight-line over 20-50 years
Buildings in underground mine levels	Units of production of the mine level
Vehicles	Straight-line over 3-7 years
Plant and equipment	Units of production
Smelters	Straight-line
Refineries	Units of production
Mining rights	Units of production
Support teams	Units of production
Intangibles - Software	Straight-line over 8 years
Open pit and underground mine development	Units of production

The assets under finance leases are depreciated during the term of the lease contract or over their estimated useful life, whichever is shorter.

Estimated useful lives, residual values and the depreciation method are reviewed at year end, and any change in estimates is recorded prospectively.

Additionally, depreciation criteria and 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 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 known information, confirmed and officially recognized by the Corporation.

The profit or loss from disposal or withdrawal of an asset is the difference between the net proceeds received upon disposal and the carrying value of the asset.

Construction in progress includes the amounts invested in the construction of property, plant and equipment and in mining development projects. Construction in progress is transferred to assets in operation once the testing period has ended and when they are ready for use and start being depreciated.

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

Notwithstanding the above, 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 impairment losses, and deducting the value related to 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 are capitalized as part of the cost of property, plant and equipment.

h. Intangible assets - The Corporation initially measures these assets at acquisition cost. Said cost is amortized in a systematic way over the economic useful life, except in the cases of assets with indefinite useful life, which are not amortized. These assets are assessed for the existence of impairments, at least, once per year and anytime when an impairment indicator is originated. At the closure date, these assets are recorded by their cost less any accumulated amortization (when applicable) and any accumulated loss due to impairment of value which the assets have experimented.

The main intangible assets are described as follows::

Expenses for Research and Technological Development and Innovation

Development expenses for technology and innovation projects are recognized as intangible assets at cost and are considered to have an indefinite useful life.

Research expenses for technology and innovation projects are recognized in profit or loss of the period in which were incurred

i. 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 assess whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount.

For assets with indefinite useful lives, the estimated recoverable amount is performed annually at year end.

If the asset does not generate cash flows which are independent from other assets, Codelco determines the recoverable amount of the CGU which the asset belongs to.

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 of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. On the other hand, the fair value less cost of disposal is usually determined for operational assets considering the Life of Mine ("LOM"), based on a model of discounted cash flow, while the assets not included in LOM as resources and potential resources to exploit are measured by using a market model of multiples for comparable transactions.

If the recoverable value of an asset or CGU is estimated to be lower 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, such reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss as a reduction of depreciation expense for the year.

The CGU future cash flow estimates are based on the estimates of future production forecasts, 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 cost efficiencies. When calculating the value in use, it is also necessary to base the calculations on the current exchange rates at the moment of the measurement.

j. Exploration for and evaluation of mineral resources, 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 during the year when incurred.

Exploration and evaluations costs such as: drillings of deposits, include the expenses necessary to locate new mineralized areas and engineering studies to determine their potential for commercial exploitation are recorded in profit or loss, normally until the feasibility is realized.

Pre-operating and mine development expenses (normally after feasibility engineering is reached) incurred during the execution of a project and until its start-up are capitalized and amortized in relation to the future production of the mine. These costs include stripping of waste material, constructing the mine's infrastructure and other works carried out prior to the production phase.

Finally, costs for 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.

k. Deferred stripping - Costs that arise by removing mine waste materials (overburden) in open pits that are in production, incurred in order to access to mineral deposits, are recognized in property, plant and equipment, provided they meet the following criteria set out in International Financial Reporting Interpretations the Committee ("IFRIC") 20 "Stripping Costs in the Production Phase of a Surface Mine":

- It is probable that the future economic benefits associated with the stripping activity will flow to the entity.
- It is possible to identify the components of an ore body for which access has been improved as a result of the stripping activity.
- The costs relating to that stripping activity can be measured reliably.

The amounts recognized in property, plant and equipment are depreciated according to the units of production extracted from the ore body related to the specific stripping activity which generated this amount.

l. Income taxes and deferred taxes - Codelco and its Chilean subsidiaries 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 which generate difference between the accounting and tax bases for assets and liabilities are recorded in accordance with the standards established in IAS 12 "Income taxes".

In addition, a deferred tax is recognized for the net income of subsidiaries, associates and 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, whose effect has a prospective impact in the Statements of Financial Position. The detail of the effect of the tax reform is described in note 5 Deferred taxes and income tax.

m. 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. Inventory comprises of materials, products in process and finished products. 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. The inventories of work in process are classified in current and non-current inventories, according to the normal cycle of operation.
- 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.

n. 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.

o. 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 according to a fixed percentage of the monthly assessable salary 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, expected increases in salaries 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 better management 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.

p. 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.

q. 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 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.

r. 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.

The exposure to the price movements from delivery/shipment date to final payment date is treated as an embedded derivative. In accordance with the policies approved by the Board of Directors, the Corporation enters into contracts in order to hedge future metal prices, backed by physical production, in order to minimize the inherent risks in price fluctuations. Such future metal prices hedges are recorded as a separate derivative instrument in the financial statements of Codelco.

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 market of metal derivatives, the Corporation enters into operations in the market 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.

Exposure to copper prices changes from the shipping date to the payment date is treated as an embedded derivative.

s. 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 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 market of metal derivatives: 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 derivative: 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 is required to be recorded separately.

  The procedure consists of an initial characterization of each contract that allows for distinguishing among 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.

t. Financial information by segment - For the purposes of IFRS 8, "Operating Segments", segments are defined as Codelco's Divisions. The mining deposits in operation, where the Corporation conducts its production processes in the extractive and processing area, are managed by its Chuquicamata, Radomiro Tomic, Minister Hales, Gabriela Mistral, Salvador, Andina and El Teniente divisions. To these divisions is added Ventanas, which operates only in the smelting and refining area. These divisions have a separate operational management, which report to the Executive Presidency, through the Vice Presidents of Operations North and South Central, respectively. Income and expenses of the Head Office are distributed in the defined segments.

u. 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.

In the Statements of Other Comprehensive Income (loss) the effects recorded in relation to cash flow hedges and share of associates and joint ventures accounted under equity method will be recorded against the statement of Other Comprehensive income, while the actuarial gains (losses) will not be reclassified in the future periods.

v. 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.

w. 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.

x. Allowance for doubtful accounts - The Corporation records an allowance for doubtful accounts after 6 months have passed from the pre-judicial notification, initiating a judicial collection. Write-offs of uncollected receivables will be recorded once the Corporation has exhausted all means of collection and in the following cases:

- debtor is declared in bankrupt,
- absence of debtor's goods and/or
- the cost of the demand is higher than the amount of debt

Renegotiations are assessed based on the experience and the background of each debtor.

y. 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 sales 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.

z. Law No. 13.196 - Law 13.196 requires the payment of a 10% special export tax on receivables of the sales proceeds that Codelco receives and transfers to Chile from the export of copper and related by-products produced by Codelco. The Chilean Central Bank discounts 10% on the amounts that Codelco transferred to its Chilean account. The amount for this concept is presented in the statement of comprehensive income in the item other expenses (see Note 23.b).

aa. Cost of sales - Cost of sales is determined according to the absorption cost method, including the direct and indirect costs, depreciation, amortization and any other expenses associated with the production process.

ab. Environment - The Corporation adheres to the principles of sustainable development, which foster the economic development while safekeeping the environment and the health and safety of its collaborators. The Corporation recognizes that these principles are central for the well-being of its collaborators, care for the environment and success in its operations.

ac. Classification of current and non-current balances - In the consolidated statement of financial position, the balances are classified according to their maturities, that is, as current for those with a maturity equal to or less than twelve months and as non-current for those with a greater maturity. Where there are obligations whose maturity is less than twelve months, but whose long-term refinancing is insured upon a decision by the Corporation, 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, 2015.

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 15 - Revenue From Contracts with Clients	Annual periods beginning on or after January 1, 2018	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.
IFRS 16 - Leases	Annual periods beginning on or after January 1, 2019	Requires lessees to recognize assets and liabilities for all rights and obligations originated by leases unless the lease term is 12 months or less or the underlying asset has a low value. Additionally, the Standard establishes new requirements of information to disclose related to the risk exposure on the part of lessors.

Amendments to IFRS	Date of mandatory application	Summary
IFRS 4 -Insurance Contracts	Annual periods beginning on or after January 1, 2018	Provides instructions for issues related to insurance contracts which will be affected when it first applies IFRS 9 – Financial Instruments.
IFRS 10 - Consolidated Financial Statements IAS 28 - Investments in Associates with Joint Ventures	Date to be determined by IASB.	Recognizes the profits or losses of sales of assets between an investor and an associate or a joint venture, which are recognized for the total when the transaction involves assets, which constitute business, will be partial (even if the assets are located in a subsidiary).
IAS 12 - Income Taxes	Annual periods beginning on or after January 1, 2017	Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
IFRS 2 - Share-based Payment	Annual periods beginning on or after January 1, 2018	Presents modifications related to the classification and valuation of share-based payment transactions.
IAS 40 - Investment Property	Annual periods beginning on or after January 1, 2018	Clarifies the requirements to the treatment of investment property transfers.

IAS, 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 indicated. Codelco is still evaluating the impact that could be generated from such rules and changes.

III.EXPLANATORY NOTES

1. Cash and cash equivalents

Cash and cash equivalents are as follows:

Item	12-31-2016 ThUS$	12-31-2015 ThUS$
Cash on hand	6,740	4,132
Bank balances	44,025	682,348
Time deposits	501,278	1,047,641
Mutual Funds – Money Market	1,497	-
Resale agreements	23,186	13,597
Total Cash and cash equivalents	576,726	1,747,718

Interest on time deposits recorded on an accrual basis using the contractual interest rate of each of these instruments.

The Corporation does not maintain any significant amounts of cash and cash equivalents that have a restriction of 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, 2016, include a positive accrual of ThUS$95,971, related to the accrual of open invoices. As of December 31, 2015, a negative accrual was recorded amounting to ThUS$66,977.

b. Trade and other receivables

The following chart shows the amounts of Trade and other receivables, with their corresponding allowances:

Concept	Current		Non - Current	
	12-31-2016	12-31-2015	12-31-2016	12-31-2015
	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables (1)	1,549,882	1,200,388	524	850
Allowance for doubtful accounts (3)	(2,238)	(2,470)	-	-
Subtotal trade receivables, net	**1,547,644**	**1,197,918**	**524**	**850**
Other receivables (2)	713,884	684,976	94,792	84,219
Allowance for doubtful accounts (3)	(6,797)	(6,031)	-	-
Subtotal other receivables, net	**707,087**	**678,945**	**94,792**	**84,219**
Total	**2,254,731**	**1,876,863**	**95,316**	**85,069**

(1) Trade receivables correspond to the sales of copper and its by-products.
(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 remains susceptible to refund and other taxes receivable in the amount of ThUS$141,885 and ThUS$137,653 at December 31, 2016 and December 31, 2015, 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 of the allowance for doubtful accounts in the periods ended December 31, 2016 and 2015 was as follows:

Items	12-31-2016 ThUS$	12-31-2015 ThUS$
Opening balance	**8,501**	**7,524**
Increases	1,497	1,464
Write-offs/applications	(963)	(487)
Movement, subtotal	**534**	**977**
Final balance	**9,035**	**8,501**

Past due and not impaired balances are detailed as follows:

Maturity	12-31-2016 ThUS$	12-31-2015 ThUS$
Less than 90 days	13,232	29,780
Between 90 days and 1 year	1,505	20,958
More than 1 year	14,551	9,150
Total past-due and not impaired	**29,288**	**59,888**

3. Balance and related party disclosures

a. Operations related to third parties

According to the New Corporate Governance Law, Codelco's Board Members entered into 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, which contains emergency regulations regarding the approval process for related party transactions, the Corporation established a general policy of regularity (reported to the SVS as material fact), which establishes common transactions that are ordinarily made with its related parties within their line of business, contribute 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 individuals and companies related to Codelco personnel. Codelco Corporate Standard No. 18 (NCC No. 18), the latest version of which is 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 one of the contracts:

Entity	Taxpayer Number	Country	Nature of the relationship	Description of the transaction	01-01-2016 12-31-2016 Amount ThUS$	01-01-2015 12-31-2015 Amount ThUS$
Ecometales Limited agencia en Chile.	59.087.530-9	Chile	Affiliate	Services	-	20
Fundación Orquesta Sinfónica Infantil de los Andes.	65.018.784-9	Chile	Founder	Services	-	561
Centro de Capacitación y Recreación Radomiro Tomic.	75.985.550-7	Chile	Other related companies	Services	-	137
Sociedad de Procesamiento de Molibdeno Ltda.	76.148.338-2	Chile	Affiliate	Purchases of goods	-	700,000
Sociedad de Procesamiento de Molibdeno Ltda.	76.148.338-2	Chile	Affiliate	Commercial current account	85,000	-
Kairos Mining S.A.	76.781.030-K	Chile	Other related companies	Services	-	14,800
Biosigma S.A.	96.991.180-9	Chile	Affiliate	Services	-	15,296
Prestaciones de Servicios de la Salud Intersalud Ltda.	77.270.020-2	Chile	Affiliate	Services	5,739	-
Cosando Construcción y Montaje Ltda.	77.755.770-K	Chile	Employee's relative	Services	-	2,069
Anglo American Sur S.A.	77.762.940-9	Chile	Associate	Services	1	-
Hatch Ingenieros y Consultores Ltda.	78.784.480-4	Chile	Employee's relative	Services	46,339	41,007
Institución de Salud Previsional Chuquicamata Ltda.	79.566.720-2	Chile	Affiliate	Services	1,133	-
Clinica San Lorenzo Ltda.	88.497.100-4	Chile	Affiliate	Services	1,849	-
Institución de Salud Previsional Río Blanco Ltda.	89.441.300-K	Chile	Affiliate	Services	-	44,795
Sociedad Contractual Minera El Abra.	96.701.340-4	Chile	Associate	Supplies	-	1,188
Instituto de Innovación en Minería y Metalúrgica S.A.	96.854.500-0	Chile	Affiliate	Services	-	48,000
S y S Ingenieros Consultores Ltda.	84.146.100-2	Chile	Employee's relative	Services	8	-
Clínica Río Blanco S.A.	99.573.600-4	Chile	Affiliate	Services	2,569	-
Finning Chile S.A.	91.489.000-4	Chile	Employee's relative	Supplies	5,134	88,047
Exploraciones Mineras Andinas S.A.	99.569.520-0	Chile	Affiliate	Services	-	170,000
Complejo Portuario Mejillones S.A.	96.819.040-7	Chile	Affiliate	Services	-	6,000
Fundación Educacional el Salvador	73.435.300-0	Chile	Founder	Services	24	32
Fundación Sewell	65.493.830-K	Chile	Founder	Services	5	-
Femont y cía. Ltda.	77.395.540-9	Chile	Employee's relative	Supplies	-	725
Arcadis Chile S.A.	89.371.200-3	Chile	Employee's relative	Services	2,325	1,441
RSA Seguros Chile S.A.	99.017.000-2	Chile	Employee's relative	Services	-	24,100
Sonda S.A.	83.628.100-4	Chile	Employee's relative	Services	152	156
Ingeniería de Protección S.A.	89.722.200-0	Chile	Employee's relative	Supplies	-	135
Xtreme Mining Ltda.	96.953.700-1	Chile	Employee's relative	Supplies	5	46
SGS Chile Limitada, Sociedad de Control	80.914.400-3	Chile	Employee's relative	Services	2,251	1,099
Club de Ski Chapa Verde	71.275.900-3	Chile	Employee's relative	Services	-	48
Esinel Ingenieros S.A.	76.477.780-8	Chile	Employee's relative	Services	-	15
Maestranza Acosta y Cía. Ltda.	76.813.840-0	Chile	Employee's relative	Supplies	22	7
Komatsu Chile S.A.	96.843.130-7	Chile	Employee's relative	Services	194,249	105,917
Cuatro C Consultores en Ingeniería Civil Limitada	79.693.340-4	Chile	Employee's relative	Services	-	27
SGS Minerals Ltda.	96.671.880-3	Chile	Employee's relative	Services	255	1,432
Soc. S y S Ingeniería Ltda.	79.592.060-9	Chile	Employee's relative	Services	-	100
Transelec S.A.	76.555.400-4	Chile	Member of the Board	Services	-	1,856
Representaciones Comerciales Ltda.	78.841.100-6	Chile	Employee's relative	Services	-	4
R&Q Ingeniería S.A.	84.865.000-5	Chile	Employee's relative	Services	4,551	-
Ayagon S.A.	88.845.100-5	Chile	Employee's relative	Supplies	2	-
Nueva Ancor Tecmin S.A.	76.411.929-0	Chile	Employee's relative	Supplies	169	-
Sodimac S.A.	96.792.430-K	Chile	Employee's relative	Supplies	575	-
Industrial y Comercial Artimatemb Ltda.	76.108.720-7	Chile	Employee's relative	Services	19	-
Centro de Especialidades Médicas San Lorenzo Ltda.	76.124.156-7	Chile	Affiliate	Services	622	-
Kaefer Buildteck SpA	76.105.206-3	Chile	Employee's relative	Services	8,080	-

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 ended December 31, 2016 and 2015, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

Entity	Taxpayer Number	Country	Nature of the relationship	Description of the transaction	01-01-2016 12-31-2016 Amount ThUS$	01-01-2015 12-31-2015 Amount ThUS$
Augusto González Aguirre	6.826.386-7	Chile	Director	Director´s fees	-	33
Augusto González Aguirre	6.826.386-7	Chile	Director	Payroll	-	53
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Director´s fees	114	108
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Director´s fees	91	93
Gerardo Jofré Miranda	5.672.444-3	Chile	Director	Director´s fees	91	93
Isidoro Palma Penco	4.754.025-9	Chile	Director	Director´s fees	91	60
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Director´s fees	91	60
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Director´s fees	91	93
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	-	41
Oscar Landerretche Moreno	8.366.611-0	Chile	Chairman of the Board	Director´s fees	137	140
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Director´s fees	91	93
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	44	36

(1) During the periods between January 1, 2015 and May 11, 2015 and January 1, 2014 and December 31, 2014, the Company did not issue any payment of wages to Mr. Marcos Büchi Buc, stemming from his participation (and until the end of his period) 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 his participation.

Through Supreme Decree of the Ministry of Finance No. 36, dated January 28, 2016, it was established that the payroll of Directors of the Corporation will be fixed for two years since March 1, 2016, in accordance with the current austerity policies. 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 was fixed in the amount of Ch$3,835,860 - (three million eight hundred and thirty five thousand, eight hundred and sixty Chilean pesos). It is required the assistance to one session per calendar month at least.

b. A monthly salary of Ch$7,671,720 - (seven million six hundred and seventy one thousand, seven hundred and twenty 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$1,278,619 - (one million two hundred and seventy eight thousand, six hundred and nineteen 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$2,557,240 - (two million five hundred fifty seven thousand, two hundred and forty Chilean pesos).

d. The established salaries are in effect for a period of two years, as of March 1, 2016. They were adjusted on January 1, 2017, in accordance with 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 serve in the administrative roles for the Corporation; they are paid during the period of January –

December 2016, a total amount of ThUS$8,714 (January – December 2015: ThUS$8,925)

The criteria that determines the wages for the executives was established by the Board of Directors by agreement of January 29, 2003.

During the periods of January through December of 2016 and 2015, payments were made to the Principle Executives of Codelco as compensation for years of service, equal to ThUS$444 and ThUS$109, respectively.

There were no payments for other noncurrent benefits during the period of January through December 2016 and 2015, other than 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 periods of January – December 2016 and 2015, are the following: Sociedad GNL Mejillones S.A., Sociedad Contractual Minera El Abra, Agua de La Falda S.A., Planta Recuperadora de Metales SpA, Deutsche Giessdraht and Anglo American Sur S.A.

Trading operations related to Copper Partners Investment Company Limited ("CuPIC") are presented in the Category Other non-current liabilities.

The Corporation does not establish an allowance for doubtful accounts for the main items receivable from their related companies, as these have been registered by including the relevant safeguards in the respective debt contracts.

Accounts receivable from and payable to related companies as of December 31, 2016 and 2015, are detailed as follows:

Accounts receivable from related companies:

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12-31-2016 ThUS$	12-31-2015 ThUS$	12-31-2016 ThUS$	12-31-2015 ThUS$
73.063.022-5	Inca de Oro	Chile	Associate	US$	-	17	-	-
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	13,286	-	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	-	8,019	21,489	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	383	2,350	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	US$	-	-	224	224
Foreign	Copper Partners Invest. Company Ltd.	Bermuda	Joint venture	US$	-	10,671	-	-
Totals					**13,669**	**21,057**	**21,713**	**224**

Accounts payable to related companies:

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12-31-2016 ThUS$	12-31-2015 ThUS$	12-31-2016 ThUS$	12-31-2015 ThUS$
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	US$	-	500	-	-
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	74,101	100,888	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	21,822	25,918	-	-
Foreign	Copper Partners Invest. Company Ltd.	Bermuda	Joint venture	US$	-	29,724	-	157,049
Foreign	Deutsche Geissdraht GmbH	Germany	Associate	EURO	7,971	6,336	-	-
Totals					103,894	163,366	-	157,049

The transactions performed between the Corporation and its related companies for the periods ended December 31, 2016 and 2015 are detailed in the next table together with their corresponding effects on profit or loss:

Taxpayer Number	Entity	Nature of the transaction	Country	Indexation currency	1/1/2016 12/31/2016		1/1/2015 12/31/2015	
					Amount ThUS$	Effects on net income (charges) / credits ThUS$	Amount ThUS$	Effects on net income (charges) / credits ThUS$
Foreign	Copper Partners Investment Co. Ltd.	Sales of goods	Bermuda	US$	14,597	14,597	119,965	119,965
Foreign	Copper Partners Investment Co. Ltd.	Dividends received	Bermuda	US$	14,430	-	104,650	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	US$	-	-	36,876	-
77.762.940-9	Anglo American Sur S.A.	Dividend receivables	Chile	US$	13,286	-	-	-
77.762.940-9	Anglo American Sur S.A.	Purchase of goods	Chile	US$	480,218	(480,218)	458,103	(458,103)
76.775.710-7	Sociedad GNL Mejillones S.A.	Retention services	Chile	US$	-	-	(469)	(469)
76.775.710-7	Sociedad GNL Mejillones S.A.	Retention inventories	Chile	US$	-	-	469	469
76.775.710-7	Sociedad GNL Mejillones S.A.	Reimbursement	Chile	US$	-	-	5,887	(5,887)
96.701.340-4	SCM El Abra	Dividends received	Chile	US$	53,900	-	51,450	-
96.701.340-4	SCM El Abra	Purchase of goods	Chile	US$	245,684	(245,684)	394,445	(394,445)
96.701.340-4	SCM El Abra	Sales of goodss	Chile	US$	15,517	15,517	38,844	38,844
96.701.340-4	SCM El Abra	Other sales	Chile	US$	1,493	1,493	1,493	1,493
96.701.340-4	SCM El Abra	Purchase of services	Chile	US$	236	(236)	4,043	(4,043)
96.701.340-4	SCM El Abra	Commissions received	Chile	US$	124	124	181	181
96.701.340-4	SCM El Abra	Other purchases	Chile	US$	1,884	(1,884)	398	(398)
96.801.450-1	Agua de la Falda S.A.	Sales of services	Chile	CLP	5	5	7	7
96.801.450-1	Agua de la Falda S.A.	Contribution	Chile	US$	(743)	-	-	-
Foreign	Deutsche Geissdraht GmbH	Dividends received	Germany	EURO	772	-	1,021	-
76.063.022-5	Inca de Oro S.A.	Contribution	Chile	US$	(461)	-	(481)	-
76.028.880-2	Minera Purén SCM	Dividends received	Chile	US$	-	-	2,450	-
76.255.054-7	Planta Recuperadora de Metales	Loan	Chile	US$	16,090	-	11,254	-

d. Additional information

The current account receivable to the Planta Recuperadora de Metales SpA corresponds to the loan balance granted to build its plant.

Transactions for the purchase and sales of products with Anglo American Sur S.A., correspond to regular business operations to acquire copper and other products. On the other hand, there are certain transactions associated with the contract between the affiliate Inversiones Mineras Nueva Acrux SpA (the non-controlling shareholder is Mitsui) and Anglo American Sur S.A., under which the latter agrees to sell a portion of its annual copper output to said subsidiary.

Transactions with the company, CuPIC, correspond to the current conditions described in Note 30 b) of these financial statements.

4. Inventories

Inventories as of December 31, 2016 and 2015 are detailed as follows:

Items	Current		Non-current	
	12-31-2016 ThUS$	12-31-2015 ThUS$	12-31-2016 ThUS$	12-31-2015 ThUS$
Finished products	335,431	512,711	-	-
Subtotal finished products, net	**335,431**	**512,711**	**-**	**-**
Products in process	1,055,864	1,108,291	337,411	185,470
Subtotal products in process, net	**1,055,864**	**1,108,291**	**337,411**	**185,470**
Material in warehouse and other	499,905	555,317	-	-
Obsolescence allowance adjustment	(90,930)	(79,293)	-	-
Subtotal material in warehouse and other, net	**408,975**	**476,024**	**-**	**-**
Total Inventories	**1,800,270**	**2,097,026**	**337,411**	**185,470**

Inventories recognized as cost of operation for the six-month periods ended December 31, 2016 and 2015 correspond to finished goods and amount to ThUS$9,413,714 and ThUS$9,877,505, respectively.

For the period ended December 31, 2016, the Corporation does not have reclassifications of strategic inventories to Property, Plant and Equipment.

The change in the obsolescence provision is described in the following table:

Obsolescence allowance movements	ThUS$
Initial Balance 1/1/2016	(79,293)
Period allowance	(11,637)
Final Balance 12/31/2016	**(90,930)**

As of December 31, 2016 and 2015 Codelco has recognized inventory write-offs in its statements of comprehensive income, which amount to ThUS$10,377 and ThUS$68,708, respectively.

At December 31, 2016, the book value of inventories - under evaluation of the concept of net realizable value under IAS 2 "Inventories" - amounted to ThUS$1,600,930. (December 31, 2015: ThUS$849,973). As a result of the evaluation, for the ended December 31, 2016, the Corporation adjusted inventories for which the book value exceeded its net realizable value for an amount of ThUS$10,344. (December 31, 2015: ThUS$84,527).

During the period ended December 31, 2016, the Corporation has not recorded reversal of provisions.

Codelco purchases copper from Sociedad Contractual Minera El Abra. At December 31, 2016 and December 31, 2015, there are no unrealized profits recorded.

The Corporation purchases and sells copper to its associate Anglo American Sur S.A. As of December 31, 2016 and 2015, the value of finished goods does not present an unrealized profit within the Category of Inventories.

5. Deferred taxes and income taxes

a. Income tax expense

Items	12-31-2016 ThUS$	12-31-2015 ThUS$
Current tax expenses	-	(4,156)
Effect of Deferred Taxes (i)	113,185	894,607
Additional income taxes paid as a result of tax audits (ii)	-	(148,935)
Other	(16,089)	(13,118)
Total Income Taxes	**(97,096)**	**728,398**

i. The Corporation recognizes deferred tax assets related to accumulated tax losses as of December 31, 2016.

ii. As a part of the process of the tax audit for the long-term sales agreement between the Corporation and its subsidiary, CuPIC, Codelco received two tax assessments which are indicated in Note 28 Contingencies and Restrictions. These settlements were challenged by the Corporation through several administrative and judicial means. As part of those procedures, the Corporation and the Internal Revenue Service agreed to make certain adjustments to the tax basis which results in the payment of ThUS$148,935, on August 31, 2015. This transaction was recorded in the line Income taxes of the Statement of Comprehensive Income.

This agreement with the Servicio de Impuestos Internos ("SII") helped to resolve all the disputes with SII until 2011 and any differences that are foreseeable for years 2012, 2013 and 2014.

b. Deferred tax assets and liabilities are detailed as follows:

Deferred tax assets	12-31-2016 ThUS$	12-31-2015 ThUS$
Provisions	1,352,823	1,039,129
Unrealized gains	-	9,213
Finance lease	21,997	20,379
Advances from clients	-	128,804
Hedged Swap derivatives of exchange rates	-	12,361
Health care plans	-	14,654
Tax losses	1,808,782	672,907
Other	-	9,234
Total deferred tax assets	**3,183,602**	**1,906,681**

Deferred tax liabilities	12-31-2016 ThUS$	12-31-2015 ThUS$
IFRIC 20 First adoption	-	14,971
Taxes from Mining Activity	145,168	55,487
Property, plant and equipment variations	1,015,951	523,733
Valuation of employee termination benefits	26,536	27,100
Accelerated depreciation	4,999,085	4,334,433
Anglo American Sur S.A. investment	11,638	66,430
Income from fair value of mining properties	108,518	108,509
Derivatives Hedging future contracts	482	1,034
Affiliates income deferred taxes	20,163	30,030
Other	-	2,559
Total deferred tax liabilities	**6,327,541**	**5,164,286**

The effect of deferred taxes affecting equity is summarized as follows:

Deferred taxes affecting Equity	12-31-2016 ThUS$	12-31-2015 ThUS$
Cash Flow Hedge	(32,831)	5,557
Defined Benefit Plans	46,178	53,438
Total deferred taxes affecting equity	**13,347**	**58,995**

The following table shows the reconciliation of the effective tax rate:

Item	12-31-2016						
	Taxable Base			Tax rate			
	24.0% ThUS$	40.0% ThUS$	5.0% ThUS$	24.0% ThUS$	Adic. 40.0% ThUS$	5.0% ThUS$	Total ThUS$
Profit (loss) before taxes	(365,267)	(365,267)	(365,267)	87,664	146,107	18,263	252,034
Profit before taxes affiliates	(65,409)	(65,409)	(65,409)	15,698	26,164	3,270	45,132
Profit before taxes consolidated	**(430,676)**	**(430,676)**	**(430,676)**	**103,362**	**172,271**	**21,533**	**297,166**
Permanent differences							
Taxes of first category (24%)	(94,555)			22,693			22,693
Specific tax for government firms Art. 2 D.L. 2.398 (40%)		274,926			(109,970)		(109,970)
Specific mining tax			(755,998)			(37,800)	(37,800)
Tax effect from non-usable losses			(1,499,866)			(74,993)	(74,993)
TOTAL TAX EXPENSE				126,055	62,301	(91,260)	97,096

Item	12-31-2015						
	Taxable Base			Tax rate			
	22.5% ThUS$	40.0% ThUS$	5.0% ThUS$	22.5% ThUS$	Adic. 40.0% ThUS$	5.0% ThUS$	Total ThUS$
Profit (loss) before taxes	(2,221,603)	(2,221,603)	(2,221,603)	499,861	888,641	111,080	1,499,582
Profit before taxes affiliates	(834,574)	(834,574)	(834,574)	187,779	333,830	41,729	563,338
Profit before taxes consolidated	**(3,056,177)**	**(3,056,177)**	**(3,056,177)**	**687,640**	**1,222,471**	**152,809**	**2,062,920**
Permanent differences							
Taxes of first category (22.5%)	40,851			(9,191)			(9,191)
Specific tax for government firms Art. 2 D.L. 2.398 (40%)		2,721,525			(1,088,610)		(1,088,610)
Specific mining tax			(3,188,280)			(159,414)	(159,414)
TOTAL TAX EXPENSE				678,449	133,861	(6,605)	805,705
Other payments to the State				(15,692)	(23,118)	(110,125)	(148,935)
Change of tax rate							71,628
TOTAL TAX EXPENSE							728,398

Pursuant to Article 2 of the Decree Law 2.398, Codelco is subject to an additional tax rate of 40% to retained earnings of companies which are not Corporations or Joint Stock Companies plus the dividends received in accordance with the law.

Tax Reform in Chile

On September 29, 2014, Law No. 20.780 entitled "Tax Reform which modifies the Tax System on the income, and which introduces various adjustments on the Tax System", was published.

Among the principal changes, the creation of two optional tax systems stands 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 such rate to 21%, 22.5%, 24% and 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 such rate to 21%, 22.5%, 24%, 25.5% and 27% respectively.

For the calculation of the deferred taxes, the Corporation, notwithstanding the above, has applied the General Taxation Regime, with tax rates notched for commercial years 2014, 2015, 2016, and 2017 onwards, increasing them to 21%, 22.5%, 24% and 25%, respectively. The Corporation, as a state-owned company, has the option to avail itself of the schemes provided for in Article 14 of the mentioned Tax Reform. Meanwhile, for the calculation of deferred taxes, subsidiaries and associates applied the partially integrated tax system by default. Through the extraordinary meeting of the shareholders, which will be held in the second half of 2016, the Corporation may choose to change the system of attributed income.

A rate of 5% for the Specific Mining Tax has been estimated, in accordance with Law No. 20,496..

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	12-31-2016 ThUS$	12-31-2015 ThUS$
Recoverable Taxes	(255,528)	255,528
Reclassification to Non-current Assets	255,528	-
Recoverable Taxes	12,009	14,884
Total Current Tax Assets	12,009	270,412

Current Tax Liabilities	12-31-2016 ThUS$	12-31-2015 ThUS$
Provision for Mining Tax	-	4,156
Provision PPM	-	8,565
Others	15,068	3,532
Total Current Tax Liabilities	15,068	16,253

7. Property, Plant and Equipment

a. The balances of property, plant and equipment at December 31, 2016 and 2015, are as follows:

Property, Plant and Equipment, gross	12-31-2016 ThUS$	12-31-2015 ThUS$
Work in progress	6,266,471	4,890,617
Land	151,239	133,133
Buildings	5,141,194	4,962,596
Plant and equipment	14,295,916	14,129,173
Fixtures and fittings	50,687	56,229
Motor vehicles	1,977,631	1,998,687
Land improvements	4,914,797	4,715,847
Mining operations	5,823,625	5,199,036
Mine development	3,980,114	3,863,754
Other assets	1,368,649	1,433,836
Total Property, Plant and Equipment, gross	43,970,323	41,382,908

Property, Plant and Equipment, accumulated depreciation	12-31-2016 ThUS$	12-31-2015 ThUS$
Work in progress	-	-
Land	6,824	-
Buildings	2,734,011	2,594,337
Plant and equipment	8,893,258	8,644,487
Fixtures and fittings	37,537	38,680
Motor vehicles	1,170,564	1,111,840
Land improvements	2,824,931	2,663,029
Mining operations	3,285,416	2,588,786
Mine development	572,408	659,444
Other assets	468,113	453,994
Total Property, Plant and Equipment, accumulated depreciation	19,993,062	18,754,597

Property, Plant and Equipment, net	12-31-2016 ThUS$	12-31-2015 ThUS$
Work in progress	6,266,471	4,890,617
Land	144,415	133,133
Buildings	2,407,183	2,368,259
Plant and equipment	5,402,658	5,484,686
Fixtures and fittings	13,150	17,549
Motor vehicles	807,067	886,847
Land improvements	2,089,866	2,052,818
Mining operations	2,538,209	2,610,250
Mine development	3,407,706	3,204,310
Other assets	900,536	979,842
Total Property, Plant and Equipment, net	23,977,261	22,628,311

b) Movement of Property, plant and equipment:

Movements (in Thousands of US$)	Work in Progress	Land	Buildings	Plan and equipment	Fixtures and Fittings	Motor Vehicles	Land Improvements	Mining Operations	Mine Development	Other Assets	Total
Opening balance as 1/1//2016	4,890,617	133,133	2,368,259	5,484,686	17,549	886,847	2,052,818	2,610,250	3,204,310	979,842	22,628,311
Additions	2,613,389	-	1,167	50,282	94	3,415	1,244	358,759	4,280	32,679	3,065,309
Disposals	(22,560)	-	(5,523)	(36,392)	(226)	(3,128)	(5,222)	(14,995)	-	(8)	(88,054)
Capitalizations	(1,424,507)	17,603	258,561	548,873	675	38,898	263,637	51,634	244,594	32	-
Depreciation and amortization	-	(6,824)	(165,079)	(552,804)	(2,451)	(120,513)	(197,960)	(739,075)	(67,022)	(82,014)	(1,933,742)
Reclassifications	(76,184)	-	(64,096)	(98,284)	54	1,543	(24,642)	278,885	21,544	(38,820)	-
Dismantling Asset	287,780	-	-	-	-	-	-	-	-	-	287,780
Other	(2,064)	503	13,894	6,297	(2,545)	5	(9)	(7,249)	-	8,825	17,657
Total movements	**1,375,854**	**11,282**	**38,924**	**(82,028)**	**(4,399)**	**(79,780)**	**37,048**	**(72,041)**	**203,396**	**(79,306)**	**1,348,950**
Final Balance 12/31/2016	6,266,471	144,415	2,407,183	5,402,658	13,150	807,067	2,089,866	2,538,209	3,407,706	900,536	23,977,261

Movements (in Thousands of US$)	Work in Progress	Land	Buildings	Plan and equipment	Fixtures and Fittings	Motor Vehicles	Land Improvements	Mining Operations	Mine Development	Other Assets	Total
Opening balance as 1/1/2015	4,468,987	125,699	2,445,734	5,860,944	17,189	902,279	1,842,579	2,765,774	2,442,089	1,033,087	21,904,361
Additions	3,037,635	1,006	4,056	31,662	2,661	-	3,137	720,072	-	28,183	3,828,412
Disposals	(388,881)	-	(718)	(73,752)	(25)	(1,354)	(99)	-	(3,331)	295	(467,865)
Capitalizations	(1,243,012)	12,085	138,102	557,259	793	80,355	308,908	121,832	3,522	20,156	-
Depreciation and amortization	-	-	(162,877)	(681,957)	(3,285)	(143,874)	(204,701)	(615,187)	(64,717)	(96,542)	(1,973,140)
Reclassifications	(738,778)	-	1,019	(45,236)	168	51,987	118,005	(249,180)	826,746	35,343	74
Dismantling Asset	(45,889)	-	(15,469)	(34,419)	-	(1)	(20,616)	-	-	-	(116,394)
Impairment	(200,864)	(4,236)	(44,228)	(106,941)	(64)	(2,477)	(11,634)	5,867	-	-	(364,577)
Other	1,419	(1,421)	2,640	(22,874)	112	(68)	17,239	(138,928)	1	(40,680)	(182,560)
Total movements	**421,630**	**7,434**	**(77,475)**	**(376,258)**	**360**	**(15,432)**	**210,239**	**(155,524)**	**762,221**	**(53,245)**	**723,950**
Final Balance 12/31/2015	4,890,617	133,133	2,368,259	5,484,686	17,549	886,847	2,052,818	2,610,250	3,204,310	979,842	22,628,311

c. The value of construction in progress, is directly associated with the operating activities of the Corporation, and relates to the acquisition of equipment and projects in construction.

d. The Corporation has contracted insurance policies to cover the potential risks to which the various elements of property, plant and equipment are subject, and any claims that could arise from their activities during the period, these policies provide adequate coverage of the potential risks.

e. Borrowing costs capitalized for the period ended December 31, 2016 amounted to ThUS$150,554 calculated on an annual capitalization rate of 3.95% and compared with the same period of 2015, this item reached ThUS$127,568 on an annual rate of 3.83% capitalization.

f. The costs of exploration and drilling of deposits are recognized in profit or loss in accordance with the accounting policy of Codelco and cash outflows disbursed by the same concepts that are presented in the following table:

Expenditure on exploration and drilling reservoirs	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Profit /(loss)	34,341	87,047
Cash outflows	26,533	52,431

g. The item "Other assets" under "Property, plant and equipment" includes:

Other assets, net	12-31-2016 ThUS$	12-31-2015 ThUS$
Leasing assets	98,695	96,534
Mining properties from the purchase of Anglo American Sur S.A. shares	402,000	402,000
Maintenances and other major reparations	285,144	340,303
Other assets Plan Calama	108,327	133,464
Others	6,370	7,541
Total other assets, net	900,536	979,842

h. With the exception of assets under lease whose legal title corresponds to the lessor, the Corporation currently has no ownership restrictions relating to assets belonging to Property, plant and equipment.

Codelco has not granted "Property, plant and equipment" assets as collateral to third parties in order to enable the realization of its normal business activities or as a commitment to support payment obligations.

i. According to the accounting policy indicated in note 2.i), related to impairment of Property Plant & Equipment and Intangible Assets, and as indicated in note Operating Segments, as of December 31, 2016, there were not impairment indicators neither reversals of impairment from prior periods, hence, the Corporation has not performed adjustment to the assets' value.

Regarding to the prior year, the Corporation recorded an impairment in the value of the assets of Ventanas and Salvador Divisions as of December 31, 2015 amounting to ThUS$54,047 and ThUS$310,530 before taxes, respectively.

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:

Item	Equity Method		Accrued Net Income	
	12-31-2016 ThUS$	12-31-2015 ThUS$	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Investments in associates accounted for using the equity method	3,753,974	3,977,786	(177,358)	(2,586,742)
Joint ventures	-	114,031	-	85,090
Total	3,753,974	4,091,817	(177,358)	(2,501,652)

a. Associates

Agua de la Falda S.A.

As of December 31, 2016, 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, 2016, 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, 2016, 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 mining deposits in order to extract, produce and process minerals.

Sociedad GNL Mejillones S.A.

As of December 31, 2016, 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 a 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.

On April 4, 2016, the Internal Revenue Service ("IRS") approved the end of operations of this company.

Inca de Oro S.A.

On June 1, 2009 Codelco's Board authorized the formation of a company destined to developing studies to allow continuity of the Inca de Oro Project.

On February 15, 2011, the association of Codelco and Minera PanAust IDO Ltda. was approved in respect to the Inca de Oro deposit, with 66% of the share of Inca de Oro S.A. held by Minera PanAust IDO Ltda. and Codelco maintains a 34% share. Before the materialization of this association, Codelco owned 100% of the company.

The financial effects from this operation generated a profit before income tax of ThUS$33,668 during the period ended December 31, 2011.

At December 30, 2014, in the Extraordinary meeting of the shareholders held on that date, it was agreed to increase the capital share of ThUS$102,010, reducing Codelco's participation to 33.19%.

At December 31, 2015, the Corporation has decreased the mining property valuations and exploration and evaluation expenditures, due to an impairment analysis of assets in accordance with IFRS.

As of December 31, 2016, Codelco holds a participation of 33.2% of shared capital.

Copper for Energy S.A.

On April 25, 2016, the IRS approved the end of operations of Copper for Energy S.A.

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 its participation in the total equity of the firm Planta Recuperadora de Metales SpA to a 51% interest. LS-Nikko Copper Inc. holds the remaining 49% of the equity.

On October 14, 2015, Codelco reduced its participation in the total equity of the firm Planta Recuperadora de Metales SpA to a 34% interest. LS-Nikko Copper Inc. holds the remaining 66% of the equity.

As of December 31, 2016, LS-Nikko Copper Inc. holds the control of the entity, which 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.

Deutsche Giessdraht GmbH

As of December 31, 2016, 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.

At December 31, 2016, 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 Inversiones Mineras Acrux SpA., these company is controlled by Codelco with a share interest of a 67.8% and holds a significant influence of 29.5% on Anglo American Sur S.A. through its affiliate Inversiones Mineras Becrux SpA.

The principal activities of the Company are the exploration, extraction, exploitation, production, processing and trading of minerals, concentrates, precipitates, copper bars and all metallic and non-metallic minerals, all fossil substances and liquid and gaseous hydrocarbons naturally presented. This includes the exploration, exploitation and use of all natural energy sources capable of industrial use and the products or by-products obtained, as well as any other related, connected or complementary activities in which the shareholders agree.

The following table demonstrates the equity value and accrued results of investments in associates:

Associates	Taxpayer Number	Funct. Currenc.	Equity Interest		Equity Method		Accrued Net Income	
			12-31-2016 %	12-31-2015 %	12-31-2016 ThUS$	12-31-2015 ThUS$	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Deutsche Geissdraht GmbH	Foreign	EUR	40.0%	40.0%	3,594	3,033	1,748	1,143
Agua de la Falda S.A.	96.801.450-1	US$	43.3%	43.3%	5,064	4,591	(270)	(357)
Sociedad Contractual Minera El Abra	96.701.340-4	US$	49.0%	49.0%	628,977	650,726	17,649	(3,595)
Minera Purén SCM	76.028.880-2	US$	35.0%	35.0%	10,091	10,192	(101)	4,014
Sociedad GNL Mejillones S.A.	76.775.710-7	US$	37.0%	37.0%	70,485	68,029	2,455	8,977
Inca de Oro S.A.	73.063.022-5	US$	33.2%	33.2%	12,937	23,097	(10,533)	-
Anglo American Sur S.A.	77.762.940-9	US$	29.5%	29.5%	3,011,836	3,214,570	(187,552)	(2,596,610)
Planta Recuperadora de Metales SpA	76.255.054-7	US$	34.0%	34.0%	10,990	3,548	(754)	(301)
Comotech S.A.	76.009.778-9	US$	-%	48,19%	-	-	-	(13)
TOTAL					3,753,974	3,977,786	(177,358)	(2,586,742)

In respect of investments in associates accounted for under the equity method, the following tables detail the assets and liabilities at December 31 2016 and 2015 and main movements and results for the periods ended December 31, 2016 and 2015.

Assets and liabilities	12-31-2016 ThUS$	12-31-2015 ThUS$
Current Assets	1,711,809	1,240,418
Non-current Assets	5,835,998	6,120,536
Current Liabilities	527,116	339,828
Non-current Liabilities	1,538,710	1,156,418

Net Income	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Revenue	2,239,048	2,965,080
Cost of sales	(2,525,338)	(3,140,367)
(Loss) profit for the period	(286,290)	(175,287)

Movements of Investment in Associates	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Opening balances	**3,977,786**	**6,665,113**
Contributions	9,499	481
Dividends	(67,959)	(91,797)
Net income for the period	(98,547)	(147,247)
Foreign exchange differences	(415)	-
Anglo American Sur S.A. Impairment	(78,811)	(2,439,495)
Other	12,421	(9,269)
Final balance	**3,753,974**	**3,977,786**

The following tables provide details of asset and liabilities of the significant associates at December 31, 2016 and 2015, and present the major movements and their results for the nine-month periods ended December 31, 2016 and 2015.

Anglo American Sur S.A.

Assets and liabilities	12-31-2016 ThUS$	12-31-2015 ThUS$
Current Assets	1,187,986	750,664
Non-current Assets	4,121,970	4,419,038
Current Liabilities	378,584	271,345
Non-current Liabilities	1,035,354	626,548

Net Income	12-31-2016 ThUS$	12-31-2015 ThUS$
Revenue	1,675,679	2,080,438
Cost of sales	(2,000,005)	(2,189,688)
Profit (loss) for the period	**(324,326)**	**(109,250)**

Sociedad Contractual Minera El Abra

Assets and liabilities	12-31-2016 ThUS$	12-31-2015 ThUS$
Current Assets	451,765	443,237
Non-current Assets	1,151,562	1,221,180
Current Liabilities	48,497	54,475
Non-current Liabilities	271,203	252,782

Net Income	12-31-2016 ThUS$	12-31-2015 ThUS$
Revenue	502,895	807,957
Cost of sales	(466,876)	(815,294)
Profit (loss) for the period	**36,019**	**(7,337)**

b. Joint ventures

On April 7, 2016, formalized the removal of its share in CuPIC, of which Codelco retained 50% ownership through the subsidiary Codelco International. Until that date, Codelco shared the ownership of the Company in the same proportion with the company Album Enterprises Limited (a subsidiary of Minmetals) as described in Note 30, b) of these financial statements.

Society Identification	Equity
Copper Partners Investment Company Limited	50%

Assets and liabilities	12-31-2016 ThUS$	12-31-2015 ThUS$
Current Assets	-	76,806
Non-current Assets	-	161,956
Current Liabilities	-	10,705
Non-current Liabilities	-	-

Net Income	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Revenue	-	306,160
Cost of sales	-	(135,981)
Profit (loss) for the period	-	170,179

Movements of the investment in joint ventures	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Opening balances	114,031	133,593
Reduction of share	(99,601)	-
Dividends	(14,430)	(104,650)
Profit (loss) for the period	-	85,090
Other	-	(2)
Final balance	**-**	**114,031**

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, 2016 corresponds to ThUS$0 (December 31, 2015: ThUS$14,283), an amount which represents deductions of investments in this entity.

Codelco carries out copper purchase and sales with Sociedad Contractual Minera El Abra. At December 31, 2016 and 2015, the value of finished products inventories category presents no unrealized gain provisions

Codelco carries out copper purchases and sales with Anglo American Sur S.A. At December 31, 2016, the value of finished products inventories category presents no unrealized gain provisions. At December 31, 2015, the company had a provision for unrealized gain of ThUS$161.

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, 2016 and 2015.

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.

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 was prepared by management using its best estimate 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 by applying the valorization criteria indicated above, the fair value of the net assets of Anglo American Sur S.A. was 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 at purchase date.

e. Additional information about impairment of investments accounted for using the equity method

As of December 31, 2015, the Corporation identified the existence of impairment indicators in the operating units of Anglo American Sur S.A. According to this, and with the purpose of performing the corresponding adjustments for the reasonable recognizing of its participation in the profit or loss of the period for this associate, the Corporation performed a calculation for the recoverable amount, by considering the additional value of the identified assets at the date of acquisition of the investment.

With the purpose of determining the recoverable amount, the Corporation applied the methodology of fair value less disposal costs. The recoverable amount of the operating assets was determined according to the LOM indicator, which is based on a discounted cash flow model, mainly affected by the ore reserves declared by the associate, the copper price, the supply costs, foreign exchange rates, discount rates and the market information for the long-term assets valuation. The discount rate used for this calculation was 8% for the year, after taxes.

Furthermore, the resources which are not included in the LOM, as well as the potential resources to explore, have been valued using a market model of multiples for comparable transactions.

Such methodologies are in line with the one used at the acquisition date, which is detailed in letter d) of this note.

As a result of such calculation for the recoverable amount, the Corporation recognized an impairment of ThUS$2,439,495 over the associate identified assets, which are disclosed in the line "Share of profit of associates and joint ventures accounted for using the equity method" of the Consolidated Statements of Comprehensive Income for the period ended December 2015. Such loss by impairment is mainly due to the drop in copper prices during the year 2015. As of December 31, 2016, there are no impairment indicators; hence, the administration has not performed any adjustment to the assets carrying value.

After recognition of the share of profit of associates, according to the details above, there is no evidence requiring further impairments on the recoverable amount of the investment held in Anglo American Sur S.A.

As of December 31, 2016, the parent company of Anglo American Sur S.A. performed a review of the discounted cash flow model of its Cash Generating Units (CGU), determining an impairment of assets of the El Soldado CGU due to the uncertainty in the Operations Plan approval presented to SERNAGEOMIN, which raises questions about the generation of future economic benefits to support the value of the assets related to said CGU.

According to the above mentioned, and with the purpose of making the accurate adjustments in the recognition of its participation over the Society's profit or loss for the period, the Corporation performed a calculation of the recoverable amount taking into account the additional value for the identified assets at acquisition date for the investment related to El Soldado operations.

As a result of such calculation for the recoverable amount, the Corporation recognized an impairment of ThUS$78,811 over the identified assets related to El Soldado operations, which are disclosed in the line "Share of profit of associates and joint ventures accounted for using the equity method" of the Consolidated Statements of Comprehensive Income for the period ended December 2016.

f. Participation in the profit or loss of the period

The proportion of the loss corresponding to Anglo American Sur S.A. investment during the period ended December 31, 2016, amounts to ThUS$(95,676). In addition to that, the Corporation has recorded an impairment over the investment that resulted adjusting the net assets and the depreciation at acquisition date by ThUS$(91,876). This amount has been decreased from the line item "Share of loss of associates and joint ventures accounted under the equity method" in the Consolidated Statements of Comprehensive Income.

9. Intangible assets other than goodwill

As of December 31, 2016 and 2015, the intangible assets other than goodwill are described as follows:

a. This item is composed as follows:

Item	12-31-2016 ThUS$	12-31-2015 ThUS$
Intangible Assets with finite useful life, net	14,314	13,699
Intangible assets with indefinite useful life	182,583	172,383
Total	196,897	186,082

b. Balances:

Item	12-31-2016 Gross ThUS$	Accumulated Amortization ThUS$	Net MUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,959	-	7,959
Software	2,984	(1,079)	1,905
Technological development and innovation	174,624	-	174,624
Other	12,874	(493)	12,381
Total	198,469	(1,572)	196,897

Item	12-31-2015 Gross MUS$	Accumulated Amortization ThUS$	Net ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,959	-	7,959
Software	2,349	(1,056)	1,293
Technological development and innovation	164,424	-	164,424
Other	12,824	(446)	12,378
Total	187,584	(1,502)	186,082

c. Movements:

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development & innovation	Other	Total
Opening balance 1/1/2016	28	7,959	1,293	164,424	12,378	186,082
Additions	-	-	212	10,200	1,061	11,473
Amortization	-	-	(358)	-	(352)	(710)
Reclassifications	-	-	515	-	(515)	-
Other	-	-	243	-	(191)	52
Total Movements	-	-	612	10,200	3	10,815
Final Balance 12/31/2016	28	7,959	1,905	174,624	12,381	196,897

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development & innovation	Other	Total
Opening balance 1/1//2015	28	5,715	713	148,656	11,950	167,062
Additions	-	2,244	1,019	15,768	718	19,749
Disposals	-	-	(67)	-	(61)	(128)
Amortization	-	-	(329)	-	(350)	(679)
Other	-	-	(43)	-	121	78
Total Movements	-	2,244	580	15,768	428	19,020
Final Balance 12/31/2015	28	7,959	1,293	164,424	12,378	186,082

d. Additional Information

- As of December 31, 2016 and 2015, the Corporation owns significant intangible assets which amount to ThUS$174,624 and ThUS$164,424, respectively, related to the Continuous Mining Projects.
- As of December 31, 2016 and 2015, there are no completely amortized intangible assets that are being used in the operations.
- As of December 31, 2016 and 2015, expenses for research and technological development and innovation amounted to ThUS$7,473 and ThUS$23,872, respectively. On the other hand, research disbursements reached ThUS$11,317 and ThUS$11,793 as of December 31, 2016 and 2015, respectively.

10. Subsidiaries

The following tables present a detail of the assets, liabilities and results of the Corporation's subsidiaries, prior to consolidation adjustments:

Assets and liabilities	12-31-2016 ThUS$	12-31-2015 ThUS$
Current Assets	489,259	503,468
Non-current Assets	3,812,342	3,970,939
Current Liabilities	383,060	364,030
Non-current Liabilities	1,306,171	1,268,184

Net Income	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Revenue	1,542,901	(678,343)
Cost of sales	(1,786,958)	(1,905,224)
Profit (loss) for the period	(244,057)	(2,583,567)

11. Other non-current non-financial assets

Other non-current non-financial assets included in the consolidated statement of financial position as of December 31, 2016 and 2015 is detailed as follows:

Other non-current non-financial assets	12-31-2016 ThUS$	12-31-2015 ThUS$
Law No.13.196 Asset (1)	8,099	19,866
Others	240,104	8,042
Total	248,203	27,908

(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 CuPIC. This amount will be amortized according to the shipments made.

12. Current and non-current financial assets

Current and non-current financial assets included in the statement of financial position are detailed as follows:

	12-31-2016				
Classification in the statement of financial position	At fair value though profit and loss ThUS$	Loans and receivables ThUS$	Hedging derivatives ThUS$	Available for sale ThUS$	Total financial assets ThUS$
Cash and cash equivalents	1,497	575,229	-	-	576,726
Trade and other current receivables	95,971	2,158,760	-	-	2,254,731
Accounts receivables, non – current	-	95,316	-	-	95,316
A/R due from related companies, current	-	13,669	-	-	13,669
A/R due from related companies, non – current	-	21,713	-	-	21,713
Other current financial assets	-	2,391	7,470	-	9,861
Other non - current financial assets	-	6,550	64,035	-	70,585
TOTAL	97,468	2,873,628	71,505	-	3,042,601

	12-31-2015				
Classification in the statement of financial position	At fair value though profit and loss ThUS$	Loans and receivables ThUS$	Hedging derivatives ThUS$	Available for sale ThUS$	Total financial assets ThUS$
Cash and cash equivalents	-	1,747,718	-	-	1,747,718
Trade and other current receivables	(66,977)	1,943,840	-	-	1,876,863
Accounts receivables, non – current	-	85,069	-	-	85,069
A/R due from related companies, current	-	21,057	-	-	21,057
A/R due from related companies, non – current	-	224	-	-	224
Other current financial assets	-	7,425	2,777	-	10,202
Other non - current financial assets	-	5,526	30,765	-	36,291
TOTAL	(66,977)	3,810,858	33,542	-	3,777,423

- Financial assets designated at fair value through profit or loss: At December 31, 2016, 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: These correspond to the receivable balances for derivative contracts from the exposure generated by existing operations and which affect the period's profit and loss from the liquidation of these operations. The details of derivative transactions are included in Note 29.

- 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 "Financial Instruments: recognition and measurement".

13. Interest-bearing borrowings

Current and non-current interest-bearing borrowings correspond to Borrowings from financial institutions, Bond obligations and Finance leases, which are recorded by the Corporation at amortized cost using the effective interest rate method.

The tables below show the composition of the other financial liabilities, current and non-current.

Items	12-31-2016					
	Current			Non-current		
	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial entities	166,294	-	166,294	2,988,447	-	2,988,447
Bonds	150,563	-	150,563	11,608,257	-	11,608,257
Financial Lease	23,683	-	23,683	100,808	-	100,808
Hedge obligations	-	10,155	10,155	-	161,619	161,619
Other financial liabilities	1,915	-	1,915	72,338	-	72,338
Total	342,455	10,155	352,610	14,769,850	161,619	14,931,469

Items	12-31-2015					
	Current			Non-current		
	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial entities	995,891	0	995,891	2,511,654	0	2,511,654
Bonds	146,923	0	146,923	11,176,610	0	11,176,610
Financial Lease	19,173	0	19,173	99,401	0	99,401
Hedge obligations	0	107	107	0	162,437	162,437
Other financial liabilities	4,116	0	4,116	76,829	0	76,829
Total	**1,166,103**	**107**	**1,166,210**	**13,864,494**	**162,437**	**14,026,931**

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 established a fixed rate of 3.25% per annum and a duration of 20 years, to be payable in 40 semi-annual quotas of principal and interest. Under previous agreements, Mitsui is entitled to additional interest equivalent to one-third of the savings that result to Gacrux from the difference between refinanced credit and the Credit Agreement originally signed. Furthermore, Mitsui (through a subsidiary) held an option to purchase from Gacrux an additional 15.25% of the shares issued by the company Inversiones Mineras Acrux SpA ("Acrux"), at a fixed price of approximately US$998 million, to be used in full to prepay Gacrux's debt under the Credit Agreement.

Subsequently, on November 26, 2012, Mitsui materialized the purchase of additional 15.25% share interest in Acrux, so Codelco reduced its debt with Mitsui.

On November 26, 2016, agreed to funding from Oriente Copper Netherlands BV, with the purpose of renegotiate semi-annual installment. The terms established an annual rate of Libor +2.5% and a 5 years maturity to be payable in one installment at maturity date with semi-annual payment of interest. At December 31, 2016, the loan presents a balance of ThUS$739,440.

- **Bond obligations:**

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF 6,900,000 in a single series denominated Series B, which consists of 6,900 bonds for UF 1,000 each. These bonds are payable in a single installment on April 1, 2025, 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 semiannually.

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 and 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.

On September 16, 2015, the Corporation issued and placed bonds in the U.S. market, under rule 144-A and Regulation S, for a nominal amount of ThUS$2,000,000, which will mature in a single installment on September 16, 2025, with a coupon of 4.5% per annum with interest paid semiannually.

On August 24, 2016, the Corporation issued and placed bonds in the local market for a nominal amount of UF10,000,000 in only one series named as Series C, which is composed by 20,000 tittles of UF500 each one. These bonds will mature in a single installment on August 24, 2026, with a coupon of 2.5% per annum with interest paid semiannually.

As of December 31, 2016 and 2015 the Corporation is not required to comply with any financial covenant related to borrowings from financial institutions and bond obligations.

- 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, 2016, the details of loans from financial institutions and bond obligations are as follows:

12-31-2016													
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	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	9/30/2021	Floating	US$	250,000,000	Maturity	Quarterly	1.63%	1.70%	884	249,373
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2021	Floating	US$	300,000,000	Maturity	Quarterly	1.50%	1.66%	730	298,130
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	9/16/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.58%	1.83%	211	298,900
Foreign	USA	Bilateral Credit	Bank of America N.A.	10/11/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.53%	1.75%	1,006	298,905
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	7/19/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.51%	1.62%	979	299,657
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.51%	1.60%	854	299,529
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	6/5/2019	Floating	US$	95,000,000	Maturity	Quarterly	1.57%	1.81%	95	94,496
Foreign	USA	Bilateral Credit	Export Dev Canada	6/16/2019	Floating	US$	300,000,000	Maturity	Quarterly	1.50%	1.58%	1,010	299,287
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd	5/24/2019	Floating	US$	96,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	1.83%	2.23%	24,110	35,695
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US$	224,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	1.73%	1.91%	32,304	143,227
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2032	Fixed	US$	874,959,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	3.25%	5.37%	67,754	643,142
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2021	Fixed	US$	23,946,863	Semi-annual principal installments at maturity.	Semi-annual	3.79%	4.02%	915	27,629
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	EUR				1.24%	1.24%	30,097	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	EUR				1.22%	1.22%	3,723	-
			Other									1,622	477
TOTAL												166,294	2,988,447

Taxpayer number	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	Luxemburgo	1/15/2019	Fixed	US$	600,000,000	Maturity	Semi-annual	7.50%	7.79%	20,788	
144-A REG.S	Luxemburgo	11/4/2020	Fixed	US$	1,000,000,000	Maturity	Semi-annual	3.75%	3.98%	5,905	ThUS$
144-A REG.S	Luxemburgo	11/4/2021	Fixed	US$	1,150,000,000	Maturity	Semi-annual	3.88%	4.07%	7,386	1,140,413
144-A REG.S	Luxemburgo	7/17/2022	Fixed	US$	1,250,000,000	Maturity	Semi-annual	3.00%	3.17%	17,221	1,239,279
144-A REG.S	Luxemburgo	8/13/2023	Fixed	US$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	12,840	739,645
144-A REG.S	Luxemburgo	7/9/2024	Fixed	EUR	600,000,000	Maturity	Anual	2.25%	2.48%	6,729	622,361
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	2,773	286,431
144-A REG.S	Luxemburgo	9/16/2025	Fixed	US$	2,000,000,000	Maturity	Semi-annual	4.50%	4.78%	26,353	1,961,203
BCODE-C	Chile	8/24/2026	Fixed	U.F.	10,000,000	Maturity	Semi-annual	2.50%	2.48%	3,474	417,595
144-A REG.S	Luxemburgo	9/21/2035	Fixed	US$	500,000,000	Maturity	Semi-annual	5.63%	5.78%	7,925	491,260
144-A REG.S	Luxemburgo	10/24/2036	Fixed	US$	500,000,000	Maturity	Semi-annual	6.15%	6.22%	5,998	496,222
144-A REG.S	Luxemburgo	7/17/2042	Fixed	US$	750,000,000	Maturity	Semi-annual	4.25%	4.41%	14,638	732,251
144-A REG.S	Luxemburgo	10/18/2043	Fixed	US$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	11,010	932,674
144-A REG.S	Luxemburgo	11/4/2044	Fixed	US$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	7,523	960,360
TOTAL										150,563	11,608,257

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

As of December 31, 2015, the details of loans from financial institutions and bond obligations are as follows:

12-31-2015														
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	Bilateral Credit	Mizuho Corporate Bank Ltd	10/13/2016	Floating	US$	100,000,000	Maturity	Quarterly	0.92%	1.20%	99,995	-
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	10/14/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.82%	1.13%	249,855	-
Foreign	USA	Bilateral Credit	HSBC Bank USA. N.A.	10/11/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.92%	1.23%	249,959	-
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.82%	1.25%	249,702	-
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	9/16/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.13%	1.37%	151	298,267
Foreign	USA	Bilateral Credit	Bank of America N.A.	10/11/2018	Floating	US$	300,000,000	Maturity	Quarterly	0.97%	1.18%	638	298,375
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	7/17/2018	Floating	US$	300,000,000	Maturity	Quarterly	0.94%	1.04%	597	299,357
Foreign	USA	Bilateral Credit	Export Dev Canada	7/20/2018	Floating	US$	300,000,000	Maturity	Quarterly	0.94%	1.04%	520	299,309
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	6/5/2019	Floating	US$	95,000,000	Maturity	Quarterly	1.10%	1.33%	64	94,300
Foreign	USA	Bilateral Credit	Export Dev Canada	6/16/2019	Floating	US$	300,000,000	Maturity	Quarterly	0.94%	1.03%	657	299,055
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd	5/24/2019	Floating	US$	96,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	1.17%	1.55%	24,101	59,429
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US$	224,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	1.07%	1.24%	32,228	174,939
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2032	Fixed	US$	874,959,000	Semi-annual principal installments at maturity.	Semi-annual	3.25%	5.37%	63,773	686,999
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	EUR				1.24%	1.24%	12,921	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	EUR				1.22%	1.22%	9,025	-
			Other									1,705	1,625
TOTAL												995,891	2,511,654

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	Luxembourg	1/15/2019	Fixed	US$	600,000,000	Maturity	Semi-annual	7.50%	7.79%	20,788	595,412
144-A REG.S	Luxembourg	11/4/2020	Fixed	US$	1,000,000,000	Maturity	Semi-annual	3.75%	3.98%	5,943	989,806
144-A REG.S	Luxembourg	11/4/2021	Fixed	US$	1,150,000,000	Maturity	Semi-annual	3.88%	4.07%	7,345	1,138,652
144-A REG.S	Luxembourg	7/17/2022	Fixed	US$	1,250,000,000	Maturity	Semi-annual	3.00%	3.16%	17,221	1,237,442
144-A REG.S	Luxembourg	8/13/2023	Fixed	US$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	12,840	738,341
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	2,518	264,658
144-A REG.S	Luxembourg	9/16/2025	Fixed	US$	2,000,000,000	Maturity	Semi-annual	4.50%	4.77%	26,311	1,957,617
144-A REG.S	Luxembourg	9/21/2035	Fixed	US$	500,000,000	Maturity	Semi-annual	5.63%	5.78%	7,881	491,006
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	Maturity	Semi-annual	6.15%	6.22%	5,965	496,127
144-A REG.S	Luxembourg	7/17/2042	Fixed	US$	750,000,000	Maturity	Semi-annual	4.25%	4.40%	14,638	731,865
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	10,950	932,407
144-A REG.S	Luxembourg	11/4/2044	Fixed	US$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	7,481	960,040
144-A REG.S	Luxembourg	7/9/2024	Fixed	EUR	600,000,000	Maturity	Annual	2.25%	2.48%	7,042	643,237
TOTAL										146,923	11,176,610

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

The undiscounted amounts due to the Corporation maintained with financial institutions, is as follows:

12-31-2016					Current			Non-current			
Debtor's Name	Currency	Effective Interest Rate	Nominal Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Bank of Tokyo Mitsubishi Ltd.	US$	1.70%	1.63%	Quarterly	2,062	2,073	4,135	8,269	258,122	-	266,391
Export Dev Canada	US$	1.66%	1.50%	Quarterly	1,151	3,415	4,566	9,131	309,143	-	318,274
Mizuho Corporate Bank Ltd.	US$	1.83%	1.58%	Quarterly	1,188	3,629	4,817	303,629	-	-	303,629
Bank of America N.A.	US$	1.75%	1.53%	Quarterly	1,011	3,475	4,486	305,792	-	-	305,792
Bank of Tokyo Mitsubishi Ltd.	US$	1.62%	1.51%	Quarterly	-	3,426	3,426	304,644	-	-	304,644
Export Dev Canada	US$	1.60%	1.51%	Quarterly	1,155	3,428	4,583	303,327	-	-	303,327
Mizuho Corporate Bank Ltd	US$	1.81%	1.57%	Quarterly	373	1,140	1,513	97,255	-	-	97,255
Export Dev Canada	US$	1.58%	1.50%	Quarterly	2,244	3,428	5,672	306,533	-	-	306,533
Bank of Tokyo-Mitsubishi Ltd.	US$	2.23%	1.83%	Semi-annual	-	25,001	25,001	36,666	-	-	36,666
Japan Bank International Cooperation	US$	1.91%	1.73%	Semi-annual	-	34,937	34,937	68,207	65,966	16,139	150,312
BONO 144-A REG. 2019	US$	7.79%	7.50%	Semi-annual	22,500	22,500	45,000	667,500	-	-	667,500
BONO 144-A REG. 2020	US$	3.98%	3.75%	Semi-annual	-	37,500	37,500	75,000	1,037,500	-	1,112,500
BONO 144-A REG. 2021	US$	4.07%	3.88%	Semi-annual	-	44,563	44,563	89,125	1,239,125	-	1,328,250
BONO 144-A REG. 2022	US$	3.17%	3.00%	Semi-annual	18,750	18,750	37,500	75,000	75,000	1,287,500	1,437,500
BONO 144-A REG. 2023	US$	4.75%	4.50%	Semi-annual	16,875	16,875	33,750	67,500	67,500	817,500	952,500
BONO 144-A REG. 2025	US$	4.78%	4.50%	Semi-annual	45,000	90,000	135,000	180,000	180,000	2,360,000	2,720,000
BONO 144-A REG. 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	893,750	1,006,250
BONO 144-A REG. 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	961,250	1,084,250
BONO 144-A REG. 2042	US$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,419,375	1,546,875
BONO 144-A REG. 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,125,625	2,339,375
BONO 144-A REG. 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	2,078,825	2,269,925
Oriente Copper Netherlands B.V.	US$	5.37%	3.25%	Semi-annual	-	75,588	75,588	146,852	141,137	672,960	960,949
Oriente Copper Netherlands B.V.	US$	4.02%	3.79%	Semi-annual	-	915	915	1,840	25,789	-	27,629
				Total ThUS$	142,310	552,607	694,917	3,430,195	3,783,207	12,632,924	19,846,326
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,866,000	8,970,000
BONO BCODE-C 2026	U.F.	2.19%	2.50%	Semestral	124,228	124,228	248,457	496,913	496,913	11,242,284	12,236,111
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	19,108,284	21,206,111
				Subtotal ThUS$	10,320	10,320	20,641	41,282	41,282	752,035	834,598
BONO 144-A REG. 2024	EUR	2.48%	2.25%	Annual	-	13,500,000	13,500,000	27,000,000	27,000,000	640,500,000	694,500,000
				Total EUR	-	13,500,000	13,500,000	27,000,000	27,000,000	640,500,000	694,500,000
				Subtotal ThUS$	-	14,229	14,229	28,457	28,457	675,067	731,981
				Total ThUS$	152,630	577,156	729,786	3,499,934	3,852,946	14,060,025	21,412,905

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

12-31-2015					Current			Non-current			
Debtor's Name	Currency	Effective Interest Rate	Nominal Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Mizuho Corporate Bank Ltd	US$	1.20%	0.92%	Quarterly	467	100,467	100,934	-	-	-	-
Bank of Tokyo Mitsubishi Ltd.	US$	1.13%	0.82%	Quarterly	524	251,561	252,085	-	-	-	-
HSBC Bank USA. N.A.	US$	1.23%	0.92%	Quarterly	1,180	251,167	252,347	-	-	-	-
Export Dev Canada	US$	1.25%	0.82%	Quarterly	526	250,973	251,499	-	-	-	-
Mizuho Corporate Bank Ltd.	US$	1.37%	1.13%	Quarterly	858	2,594	3,452	306,028	-	-	306,028
Bank of America N.A.	US$	1.18%	0.97%	Quarterly	1,479	1,479	2,958	305,898	-	-	305,898
Bank of Tokyo Mitsubishi Ltd.	US$	1.04%	0.94%	Quarterly	714	2,151	2,865	305,016	-	-	305,016
Export Dev Canada	US$	1.04%	0.94%	Quarterly	724	2,158	2,882	304,992	-	-	304,992
Mizuho Corporate Bank Ltd	US$	1.33%	1.10%	Quarterly	261	796	1,057	1,850	95,527	-	97,377
Export Dev Canada	US$	1.03%	0.94%	Quarterly	1,430	2,150	3,580	4,987	301,962	-	306,949
Bank of Tokyo-Mitsubishi Ltd.	US$	1.55%	1.17%	Semi-annual	-	24,926	24,926	48,994	12,071	-	61,065
Japan Bank International Cooperation	US$	1.24%	1.07%	Semi-annual	-	34,172	34,172	67,292	65,908	48,519	181,719
ORIENTE COPPER NETHERLANDS B.V	US$	3.60%	5.37%	Semi-annual	39,161	38,663	77,824	151,188	145,474	778,309	1,074,971
BOND 144-A REG. 2019	US$	7.79%	7.50%	Semi-annual	22,500	22,500	45,000	90,000	622,500	-	712,500
BOND 144-A REG. 2020	US$	3.98%	3.75%	Semi-annual	-	37,500	37,500	75,000	1,075,000	-	1,150,000
BOND 144-A REG. 2021	US$	4.07%	3.88%	Semi-annual	-	44,563	44,563	89,125	89,125	1,194,563	1,372,813
BOND 144-A REG. 2022	US$	3.16%	3.00%	Semi-annual	18,750	18,750	37,500	75,000	75,000	1,325,000	1,475,000
BOND 144-A REG. 2023	US$	4.75%	4.50%	Semi-annual	16,875	16,875	33,750	67,500	67,500	851,250	986,250
BOND 144-A REG. 2025	US$	4.77%	4.50%	Semi-annual	45,000	45,000	90,000	180,000	180,000	2,450,000	2,810,000
BOND 144-A REG. 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	921,875	1,034,375
BOND 144-A REG. 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	992,000	1,115,000
BOND 144-A REG. 2042	US$	4.40%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,451,250	1,578,750
BOND 144-A REG. 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,179,063	2,392,813
BOND 144-A REG. 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	2,126,600	2,317,700
				Total ThUS$	180,450	1,310,409	1,490,859	2,456,795	3,113,992	14,318,429	19,889,216
BOND BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	8,142,000	9,246,000
				Total U.F.	138,000	138,000	276,000	552,000	552,000	8,142,000	9,246,000
				Subtotal ThUS$	4,980	4,980	9,961	19,921	19,921	293,838	333,681
BOND 144-A REG. 2024	EUR	2.48%	2.25%	Annual	-	13,500,000	13,500,000	27,000,000	27,000,000	654,000,000	708,000,000
				Total EUR	-	13,500,000	13,500,000	27,000,000	27,000,000	654,000,000	708,000,000
				Subtotal ThUS$	-	14,725	14,725	29,450	29,450	713,353	772,254
				Total ThUS$	185,430	1,330,114	1,515,545	2,506,167	3,163,364	15,325,620	20,995,151

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	12-31-2016			12-31-2015		
	Gross ThUS$	Interest ThUS$	Net ThUS$	Gross ThUS$	Interest ThUS$	Net ThUS$
Less than 90 days	10,907	(2,497)	8,410	10,025	(2,434)	7,591
Between 90 days and 1 year	22,535	(7,262)	15,273	19,117	(7,535)	11,582
Between 1 and 2 years	32,335	(10,047)	22,288	28,319	(10,386)	17,933
Between 2 and 3 years	24,697	(8,574)	16,123	23,131	(9,259)	13,872
Between 3 and 4 years	32,388	(9,458)	22,930	40,157	(13,178)	26,979
Between 4 and 5 years	7,710	(1,856)	5,854	11,191	(3,197)	7,994
More than 5 years	42,706	(9,093)	33,613	37,883	(5,260)	32,623
Total	173,278	(48,787)	124,491	169,823	(51,249)	118,574

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	12-31-2016 ThUS$	12-31-2015 ThUS$
Less than one year	591,697	1,114,212
Between one and five years	440,030	620,318
More than five years	32,823	268,864
TOTAL	1,064,550	2,003,394

Rental fees recognized in the Statement of Comprehensive Income	12-31-2016 ThUS$	12-31-2015 ThUS$
Minimum payments for operating leases	230,463	181,876

14. 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 financial liabilities, the following table shows a comparison at December 31, 2016 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 As of December 31, 2016	Accounting treatment for valuation	Book value ThUS$	Fair value ThUS$
Financial Liabilities: Bond Obligations	Amortized cost	11,758,820	12,199,472

15. Fair value hierarchy

The estimated market value for the Corporation's portfolio of financial instruments is based on calculations of observable inputs. Each of these methodologies has been analyzed to determine to which of the following levels the instruments can be classified:

- 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 as of December 31, 2016:

Financial assets and liabilities at fair value with effect in profit and loss statement	12-31-2016			
	Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$	Total ThUS$
Financial Assets				
Provisional price sales contracts	-	95,971	-	95,971
Cross Currency Swap	-	63,782	-	63,782
Mutual funds installment	1,497	-	-	1,497
Metals futures	7,724	-	-	7,724
Financial Liabilities				
Metals Futures	112	-	-	112
Cross Currency Swap		148,972		148,972

No transfers between different levels of hierarchy of fair value were performed for the reporting period.

16. Trade and other payables

Other short-term accrued expenses and provisions as of the indicated dates are detailed as follows:

Items	Current Liabilities	
	12-31-2016 ThUS$	12-31-2015 ThUS$
Trade payables	983,320	1,103,310
Payables to employees	31,624	20,299
Withholdings	76,615	77,088
Tax withholdings	41,364	26,240
Other payables	75,203	79,778
Total	**1,208,126**	**1,306,715**

17. Other provisions

Other short-term accrued expenses and provisions as of the indicated dates are detailed as follows:

Otras provisiones	Current		Non-current	
	12-31-2016 ThUS$	12-31-2015 ThUS$	12-31-2016 ThUS$	12-31-2015 ThUS$
Trade (1)	14,174	14,038	-	-
Operating (2)	102,270	327,181	-	-
Law No. 13.196	99,014	171,530	-	-
Sundry	74,076	9,946	17,176	10,913
Onerous Contract (6)	468	-	1,600	-
Closure, decommissioning and restoration (3)	-	-	1,544,823	1,140,080
Contingencies	-	-	29,013	25,194
Total	**290,002**	**522,695**	**1,592,612**	**1,176,187**

Accrual for employee benefits	Current		Non-current	
	12-31-2016 ThUS$	12-31-2015 ThUS$	12-31-2016 ThUS$	12-31-2015 ThUS$
Employees' collective bargaining agreements	205,931	206,869	-	-
Employee termination benefit	29,521	37,131	748,185	700,882
Bonus	20,237	1,121	-	-
Vacation	157,634	136,933	-	-
Medical care programs (4)	408	922	537,829	457,067
Retirement plans (5)	8,233	47,725	14,415	62,504
Other	17,621	15,511	8,442	7,774
Total	**439,585**	**446,212**	**1,308,871**	**1,228,227**

(1) Corresponds to a sales-related accruals, which includes charges for freight, loading, and unloading that were not invoiced at the end of the period.
(2) Corresponds to a provision for customs duties, freight on purchases, electricity, among others.
(3) Corresponds to future asset retirement provision costs primarily related to tailing dams, closures of mine operations and other assets. The value is calculated in present value before tax discounted of 2.01% in Chilean pesos, and reflects the corresponding assessments of the time value of money, according to the current market trends. 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 effect for personnel retirement.
(6) Corresponds to an accrual for onerous contract with CuPIC (see Note 30).

Movements of Other provisions were as follows:

Movements	01-01-2016 12-31-2016			
	Other Provisions, non-current ThUS$	Provision for mine closure ThUS$	Contingencies ThUS$	Total ThUS$
Opening balance	**10,913**	**1,140,080**	**25,194**	**1,176,187**
Onerous contract provision	4,670	-	-	4,670
ARO provision adjustment	-	287,780		287,780
Financial expenses	-	28,781	-	28,781
Payment of liabilities	(22)	(4,980)	(4,977)	(9,979)
Exchage differences	(1,169)	96,462	2,455	97,748
Onerous contract, shift to current	(3,071)	-	-	(3,071)
Other variations	7,455	(3,300)	6,341	10,496
Final Balance	**18,776**	**1,544,823**	**29,013**	**1,592,612**

18. 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, and is intended to cover the payment obligations that the Corporation has contracted with its employees, according to contracts or collective bargaining agreements and 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 includes 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 2016, there were no significant changes in post-employment benefits plans.

Actuarial assumptions for calculating the employee termination benefit accrual are as follows:

Assumptions	12-31-2016		12-31-2015	
	Retirement plan	Health plan	Retirement plan	Health plan
Annual Discount Rate	4.24%	4.66%	4.66%	5.11%
Voluntary Annual Turnover Rate for Retirement (Men)	3.90%	3.90%	4.24%	4.24%
Voluntary Annual Turnover Rate for Retirement (Women)	4.30%	4.30%	3.44%	3.44%
Salary Increase (real annual average)	3.41%	3.41%	3.72%	3.72%
Future Rate of Long-Term Inflation	3.00%	3.00%	3.00%	3.00%
Inflation Health Care	5.05%	5.05%	5.05%	5.05%
Mortality tables used for projections	CB14-RV14	CB14-RV14	CB14-RV14	CB14-RV14
Average duration of future cash flows (years)	7.27	17.84	7.02	18.50
Expected Retirement Age (Men)	60	60	60	60
Expected Retirement Age (Women)	59	59	59	59

The discount rates correspond to the price in the secondary market of government bonds issued by 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 by reviewing the historical salaries paid by the Corporation. The mortality tables used for the actuarial calculations correspond to numbers issued by the SVS, and these are used because they are an appropriate representation of the Chilean market and given the lack of comparable statistical series to develop independent studies. Financial liabilities term corresponds to average maturity of payment flows of the respective defined benefit.

Reconciliation of post-employment benefit and other long term benefits provision:

Movements	01-01-2016 12-31-2016		01-01-2015 12-31-2015	
	Retirement plan ThUS$	Health plan ThUS$	Retirement plan ThUS$	Health plan ThUS$
Opening balance	**738,013**	**457,989**	**805,881**	**493,082**
Service cost	68,499	32,735	78,193	1,047
Financial cost	11,882	9,389	12,894	8,432
Paid contributions	(92,335)	(44,704)	(86,021)	(36,850)
Actuarial (gains)/losses	12,339	54,586	44,289	34,878
Transfers from other benefits	-	2,910	-	7,780
Subtotal	738,398	512,905	855,236	508,369
(Gains)/Losses on foreign exchange rate	39,308	25,332	(117,223)	(50,380)
Final Total	**777,706**	**538,237**	**738,013**	**457,989**

It has been performed a technical revaluation of the liability for severance benefits for years of service, with a net effect of ThUS$12,339 as of December 31, 2016, affecting equity, which is comprised by an actuarial loss of ThUS$468 corresponding to changes in demographic assumptions, a loss of ThUS$3,144 due to a reassessment of financing assumptions and an experience loss of ThUS$8,728.

Similarly to this last case, respect to the obligations raised by the health plans, it has been determined an actuarial loss for ThUS$54,586, comprised by a gain of ThUS$16 due to changes in demographic assumptions, a loss in financing assumptions of ThUS$72,764 and a gain corresponding to an adjustment for experience of ThUS$18,162.

The balance at December 31, 2016 comprises a portion of ThUS$29,521 and ThUS$408 in the short term, corresponding to compensation for years of service and Health Plans respectively. At December 31, 2017, a balance of ThUS$853,362 has been projected for the provision of compensation and ThUS$508,205 for health benefits. The cash outflows related to employee benefits for the next twelve months reach to an expected average monthly payment of ThUS$2,460 for severance and of ThUS$34 for health benefits.

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	3.540%	4.540%	5.540%	5.35%	-4.71%
Financial effect on the real increase in income	3.221%	3.721%	4.221%	-2.18%	2.31%
Demographic effect of job rotations	3.440%	3.940%	4.440%	1.42%	-1.47%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	-0.05%	0.05%

Health Benefits and Other	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.864%	4.864%	5.864%	15.19%	-11.93%
Financial effect on health inflation	4.550%	5.050%	5.550%	-5.55%	6.79%
Demographic effect, planned retirement age	58 / 57	60 / 59	62 / 61	3.71%	-3.70%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	-9.80%	6.40%

b. Provision for termination benefits

The Corporation under its operational optimization programs seeks to reduce costs and increase 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, 2016 and 2015, a current balance is presented by these obligations of ThUS$8,233 and ThUS$47,725 respectively, while non-current balance represents ThUS$14,415 and ThUS$62,504 respectively, the latter of which is associated with the provision related to the term of the collective bargaining process that the Administration negotiated with Codelco Chuquicamata during the month of December 2012 with union workers of 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, 2016 and 2015.

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	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Benefits - Short term	1,573,004	1,684,043
Benefits - Post employment	32,735	1,047
Benefits - Termination	13,914	59,963
Benefits by years of service	68,499	78,193
Total	1,688,152	1,823,246

19. Net equity

In accordance with article 6 of Decree Law 1.350 of 1976, it is established that, before March 30 of each year, the Board must approve the Corporation's Business and Development Plan for the next three-year period. Taking that plan as a reference, and keeping in mind the Corporation's balance sheet for the immediately preceding 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. 184 of June 27, 2014 of the Ministry of Finance, the Corporation was authorized to capitalize US$200 million of the net profit of the financial statements as of December 31, 2013. Those resources were charged to the profits of 2014.

On October 24, 2014, the President of the Republic of Chile signed Law No. 20.790. Such Law sets forth an extraordinary capital contribution of up to US$3 billion for the Corporation during the period of 2014-2018. The resources obtained from such capital contribution, together with the capitalization of the profits obtained during such period – up to US$800 million – generated in that period, will serve to boost the Investment Plan in mining projects, sustainability, mining development and renewal of equipment and industrial plants. At December 31, 2014, there were no capitalized resources under such statute.

Pursuant to the Exempt Finance Decree (Decree No. 197 of December 31, 2015 issued by the Ministry of Finance), the Corporation was authorized to capitalize US$225 million of the net profit registered in the financial statements as of December 31, 2014.

Those resources will be taken from the profits for year 2015 for their capitalization.

Pursuant to the ORD Finance Ministry Officio No. 1410 dated on May 27, 2016, it was established that the aforementioned Decree confirms the impossibility of capitalizing the aforementioned US$225 million, consequently the capitalization fund comprised of said amount was reversed.

On October 28, 2015, it was reported that it was decided to provide capital for US$600 million once reviewed the follow-up and Development Business Plan 2014-2018 for Codelco, that was submitted for approval on December 2, 2015.

On December 1st, 2016, it was informed that, pursuant to Article 1 of Law No. 20.790, it was decided to make an extraordinary capital contribution of US$500 million, which were recorded on December 28, 2016.

This contribution will be financed by the Public Treasury and sourced from debt issues performed by the Republic pursuant to Article 2 of Law No. 20.790, which establishes an Extraordinary Capital Contribution for Codelco and authorizes it to incur additional debt.

As of December 31, 2016 and December 31, 2015, 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 resulted in a loss of ThUS$727 and a ThUS$261 for the periods ended December 31, 2016 and 2015, respectively.

a. Other reserves

Other equity reserves are listed in the table below, as of the dates indicated in each case.

Other Reserves	12-31-2016 ThUS$	12-31-2015 ThUS$
Foreign exchange differences on conversion reserves	(10,607)	(12,974)
Cash flow hedge reserves	12,342	(6,549)
Capitalization fund and reserves	4,955,966	5,172,162
Reserve of gains (losses) of defined benefit plans	(267,171)	(246,424)
Other reserves	626,862	625,705
Total other reserves	**5,317,392**	**5,531,920**

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		Gain (loss)	
	12-31-2016 %	12-31-2015 %	12-31-2016 ThUS$	12-31-2015 ThUS$	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Biosigma S.A.	-	33.30%	-	669	-	(633)
Inversiones Gacrux SpA	32.20%	32.20%	978,664	1,042,171	(58,175)	(834,890)
Ecosea Farming S.A.	8.68%	14.97%	-	-	6	(40)
Otros	-	-	2	15	7	-
Total			**978,666**	**1,042,855**	**(58,162)**	**(835,563)**

Between January 1 and December 31, 2016, Inversiones Gacrux SpA did not report any dividends paid to non-controlling interest.

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, statement of comprehensive income and cash flows:

Assets and liabilities	12-31-2016 ThUS$	12-31-2015 ThUS$
Current Assets	113,993	169,276
Non-current assets	3,014,897	3,215,675
Current liabilities	152,607	168,068
Non-current liabilities	670,771	686,999

Results	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Revenues	303,216	(2,009,439)
Expenses	(519,810)	(635,488)
Profit (loss) of the period	(216,594)	(2,644,927)

Cash flow	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Net cash flow from operating activities	5,348	78,263
Net cash flow from investing activities	256	61,647
Net cash flow from financing activities	(55,523)	(152,376)

20.Operating income

Item	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Revenue from sales of own copper	8,774,060	8,721,880
Revenue from sales of third-party copper	1,753,491	2,039,161
Revenue from sales of molybdenum	419,475	391,587
Revenue from sales of other products	584,331	538,289
Revenue in futures market	5,394	2,575
Total	11,536,751	11,693,492

21.Expenses by nature

The Corporation's consolidated expenses by nature are detailed as follows:

Item	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Short-term benefits to employees	1,573,004	1,684,043
Depreciation	1,036,500	1,213,102
Amortization	899,652	811,738
Total	3,509,156	3,708,883

22.Impairment of Assets

Cash Generating Unit Salvador Division

As of December 31, 2016, there were not impairment indicators neither reversals of impairment from prior periods, hence, the Corporation has not performed adjustment to the assets' value.

Recognition of impairment of assets 2015

As of December 31, 2015, the Corporation performed a calculation of the recoverable amount in the CGU Salvador Division, in order to verify the existence of an impairment of value for the assets related to the mentioned Division, which book value amounted to ThUS$463,314.

As result of above calculation of recoverable amount an impairment loss was recognized of ThUS$310,530 (before taxes), which was recorded in Other Expenses by Function in the Consolidated Statements of Comprehensive Income for the period 2015. (See note 23 b).

The recoverable amount determined for the calculation of the loss due to impairment corresponds to the value in use with an annual discount rate of an 8.5%, before taxes. The main variables used for determining the recoverable amount of this asset correspond to copper prices, treatment and refining charges, exchange rates and discount rates.

The mentioned loss due to impairment is mainly raised by the decrease in copper prices experimented during the year 2015 and a downward adjustment for the expected production.

Assets affected by losses due to impairment during the period ended December 31, 2015, correspond to items of the category Property, Plant & Equipment, mainly in the items of Plant & Equipment, Ongoing Construction and Buildings. (See note 7).

Cash Generating Unit Ventanas Division

As of December 31, 2016, there were not impairment indicators neither reversals of impairment from prior periods, hence, the Corporation has not performed adjustment to the assets' value.

Recognition of impairment of assets 2015

As of December 31, 2015, the Corporation performed a calculation of the recoverable amount in the CGU Ventanas Division, in order to verify the existence of an impairment of value for the assets related to the mentioned Division, which book value amounted to ThUS$284,000.

As result of above calculation of recoverable amount an impairment loss was recognized of ThUS$54,047 (before taxes), which was recorded in Other Expenses by Function in the Consolidated Statements of Comprehensive Income for the period 2015. (See note 23 b).

The recoverable amount determined for the calculation of the loss due to impairment corresponds to the value in use with an annual discount rate of an 8.5%, before taxes. The main variables used for determining the recoverable amount of this asset correspond to copper prices, treatment and refining charges, exchange rate and discount rates.

The mentioned loss due to impairment is mainly raised by the decrease in copper prices experimented during the year 2015.

Assets affected by losses due to impairment during the period ended December 31, 2015, correspond to items of the category Property, Plant & Equipment, mainly in the items of Plant & Equipment, Ongoing Construction and Buildings. (See note 7).

Regarding to the other Divisions, it was not identified the existence of impairment indicators which could require the estimate of the recoverable amount for such Divisions once the respective analysis was performed.

23. Other revenues and expenses by function

Other revenues and expenses by function are detailed in the following tables:

a. Other income by function

Item	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Penalties to suppliers	7,607	16,737
Delegated Administration	4,071	4,070
Miscellaneous sales (net)	13,763	17,467
Insurances Compensations by incidents	24,813	-
Reversal of provisions	-	26,710
Won trials	-	18,762
Realized gain in associates	14,283	19,563
Other income	73,937	49,580
Totals	138,474	152,889

b. Other expenses by function

Item	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Law No. 13.196	(865,655)	(864,797)
Research expenses	(85,884)	(87,047)
Bonus for the end of collective bargaining	(64,375)	(35,112)
Expenses plan	(13,914)	(59,963)
Write-off of investment projects	(28,836)	(276,523)
Penalty of fixed assets	(56,945)	(64,110)
Write-off research projects	-	(101,229)
Medical care plan	(32,735)	(1,047)
Impairment of assets (See Note 22)	-	(364,577)
Write-off inventories	(13,739)	(68,708)
Loss due to onerous contract	(3,275)	-
Climate impact	-	(25,132)
Contractors mobilization	-	(13,242)
Extraordinary gratification	(17,954)	-
Other	(140,837)	(125,241)
Totales	(1,324,149)	(2,086,728)

Information related to the impairment recorded in 2015 is disclosed in Note 22 Impairment of Assets.

24. Finance costs

Finance costs are detailed as follows:

Item	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Bond interests	(374,754)	(335,847)
Bank loan interests	(71,548)	(82,101)
Exchange differences on severance indemnity provision	(9,969)	(12,327)
Exchange differences on other non-current provisions	(52,536)	(60,629)
Other	(38,540)	(33,943)
Total	(547,347)	(524,847)

25. 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 the following divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Salvador, Andina, El Teniente and Gabriela Mistral. Additionally the Ventanas Division is added even though it is operating solely as a smelter and refinery. 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.

Ministro Hales

Type of mine: open pit mine
Operating: since 2014
Location: Calama – Region II
Products: calcined copper, copper concentrates.

Gabriela Mistral

Type of mine: open pit mine
Operating: since 2008
Location: Calama – Region II
Products: electrolytic (electro-obtained) cathodes.

Salvador

TType of mine: underground mine and open pit mine
Operating: since 1926
Location: Salvador – Region III
Products: electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate.

Andina

Type of mines: underground and open pit mines
Operating: since 1970
Location: Los Andes – Region V
Product: copper concentrate.

El Teniente

Type of mine: underground mine
Operating: since 1905
Location: Rancagua – Region VI
Products: fire-refined copper and copper anodes.

a. 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.

Losses due to impairment of value

- Losses related to the investment in Anglo American Sur S. A. recognized as of December 31, 2016, (Note 8) has been allocated to Head Office.

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

As of December 31, 2016, there were not impairment indicators neither reversals of impairment from prior periods, hence, the Corporation has not performed adjustment to the assets' value.

During the period 2015, the operating segments of Ventanas and Salvador Division present in their income statement an impairment of value of ThUS$54,047 and ThUS$310,530, before taxes, respectively. This corresponds to the impairment of asset of Property, Plant and Equipment assigned to those Divisions, in their capacity as CGU.

The detail of the recognition of the asset impairment in the period 2015 is disclosed in Note 22.

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

	From 1/1/2016 to 12/31/2016										
Segments	Chuquicamata 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, net ThUS$	Total Consolidated ThUS$
Revenue from sales of own copper	1,692,052	1,565,865	507,168	869,197	2,344,595	110,342	609,058	1,046,392	8,744,669	29,391	8,774,060
Revenue from sales of third-party copper	(13,688)	-	(124)	-	-	47,610	-	372,742	406,540	1,346,951	1,753,491
Revenue from sales of molybdenum	222,591	20,584	11,768	65,561	96,316	-	-	-	416,820	2,655	419,475
Revenue from sales of other products	111,562	-	58,818	5,165	92,089	212,848	-	103,849	584,331	-	584,331
Revenue from futures market	1,695	1,603	(270)	1,261	1,213	(872)	537	59	5,226	168	5,394
Revenue between segments	195,700	-	81,640	860	141	98,058	-	-	376,399	(376,399)	-
Revenue	**2,209,912**	**1,588,052**	**659,000**	**942,044**	**2,534,354**	**467,986**	**609,595**	**1,523,042**	**10,533,985**	**1,002,766**	**11,536,751**
Cost of sales of own copper	(1,316,910)	(1,207,848)	(504,108)	(904,483)	(1,499,721)	(108,326)	(514,329)	(1,025,790)	(7,081,515)	(58,455)	(7,139,970)
Cost of sales of copper third-party copper	437	-	-	-	-	(51,669)	-	(379,032)	(430,264)	(1,336,258)	(1,766,522)
Cost of sales of molybdenum	(83,214)	(25,745)	(9,276)	(23,852)	(40,441)	-	-	-	(182,528)	(2,799)	(185,327)
Cost of sales of other products	(34,558)	-	(30,192)	(56)	(74,632)	(213,677)	-	(4,734)	(357,849)		(357,849)
Cost of sales between segments	(328,044)	50,576	(51,809)	6,712	14,967	(103,277)	-	34,476	(376,399)	376,399	-
Cost of sales	**(1,762,289)**	**(1,183,017)**	**(595,385)**	**(921,679)**	**(1,599,827)**	**(476,949)**	**(514,329)**	**(1,375,080)**	**(8,428,555)**	**(1,021,113)**	**(9,449,668)**
Gross profit	**447,623**	**405,035**	**63,615**	**20,365**	**934,527**	**(8,963)**	**95,266**	**147,962**	**2,105,430**	**(18,347)**	**2,087,083**
Other income, by function	27,243	578	34,703	7,224	15,226	612	12,109	(1,865)	96,330	42,144	138,474
Distribution costs	(2,564)	(127)	(678)	(348)	(452)	(972)	-	(1,100)	(6,241)	(5,650)	(11,891)
Administrative expenses	(51,106)	(27,016)	(11,891)	(24,778)	(59,602)	(9,646)	(25,942)	(25,473)	(235,454)	(179,941)	(415,395)
Other expenses, by function	(160,224)	(30,710)	(51,425)	(51,425)	(53,062)	(8,515)	(5,617)	(15,340)	(376,318)	(82,176)	(458,494)
Law No. 13.196	(178,767)	(154,201)	(52,547)	(79,412)	(202,360)	(26,107)	(59,255)	(113,006)	(865,655)		(865,655)
Other gains (losses)	-	-	-	-	-	-	-	-	-	29,400	29,400
Finance income	1,422	921	405	300	1,746	216	(185)	293	5,118	18,284	23,402
Finance costs	(115,370)	(41,927)	(16,906)	(85,739)	(164,854)	(6,377)	(12,249)	(52,523)	(495,945)	(51,402)	(547,347)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	222	-	630	(887)	(1,451)	-	-	-	(1,486)	(175,872)	(177,358)
Exchange differences	(65,623)	(24,378)	(20,867)	(14,996)	(63,904)	(4,638)	(10,180)	(23,901)	(228,487)	(4,408)	(232,895)
Profit (loss) before taxes	**(97,144)**	**128,175**	**(54,961)**	**(229,696)**	**406,314**	**(64,390)**	**(6,053)**	**(84,953)**	**(2,708)**	**(427,968)**	**(430,676)**
Income tax expenses	44,270	(93,078)	22,192	135,078	(279,274)	38,741	(1,633)	39,684	(94,021)	191,117	97,096
Profit (loss)	**(52,874)**	**35,097**	**(32,769)**	**(94,618)**	**127,040**	**(25,649)**	**(7,686)**	**(45,269)**	**(96,729)**	**(236,851)**	**(333,580)**

Segments	From 1/1/2015 to 12/31/2015										
	Chuquicamata 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, net ThUS$	Total Consolidated ThUS$
Revenue from sales of own copper	1,647,849	1,614,728	318,001	957,522	2,246,131	161,432	662,832	1,113,169	8,721,664	216	8,721,880
Revenue from sales of third-party copper	36,497	-	2,458	-	-	74,461	-	448,675	562,091	1,477,070	2,039,161
Revenue from sales of molybdenum	157,529	14,415	10,400	100,396	109,808	-	-	-	392,548	(961)	391,587
Revenue from sales of other products	91,255	-	48,000	4,745	102,379	200,522	1,004	90,384	538,289		538,289
Revenue from futures market	1,272	1,349	693	(1,025)	(5,375)	3,530	742	759	1,945	630	2,575
Revenue between segments	222,191	-	80,439	644	142	99,702	-	-	403,118	(403,118)	-
Revenue	2,156,593	1,630,492	459,991	1,062,282	2,453,085	539,647	664,578	1,652,987	10,619,655	1,073,837	11,693,492
Cost of sales of own copper	(1,513,500)	(1,239,743)	(458,986)	(920,584)	(1,449,409)	(159,901)	(566,186)	(1,082,526)	(7,390,835)	(5,352)	(7,396,187)
Cost of sales of copper third-party copper	(35,589)	-	(3,115)	-	-	(75,374)	-	(471,060)	(585,138)	(1,448,544)	(2,033,682)
Cost of sales of molybdenum	(67,674)	(21,040)	(12,305)	(33,014)	(40,113)	-	-	-	(174,146)	295	(173,851)
Cost of sales of other products	(19,807)	-	(36,700)	(60)	(66,040)	(185,870)	(1,035)	(3,573)	(313,085)		(313,085)
Cost of sales between segments	(336,168)	40,607	(44,196)	3,648	17,505	(97,448)	-	12,934	(403,118)	403,118	-
Cost of sales	(1,972,738)	(1,220,176)	(555,302)	(950,010)	(1,538,057)	(518,593)	(567,221)	(1,544,225)	(8,866,322)	(1,050,483)	(9,916,805)
Gross profit	183,855	410,316	(95,311)	112,272	915,028	21,054	97,357	108,762	1,753,333	23,354	1,776,687
Other income, by function	15,497	6,927	16,654	14,132	10,633	1,927	2,467	3,885	72,122	80,767	152,889
Distribution costs	(2,007)	(119)	(312)	(407)	(612)	(782)	-	(904)	(5,143)	(7,292)	(12,435)
Administrative expenses	(48,831)	(16,228)	(7,438)	(25,411)	(61,264)	(7,974)	(27,454)	(29,136)	(223,736)	(139,758)	(363,494)
Other expenses, by function	(122,021)	(16,655)	(514,001)	(177,478)	(62,443)	(64,261)	(14,123)	(34,798)	(1,005,780)	(216,151)	(1,221,931)
Law No. 13.196	(179,769)	(158,320)	(34,362)	(95,559)	(195,302)	(29,002)	(64,260)	(108,223)	(864,797)		(864,797)
Other gains (losses)	-	-	-	-	-	-	-	-	-	20,885	20,885
Finance income	1,580	515	401	233	1,985	279	132	499	5,624	11,574	17,198
Finance costs	(115,587)	(31,320)	(12,266)	(92,550)	(142,123)	(6,873)	(10,639)	(51,281)	(462,639)	(62,208)	(524,847)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	14,586	30,102	86	(2,868)	30,380	-	-	-	72,286	(2,573,938)	(2,501,652)
Exchange differences	155,119	66,451	61,103	46,545	128,047	12,362	19,251	21,227	510,105	(44,785)	465,320
Profit (loss) before taxes	(97,578)	291,669	(585,446)	(221,091)	624,329	(73,270)	2,731	(89,969)	(148,625)	(2,907,552)	(3,056,177)
Income tax expenses	62,450	(186,668)	374,685	141,498	(399,571)	46,893	(1,748)	57,581	95,120	633,278	728,398
Profit (loss)	(35,128)	105,001	(210,761)	(79,593)	224,758	(26,377)	983	(32,388)	(53,505)	(2,274,274)	(2,327,779)

The assets and liabilities related to each operating segment, including the Corporation's head office as of December 31, 2016 and December 31, 2015 are detailed in the following tables:

12-31-2016										
Category	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	953,971	605.154	229,135	292,710	746,672	135,869	217,749	437,085	1,077,559	4,695,904
Non-current assets	5,349,989	2,156,765	717,540	3,998,820	5,828,982	349,229	1,260,025	3,602,612	5,442,775	28,706,737
Current liabilities	567,733	112,502	122,596	170,520	414,811	58,474	81,686	107,128	832,489	2,467,939
Non-current liabilities	918,652	227,952	285,138	298,700	916,632	67,643	127,021	65,092	18,137,463	21,044,293

12-31-2015										
Category	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	850,220	628,448	227,828	318,103	710,726	143,119	254,985	517,588	2,406,871	6,057,888
Non-current assets	4,734,984	2,081,427	680,660	3,879,018	5,359,301	289,947	1,325,783	3,683,540	5,351,294	27,385,954
Current liabilities	558,521	134,687	242,124	195,320	524,188	78,811	115,695	104,712	1,907,058	3,861,116
Non-current liabilities	839,186	187,810	257,839	208,714	730,323	48,279	120,740	36,992	17,420,023	19,849,906

Revenue classified by geographical area is detailed as follows:

Revenue per geographical areas	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Total revenue from domestic customers	745,089	769,769
Total revenue from foreign customer	10,791,662	10,923,723
Total	11,536,751	11,693,492

Revenue per geographical areas	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
China	2,123,055	2,875,992
Rest of Asia	1,328,971	2,162,099
Europe	2,551,270	1,362,513
America	1,464,017	1,874,217
Others	4,069,439	3,418,671
Total	11,536,751	11,693,492

The main customers of the Corporation are listed in the following table:

Principal Customers	Country	01-01-2016 12-31-2016 ThUS$
Trafigura Pte Ltd.	Singapore	719,899
Southwire Company	U.S.A.	519,343
Glencore International Ag.	Switzerland	399,452
Ls-Nikko Copper Inc	South Korea	386,152
Nexans France	France	362,926
Maike Metals International Ltd	China	356,937
Louis Dreyfus Company Metals S	Switzerland	337,853
Mitsui & Co., Ltd.	Japan	325,855
Red Kite Master Fund Ltd.	U.S.A.	261,283
Wanxiang Resources (Singapore)	Singapore	227,206
Total		3,896,906

26. 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 as of closing report for each of the financial statements.

This is consistent with the definition of Functional Currency described in Note 2 c, included in these 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	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Gain from foreign exchange differences	57,722	629,166
Loss from foreign exchange differences	(290,617)	(163,846)
Total exchange difference, net	**(232,895)**	**465,320**

27. 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	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
VAT Refund	1,294,642	1,346,761
Other	342,299	428,345
Total	**1,636,941**	**1,775,106**

Other payments from operating activities	01-01-2016 12-31-2016 ThUS$	01-01-2015 12-31-2015 ThUS$
Contribution to the Chilean Treasury (Law No. 13.196)	(916,735)	(866,507)
Finance hedge and sales	28,699	35,096
VAT and other similar taxes paid	(1,126,098)	(1,143,972)
Total	**(2,014,134)**	**(1,975,383)**

28. 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 (US dollar).

Codelco's activities that generate this exposure correspond to funding in UF, accounts payable and receivable in Chilean pesos, other foreign currencies used in its business operations and obligations with employees.

The majority of transactions in currencies other than US$ are denominated in Chilean pesos. Also, there is another portion in Euro, which corresponds mainly to a long-term loan issued through the international market, which exchange rate risk is mitigated with hedging instruments.

Taking the financial assets and liabilities as of December 31, 2016 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$43 million of gains or losses, respectively. This result is obtained by identifying the principle areas affected by exchange rate, including assets and financial liabilities, in order to measure the impact on income that a variation of +/- 10 Chilean pesos would have to US$, with respect to the real exchange rate as of the date of this financial statement.

As of December 31, 2016, the balance of deposits in national currency amounts to ThUS$12 million. As of December 31, 2015, Codelco does not have any balances related to 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, 2016, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US$26 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, 2016 amount to ThUS$12,498,259 and ThUS$2,416,081, 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, 2016, if the future price of copper varied by + / - 5% (with the other variables constant), the result would vary + / - US$160 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect at December 31, 2016 (MTMF 675). For the estimate indicated, all of those physical sales contracts were valued according to the monthly average immediately following the close of the financial statements, and proceeds to be estimated regarding what the final settlement price will be if there is a difference of + / - 5% with respect to the future price known to date to this period.

In order to protect its cash flow and adjust it, where necessary, its sales contracts to its trade policy, the Corporation holds operations in futures markets. At the date of presentation of the financial statements, these contracts are adjusted to fair value, recording this effect, at 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, 2016, 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$83 before taxes. This calculation is obtained from a simulation curves of future copper prices, which are used to assess the subscribed derivative instruments by the Corporation; estimations would vary 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 12/31/2016	Less than one year ThUS$	Between one and five years ThUS$	More than five years ThUS$
Loans from financial institutions	166,294	2,202,078	786,369
Bonds	150,563	2,728,976	8,879,281
Finance leases	23,683	67,195	33,613
Derivatives	10,155	-	161,619
Other financial liabilities	1,915	72,338	-
Total	352,610	5,070,587	9,860,882

d. Credit risk

This risk comprises the possibility that a third party does not fulfill its contractual obligations, thereby causing a loss for the Corporation.

Given the Corporation's sales policy, principally with cash and advance payments and bank letters of credit, the Uncollectability of client debt balances is minimal. This is complemented by the familiarity the Corporation has with its clients and the length of time it has operated with them. Therefore, the credit risk of these transactions is not significant.

The indications with respect to the payment conditions to the Corporation are detailed in every sales contract and the negotiation management is 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, 2016 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, 2016 and 2015, 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 ended December 31, 2016 and 2015, no guarantees have been executed to ensure the collection of third party debt.

Personnel loans mainly related to mortgage loans, according to programs included in union agreements, which are paid for through payroll discounts.

29. 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 taken measures to protect itself from exchange rate variations, whose negative exposure, net of taxes, amounts to ThUS$7,337.

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

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$	271,560	208,519	63,781	331,336	(267,555)
Bond EUR Maturity 2024	Santander (Chile)	Swap	7/9/2024	US$	316,188	409,650	(84,155)	375,732	(459,887)
Bond EUR Maturity 2024	Deustche Bank (England)	Swap	7/9/2024	US$	316,188	409,680	(83,391)	375,946	(459,337)
Bond UF Maturity 2026	Santander (Chile)	Swap	8/24/2024	US$	393,565	406,212	(6,208)	444,257	(450,465)
Total					**1.297.501**	**1.434.061**	**(109.973)**	**1.527.271**	**(1.637.244)**

As of December 31, 2016 the balance for cash deposit guarantees amount to ThUS$12,736.

The current methodology for valuing currency swaps uses the bootstrapping technique from the mid - swap rate to construct the curves (zero) in UF and US$ respectively, from market information.

b. Cash flows hedging contracts and commercial policy adjustment

The Corporation enters into metals hedging activities. The results of such hedges are recorded at its maturity or when the instruments are sold. Such results increase or decrease the total sales revenue based on the market prices of the metals. At December 31, 2016, these operations generated a gain of ThUS$4,143.

b.1. Commercial flexibility operations of copper contracts

The purpose of these contracts is to adjust the price of shipments to the price defined in the Corporation's related policy, defined in accordance with the London Metal Exchange (LME). As of December 31, 2016, the Corporation performed derivative market transactions of copper that represent 339,165 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

The current contracts as of December 31, 2016, presenting a negative exposure of ThUS$7,123 and their final result will only be known at their maturity, offsetting the hedging transactions with revenue from the sale of the hedged products.

The transactions completed between January 1, 2016 and December 31, 2016 generated a net positive effect on net income of ThUS$6,222, which is comprised of the amounts received for sales contracts for ThUS$6,025 and the values paid for purchases contracts for ThUS$197.

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

As of December 31, 2016, the Corporation maintains contracts for derivatives the sale of gold for MOZT 74,7 and silver for MOZT 452,9.

The contracts outstanding at December 31, 2016 show a negative exposure of ThUS$112, 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 1, 2016 and December 31, 2016 generated a negative effect on net income of ThUS$2,079, which is comprised of the amounts received for sales contracts for ThUS$1,138 and the values paid for purchases contracts for ThUS$941. These hedging transactions mature in April 2017.

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

The Corporation does not pose cash flow hedges backed by future production as of December 31, 2016.

Exposure of metal hedges is summarized in the following tables, as referred to in point b above:

December 31, 2016 ThUS$	Maturity date						
	2017	2018	2019	2020	2021	Upcoming	Total
Flex Com Copper (Asset)	7,563	190	-	-	-	-	7,753
Flex Com Copper (Liability)	-	(576)	(54)	-	-	-	(630)
Flex Com Gold/Silver	(112)	-	-	-	-	-	(112)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	7,451	(386)	(54)	-	-	-	7,011

December 31, 2015 ThUS$	Maturity date						
	2016	2017	2018	2019	2020	Upcoming	Total
Flex Com Copper (Asset)	1,452	-	-	-	-	-	1,452
Flex Com Copper (Liability)	(107)	(684)	-	-	-	-	(791)
Flex Com Gold/Silver	994	-	-	-	-	-	994
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	2,339	(684)	-	-	-	-	1,655

December 31, 2016 ThTM/Ounces	Maturity date						
	2017	2018	2019	2020	2021	Upcoming	Total
Copper Futures [MT]	246.99	84.18	8.00	-		-	339.17
Gold/Silver Futures [ThOZ]	527.66	-	-	-		-	527.66
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

December 31, 2015 ThTM/Ounces	Maturity date						
	2016	2017	2018	2019	2020	Upcoming	Total
Copper Futures [MT]	199.640	29.100	-	-	-	-	228,740
Gold/Silver Futures [ThOZ]	1,475.452	-	-	-	-	-	1,475.452
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

30. Contingencies and restrictions

a. Litigations and contingencies

There are various lawsuits and legal actions initiated by or against the Corporation, which derive from its operations and the industry in which it operates. In general, these are civil, tax, labor and mining litigations, all related to the Corporation's activities.

In the opinion of Management and its legal advisors, the lawsuits in which the Corporation is being sued and could have negative results do not represent significant loss contingencies or cash flows. Codelco defends its rights and employs all corresponding relevant legal instances, resources and procedures.

The most significant lawsuits that involve Codelco are related to the following matters:

- Tax Lawsuits: There are several tax lawsuits due to IRS 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 do not essentially affect the development of Codelco.

A case by case analysis of these lawsuits has shown that there are a total of 531 cases that have a clearly estimated value. It is estimated that 381 of these, which represent 71.75% of the total and which amount to ThUS$29,013, could have a negative impact on the Corporation. There are also 124 lawsuits, representing 23.55% of the total and which amount to ThUS$1,244, about which there is no certainty that the outcome would be unfavorable for Codelco. For the 26 remaining cases, which amount to ThUS$60, the Corporation's legal advisors believe that an unfavorable outcome is unlikely. In addition, there are 219 lawsuits for undetermined amounts. It is believed that the result of 62 of these could be unfavorable to Codelco.

In connection with the long-term sale contract which Codelco held with its associated company Copper Partners Investment Company (CuPIC), the IRS has issued to the Corporation: (i) for the fiscal year 2006 and 2007, the Settlements No. 1 and No. 2, and the Assistant Director-Control (SDF) Ex. Resolution No.1, all of them issued on July 30, 2010, (ii) for the fiscal year 2008 and 2009, the Settlements No. 45, No. 46 and No. 47, all of them issued on June 29, 2012, (iii) for the fiscal year 2010 and 2011, the Settlements No. 7 and No .8, both of them issued on September 27, 2014, (iv) for the fiscal year 2012, the Settlements No. 92 and No. 93, both of them issued on June 30, 2015. In addition, the IRS issued payment vouchers No. 478211, No. 478143 and No. 478179, all of them issued on June 12, 2015 which is associated with settlements No. 45, No. 46 and No. 47, previously mentioned.

The previously mentioned settlements were contested by the Corporation through several administrative and judicial means. As a part of such procedures, the Corporation and the IRS agreed to make certain adjustments to the tax basis. At August 31, 2015, the IRS notified to the Corporation the Exempted Resolutions No.53247/2015; No.25058/2015; SDF No.3496/2015, which were issued taking into account certain legal aspects, background and information provided by the Corporation to the IRS during the tax audit period. The Resolutions provide evidence of the adjustment to the tax basis and cancel the Liquidations previously mentioned. Instead, the IRS issued the tax collection No.531137; 531125; 531117; 531103, amounting to ThUS$148,935, paid on August 31, 2015. (Composition of the taxes calculated: ThUS$110,000 for Specific Tax for Mining, ThUS$16,000 for First Category Tax, ThUS$23,000 for Specific Tax for Public Companies 40%). Such agreement has enabled the calculated and collected differences due to this same concept is foreseen for the years 2012, 2013 and 2014. Finally, through Resolution No.17020000038 issued on September 8, 2015 and Exempt Resolution DGC 17600 No.118/2015, the IRS cancels the collections Nos. 478211, 478143 and 478179.

For litigation costs and potential loss, the necessary provisions exist, which are recorded as contingency provisions.

b. Other Commitments

i. On January 21, 2016, in an Extraordinary Session, the Committee Management Board proposed a segmented view of the Salvador Division, subject to KPIs which will be monitored semiannually and their compliance will be measured at the end of 2016. Regarding the Rajo Inca Project, it was proposed a preliminary assessment during June 2016 and another one during March 2017, which must provide the information to make the decision about the Salvador Division continuity. It should be noted that the above depends on the copper market conditions and the financing capacity of the Corporation.

On the same date 21 January, 2016, at the Ordinary Season of the Board, it was proposed:

- To take a segmented view of the Division, by analyzing Mine Concentrator, Smelter and Refinery.
- Any future decision must necessarily consider the direct cost of the closure for each one of the business units.

At the Ordinary Session of June 30, 2016, the Board agreed to approve the study to evaluate the alternative of opening the Rajo Inca mine and the ore processing in the current concentrator plant.

ii. On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, CuPIC, in which both companies have an equal equity interest. A 15-year copper cathode sales contract to that associated company was agreed upon, as well as a purchase contract from Minmetals to 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 CuPIC to make the US$550 million advance payment to Codelco in March 2006.

As of December 31, 2015, the contract is operational, and monthly shipments began in June 2006.

With regard to financial obligations incurred by the associate CuPIC with the China Development Bank, Codelco Chile and Codelco International Ltd. must meet certain commitments, mainly relating to the delivery of financial information. In addition, Codelco Chile must maintain 51% ownership of Codelco International Limited.

According to the Sponsor Agreement, dated March 8, 2006, the Codelco International Ltd. subsidiary gave its participation in CuPIC as a guarantee to the China Development Bank.

Subsequently, on March 14, 2012, CuPIC paid off its debt to the abovementioned bank. As of December 31, 2016, Codelco does not hold any indirect guarantee regarding its participation in this associated company.

On December 17, 2015, the Codelco administration presented a restructuration for the Supply Contract, which implies its removal of the share in CuPIC.

On April 7, 2016, the Corporation formalized the removal of its share in CuPIC, of which Codelco retained 50% ownership through the subsidiary Codelco International. Until that date, Codelco shared the ownership of the Company in the same proportion with the company Album Enterprises Limited (a subsidiary of Minmetals).

In order to realize the above mentioned term of the shareholding, Codelco signed a set of agreements which formalized primarily the following issues:

- Copper sales contract modifications from Codelco to CuPIC signed in 2006 (described in Note 30, letter b), paragraph ii) of these financial statements), which establishes the reduction of half of the outstanding tonnage to deliver to said company and in which Codelco pays to CuPIC the amount of ThUS$99,330.
- Reduction of share capital in CuPIC, equivalent to the 50% of the Codelco International shares in said company and by which CuPIC repays to Codelco the amount of ThUS$99,330.
- Waiver of Codelco to any dividends associated to the profits generated by CuPIC from January 1, 2016 and the date of signing the agreement.
- Additionally, the cessation of dividends reception as a consequence of the removal of the Codelco share in the ownership of CuPIC since 2016, led to a reduction of the net profit estimated to Codelco until the end of the contract

signed with that company (year 2021). This implied that such contract qualifies as an onerous contract, according to current accounting standards, which negatively impacts on earnings before tax of Codelco in ThUS$22,184 (negative net tax effect of ThUS6,599 as of April 7, 2016).

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. Law 19.993 dated December 17, 2004, which authorized the purchase of the Refinery and Smelter 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.

v. 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, 2016 and 2015, has complied with these conditions.

vi. On January 20, 2010, the Corporation signed two energy supply contracts with Colbún S.A., which includes energy and power sales and purchases for a total of 510 MW of power. The contract provides a discount for that 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.

The contracted power for supply these Divisions is comprised by two contracts:

- Contract No.1 for 176 MW, current until December 2030
- Contract No.2 for 334 MW, current until December 2045. This contract is based on energy production from Colbún's Santa María thermal power station, which is currently in operation. This plant is coal-fired, and therefore the electric energy tariff rate applied for the energy supplied to Codelco is linked to the price of coal.

The both of these contracts adapt to Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

Through these contracts, which operate through take or pay, the Corporation agrees to pay for the contracted energy and Colbún undertakes to return at market price the energy not consumed by Codelco.

These contracts have maturity date in 2030 and 2045.

vii. 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.

viii. 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 Supreme Decree No. 41 of the Minister of Mining, which approves the Regulations of this Law, was published in the Diario Oficial.

This law requires the Corporation, among other requirements, to provide financial guarantees to the State to ensure the implementation of closure plans. It also establishes the obligation to make contributions to a fund which aims to cover the costs of post-closure activities.

The Corporation, in accordance with the mentioned regulation, provided to SERNAGEOMIN the Mine Closure Plan (ARO) for all of the Codelco operating divisions, which were approved in 2015 in accordance with the provisions of the Act.

The mine closure plans delivered to SERNAGEOMIN were developed by invoking the transitional regime of the Act, which was specified for the affected mining companies under the general application procedure (extraction capacity > 10,000 tons per month), and which, at the date of enactment of the Law, will abide in operation and account with a mine closure plan previously approved under Mine Safety Regulations Supreme Decree No. 132.

The Corporation considers 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 "Provisions, Contingent Liabilities and Contingent Assets" and described in Note 2, letter o) of Main Accounting Policies.

As of December 31, 2016, the Corporation has agreed guarantees for an annual amount of U.F.21,603,004, with the purposal to comply with the aforementioned Law N°20.551. The following table details the main given guarantees:

Issuing bank	Division	Principal	Currency Index	Issuing date	Maturity date	Issuing rate %	Amount ThUS$
Estado	Ventanas	205,208	UF	3/15/2016	3/18/2017	0.07	8,500
Estado	Ventanas	62,932	UF	3/30/2016	3/18/2017	0.07	2,700
Estado	Radomiro Tomic	2,166,997	UF	5/3/2016	5/10/2017	0.09	85,564
Estado	Ministro Hales	1,072,330	UF	5/3/2016	5/12/2017	0.07	42,341
BCI	Chuquicamata	2,122,707	UF	5/13/2016	5/26/2017	0.10	83,815
Itaú	Chuquicamata	3,900,000	UF	5/17/2016	5/26/2017	0.15	153,992
Chile	El Teniente	987,594	UF	5/20/2016	6/1/2017	0.25	38,995
Santander	El Teniente	5,000,000	UF	5/23/2016	6/1/2017	0.20	197,425
Estado	Gabriela Mistral	1,064,019	UF	6/9/2016	6/9/2017	0.09	42,013
Chile	Salvador	2,355,477	UF	8/11/2016	8/17/2017	0.14	93,006
Estado	Andina	2,665,740	UF	11/2/2016	11/3/2017	0.09	105,257
Total		**21,603,004**					**853,608**

ix. 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, on October 28, 2015, have been drawn the totality of the funds.

x. On August 24, 2012, Codelco through its subsidiary Inversiones Mineras Nueva Acrux SpA (Nueva Acrux) (which minority shareholder is Mitsui), signed a contract with Anglo American Sur S.A. Under this contract, Codelco agreed to sell a portion of its annual copper production to the mentioned subsidiary, who in turn agrees to purchase such production.

Such annual portion is determined by the share of Codelco's indirect subsidiary, Inversiones Mineras Becrux SpA (also shared ownership with Mitsui), maintained for the shares of Anglo American Sur S.A.

In turn, 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.

31. 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 Institution					
Creditor of the Guarantee	Type of Guarantee	12-31-2016			12-31-2015 ThUS$
		Currency	Maturity	ThUS$	
Directorate-General for the Merchant Marine and Maritime Territory	Environmental	CLP	Mar-16	-	1,519
Urban Regional Manager, Metropolitan	Building project	UF	Mar-17	9	-
Urban Regional Manager, Valparaiso	Building project	UF	Jan-17	43	-
Urban Regional Manager, Valparaiso	Building project	UF	Jan-17	28	-
Urban Regional Manager, Valparaiso	Building project	UF	Jan-17	47	-
Department of Public Works, General Office of Waters	Building project	UF	Jul-16	-	24,201
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	-	37,435
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	-	37,435
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	-	37,435
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	-	37,435
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	-	37,435
Department of Public Works	Building project	USD	Jun-18	209	-
Oriente Copper Netherlands B.V.	Pledge on shares	USD	Nov-32	877,813	877,813
Sernageomin	Environmental	UF	Mar-16	-	1,081
Sernageomin	Environmental	USD	May-16	-	10,500
Sernageomin	Environmental	USD	May-16	-	4,450
Sernageomin	Environmental	USD	May-16	-	30,600
Sernageomin	Environmental	UF	Jun-16	-	26,700
Sernageomin	Environmental	UF	Jun-16	-	3,660
Sernageomin	Environmental	USD	Mar-17	8,500	-
Sernageomin	Environmental	UF	May-17	11,390	-
Sernageomin	Environmental	UF	May-17	84,981	-
Sernageomin	Environmental	UF	May-17	42,053	-
Sernageomin	Environmental	UF	Jun-17	41,122	-
Sernageomin	Environmental	UF	Nov-17	107,561	-
Sernageomin	Environmental	UF	Aug-17	94,538	-
Sernageomin	Environmental	UF	Jun-17	38,994	-
Sernageomin	Environmental	UF	Jun-17	197,419	-
Sernageomin	Environmental	UF	May-17	153,987	-
Sernageomin	Environmental	UF	May-17	83,812	-
					-
Total				1,742,507	1,167,699

As for the documents received as collateral, they cover mainly obligations of suppliers and contractors related to the various development projects. Below are given the amounts received as collateral, grouped according to the Operating Divisions that have received these amounts:

Guarantees received from third parties		
División	12-31-2016 ThUS$	12-31-2015 ThUS$
Andina	21,905	36,526
Chuquicamata	21,621	44,284
Casa Matriz	703,173	404,825
Radomiro Tomic	5,352	7,088
Salvador	30,893	47,592
Ministro Hales	5	5
El Teniente	58,602	47,505
Ventanas	5,044	10,575
Gabriela Mistral	721	1,474
Total	847,316	599,874

32. Balances in foreign currency

a. Assets by Type of Currency

Category	12-31-2016 ThUS$	12-31-2015 ThUS$
Liquid assets	**586,587**	**1,757,920**
US Dollars	540,977	1,702,657
Euros	7,892	3,600
Other currencies	4,282	4,772
Non-indexed Ch$	30,795	46,443
U.F.	2,641	448
Cash and cash equivalents	**576,726**	**1,747,718**
US Dollars	531,946	1,694,053
Euros	7,640	3,339
Other currencies	4,282	4,772
Non-indexed Ch$	30,422	45,230
U.F.	2,436	324
Other current financial assets	**9,861**	**10,202**
US Dollars	9,031	8,604
Euros	252	261
Other currencies	-	-
Non-indexed Ch$	373	1,213
U.F.	205	124
Short and long term receivables	**2,385,429**	**1,983,213**
US Dollars	1,635,971	1,266,467
Euros	92,701	110,671
Other currencies	1,347	619
Non-indexed Ch$	631,582	591,331
U.F.	23,828	14,125
Trade and other receivables	**2,254,731**	**1,876,863**
US Dollars	1,600,589	1,245,186
Euros	92,701	110,411
Other currencies	1,316	468
Non-indexed Ch$	537,292	506,673
U.F.	22,833	14,125

Category	12-31-2016 ThUS$	12-31-2015 ThUS$
Rights receivables, non-current	**95,316**	**85,069**
US Dollars	-	-
Euros	-	260
Other currencies	31	151
Non-indexed Ch$	94,290	84,658
U.F.	995	-
Due from related companies, current	**13,669**	**21,057**
US Dollars	13,669	21,057
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Due from related companies, non-current	**21,713**	**224**
US Dollars	21,713	224
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Rest of assets	**30,430,625**	**29,563,782**
US Dollars	29,990,703	28,625,772
Euros	49,273	407,102
Other currencies	222	31,452
Non-indexed Ch$	118,867	238,061
U.F.	271,560	261,395
Total assets	**33,402,641**	**33,304,915**
US Dollars	32,167,651	31,594,896
Euros	149,866	521,373
Other currencies	5,851	36,843
Non-indexed Ch$	781,244	875,835
U.F.	298,029	275,968

b. Liability by type of currency

Current liability by currency	12-31-2016		12-31-2015	
	Up to 90 days ThUS$	90 days to 1 year ThUS$	Up to 90 days ThUS$	90 days to 1 year ThUS$
Current liabilities	**2,212,250**	**255,689**	**2,885,773**	**836,415**
US Dollars	1,755,127	178,941	2,638,242	780,581
Euros	132,463	41,343	53,949	-
Other currencies	9,261	-	791	-
Non-indexed Ch$	270,592	29,714	185,515	51,688
U.F.	44,807	5,691	7,276	4,146
Other current financial liabilities	**127,616**	**224,994**	**380,929**	**785,281**
US Dollars	111,045	176,681	346,797	780,581
Euros	6,729	41,343	28,988	-
Other currencies	-	-	-	-
Non-indexed Ch$	1,401	1,494	953	554
U.F.	8,441	5,476	4,191	4,146
Bank loans	**4,550**	**161,744**	**274,621**	**721,270**
US Dollars	3,892	127,924	252,029	721,270
Euros	-	33,820	21,946	-
Other currencies	-	-	-	-
Non-indexed Ch$	359	-	389	-
U.F.	299	-	257	-
Obligations	**112,741**	**37,822**	**94,601**	**52,322**
US Dollars	99,765	30,299	85,041	52,322
Euros	6,729	7,523	7,042	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	6,247	-	2,518	-
Finance lease	**8,410**	**15,273**	**7,591**	**11,582**
US Dollars	6,044	8,303	5,611	6,882
Euros	-	-	-	-
Other currency	-	-	-	-
Non-indexed Ch$	471	1,494	564	554
U.F.	1,895	5,476	1,416	4,146
Others	**1,915**	**10,155**	**4,116**	**107**
US Dollars	1,344	10,155	4,116	107
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	571	-	-	-
U.F.	-	-	-	-
Other current liabilities	**2,084,634**	**30,695**	**2,504,844**	**51,134**
US Dollars	1,644,082	2,260	2,291,445	-
Euros	125,734	-	24,961	-
Other currencies	9,261	-	791	-
Non-indexed Ch$	269,191	28,220	184,562	51,134
U.F.	36,366	215	3,085	-

Non-current liability by currency	12-31-2016				12-31-2015			
	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$
Non-Current liabilities	**5,969,958**	**2,866,846**	**5,893,456**	**6,314,033**	**5,166,907**	**2,192,825**	**6,603,167**	**5,887,007**
US Dollars	5,609,256	2,728,331	4,916,894	4,347,467	4,939,297	2,064,442	6,081,114	4,317,803
Euros	-	-	(10,015)	960,360	-	-	(11,213)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	343,985	130,378	268,192	514,850	199,062	119,227	253,221	1,055,716
U.F.	16,717	8,137	718,385	491,356	28,548	9,156	280,045	513,488
Other non-current financial liabilities	**2,334,118**	**2,736,469**	**5,604,973**	**4,255,909**	**1,304,942**	**2,073,599**	**6,349,946**	**4,298,444**
US Dollars	2,315,498	2,728,332	4,896,603	3,295,549	1,292,189	2,064,443	6,081,114	4,298,444
Euros	-	-	(10,015)	960,360	-	-	(11,213)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	5,927	-	-	-	1,413	-	-	-
U.F.	12,693	8,137	718,385	-	11,340	9,156	280,045	-
Bank loans	**1,626,564**	**575,514**	**143,227**	**643,142**	**1,196,308**	**453,408**	**174,939**	**686,999**
US Dollars	1,626,564	575,132	143,227	643,142	1,196,308	452,783	174,939	686,999
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	382	-	-	-	625	-	-
Obligations	**596,805**	**2,132,171**	**5,266,514**	**3,612,767**	**-**	**1,585,218**	**5,979,947**	**3,611,445**
US Dollars	596,805	2,132,171	3,940,127	2,652,407	-	1,585,218	5,072,052	3,611,445
Euros	-	-	622,361	960,360	-	-	643,237	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	704,026	-	-	-	264,658	-
Finance Lease	**38,411**	**28,784**	**33,613**	**-**	**31,805**	**34,973**	**32,623**	**-**
US Dollars	20,392	21,029	19,254	-	19,729	26,442	17,236	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	5,326	-	-	-	736	-	-	-
U.F.	12,693	7,755	14,359	-	11,340	8,531	15,387	-
Others	**72,338**	**-**	**161,619**	**-**	**76,829**	**-**	**162,437**	**-**
US Dollars	71,737	-	793,995	-	76,152	-	816,887	-
Euros	-	-	(632,376)	-	-	-	(654,450)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	601	-	-	-	677	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other liabilities non-current	**3,635,842**	**130,377**	**288,482**	**2,058,123**	**3,861,967**	**119,226**	**253,220**	**1,588,562**
US Dollars	3,293,759	-	20,291	1,051,918	3,647,109	-	-	19,359
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	338,059	130,378	268,192	514,850	197,650	119,227	253,221	1,055,716
U.F.	4,025	-	-	491,356	17,209	-	-	513,488

33. Sanctions

As of December 31, 2016 and 2015, neither Codelco Chile nor its Directors and Managers have been sanctioned by the SVS or any other administrative authorities.

34. Subsequent events

- On January 27, 2017, Law No. 20,989 the Capitalization Law was enacted, which contemplates the contribution of an additional amount that establishes a maximum of US$475 million per year for 2016 and 2017, with the purpose of reducing the indebtedness of the Corporation, as a mitigation equivalent to the difference between the transfers made by the Reserved Law and the surplus that the Corporation has.
- On March 7, 2017, it was informed as an essential fact that Mr. Mauricio Larraín Medina, General Manager of El Teniente Division, tendered his resignation to the Corporation as of April 1st, 2017.
- On March 13, 2017, it was informed as an essential fact that Mr. André Sougarret Larroquete has been designed as General Manager of El Teniente Division as of April 1st, 2017.

The Corporation's management is not aware of any significant events of a financial or other nature that would affect these statements occurring between January 1, 2017 and the date of issuance of these financial statements (March 30, 2017) that may affect them.

35. Environmental Expenditures

Each of Codelco's operations is subject to national, regional and local regulations related to protection of the environment and natural resources, including standards relating to water, air, noise and disposal and transportation of dangerous residues, among others. Chile has introduced environmental regulations that have obligated companies, including Codelco, to carry out programs to reduce, control or eliminate relevant environmental impacts. Codelco has executed and shall continue to execute a series of environmental projects to comply with these regulations.

Pursuant to the Letter of Values approved in 2010, Codelco is governed by a series of internal policies and regulations that frame its commitment to the environment, including the Sustainable Development Policy (2003) and the Corporate Security, Occupational Health and Environmental Management Policy (2007).

The environmental management systems of the divisions and the Head Office, structure their efforts in order to comply with the commitments assumed by the corporation's environmental policies, incorporating planning, operating, verifying and reviewing elements. As of December 31, 2016, 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 No. 1.901 of 2008 of the SVS, the details of the Corporation's main expenditures related to the environment during the periods from January 1 to December 31, 2016 and 2015, respectively, and the projected future expenses are stated below.

Entity	Project Name	Disbursements 12/31/2016				12/31/2015	Future committed disbursements	
		Project status	Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
	Chuquicamata		**101,023**			**108,270**	**430,873**	
Codelco Chile	Talambre dam capacity extension, 8th stage	In Progress	14,614	Asset	P, P & E	19,774	300,048	2020
Codelco Chile	Emergency restoration system dust control crushing plant 2/3	In Progress	4,299	Asset	P, P & E	1,080	6,299	2018
Codelco Chile	Extension of 5th cps smelting	In Progress	14,505	Asset	P, P & E	-	582	2017
Codelco Chile	Replacement of circulation pot 1A and 2A	In Progress	7,485	Asset	P, P & E	14,083	21,915	2018
Codelco Chile	Standarization sampling and weighing system	In Progress	1,027	Asset	P, P & E	-	-	-
Codelco Chile	Construction installation surplus management	In Progress	7,445	Asset	P, P & E	-	6,817	2017
Codelco Chile	Replacement of water treatment plant	In Progress	5,367	Asset	P, P & E	-	34,578	2018
Codelco Chile	Replacement gas management system	In Progress	10	Asset	P, P & E	-	10,317	2018
Codelco Chile	Acid plants	In Progress	23,124	Expenditure	Adm. Expense	48,141	25,641	2016
Codelco Chile	Solid waste	In Progress	1,367	Expenditure	Adm. Expense	2,360	1,560	2016
Codelco Chile	Tailings	In Progress	21,062	Expenditure	Adm. Expense	21,848	22,446	2016
Codelco Chile	Acid drainage	In Progress	-	Expenditure	Adm. Expense	-	-	2016
Codelco Chile	Water treatment plant	In Progress	248	Expenditure	Adm. Expense	301	420	2016
Codelco Chile	Environmental monitoring	In Progress	470	Expenditure	Adm. Expense	683	250	2016
	Salvador		**95,987**			**91,438**	**208,133**	
Codelco Chile	Improvement of integrated gas collection process	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Construction Ditch Hazardous Waste	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Construction 5th stage tailings treatment	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Construction peralte north wall second stage	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Improved integration of the gas process	In Progress	54,904	Asset	P, P & E	53,804	170,407	2018
Codelco Chile	Sanitary landfill construction	In Progress	-	Asset	P, P & E	-	-	-
Codelco Chile	Environmental improvement to Puerto Barquito	In Progress	-	Asset	P, P & E	1,630	-	-
Codelco Chile	Concentrator filter plant construction	In Progress	10,746	Asset	P, P & E	-	8,857	2017
Codelco Chile	Tailings	In Progress	1,918	Expenditure	Adm. Expense	2,621	1,837	2016
Codelco Chile	Acid plants	In Progress	26,269	Expenditure	Adm. Expense	31,473	24,992	2016
Codelco Chile	Solid waste	In Progress	1,311	Expenditure	Adm. Expense	1,256	1,063	2016
Codelco Chile	Water treatment plant	In Progress	839	Expenditure	Adm. Expense	654	977	2016
Codelco Chile	Envioronmental management and monitoring, consulting	In Progress	-	Expenditure	Adm. Expense	-	-	2014
	Andina		**162,685**			**159,523**	**212,975**	
Codelco Chile	Construction of water trap for east ballast deposit	Finished	-	Asset	P, P & E	4,691	-	-
Codelco Chile	Drain water treatment	In Progress	15,143	Asset	P, P & E	-	8,557	2017
Codelco Chile	Constuction tracking works	In Progress	-	Asset	P, P & E	-	-	
Codelco Chile	Water Normative Phase 2	In Progress	3,918	Asset	P, P & E	7,633	5,189	2018
Codelco Chile	Building evacuation and capturing towers, Ovejería	In Progress	280	Asset	P, P & E	3,497	-	2016
Codelco Chile	Construction works infiltration plan	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Improvement to irrigation	In Progress	-	Asset	P, P & E	3,290	-	-
Codelco Chile	Improvements to line wall sand	In Progress	-	Asset	P, P & E	220	-	-
Codelco Chile	Construction site emergency plan	In Progress	6,845	Asset	P, P & E	-	24,603	2017
Codelco Chile	Construction site emergency plan	In Progress	206	Asset	P, P & E	18,696	-	2016
Codelco Chile	Construction adduction Los Leones	In Progress	66	Asset	P, P & E	3,764	-	2016
Codelco Chile	Construction well container spills	In Progress	-	Asset	P, P & E	561	-	-
Codelco Chile	Drain water treatment DLN	In Progress	-	Asset	P, P & E	11,842	-	2017
Codelco Chile	Level 640 tranque	In Progress	36,644	Asset	P, P & E	15,276	67,808	2017
Codelco Chile	Improved water internal tip E2	In Progress	6,200	Asset	P, P & E	5,172	5,438	2017
Codelco Chile	Replacement Ovejeria line tailings	In Progress	492	Asset	P, P & E	6,284	-	-
Codelco Chile	Improvement of power supply	In Progress	1,208	Asset	P, P & E	254	-	-
Codelco Chile	Water rights and lands early acquisition	In Progress	381	Asset	P, P & E	7,538	-	-
Codelco Chile	Construction of emergency transport system works	In Progress	10,028	Asset	P, P & E	-	25,021	2017
Codelco Chile	Río Blanco trap	In Progress	4,049	Asset	P, P & E	641	-	-
Codelco Chile	Construction early alert plan	In Progress	1,529	Asset	P, P & E	-	365	2017
Codelco Chile	Solid waste	In Progress	2,183	Expenditure	Adm. Expense	1,935	2,712	2016
Codelco Chile	Water treatment plant	In Progress	2,866	Expenditure	Adm. Expense	3,532	4,110	2016
Codelco Chile	Trailing	In Progress	67,239	Expenditure	Adm. Expense	61,968	65,517	2016
Codelco Chile	Acid drainage	In Progress	3,408	Expenditure	Adm. Expense	2,729	3,655	2016
Subtotal			**359,695**			**359,231**	**851,981**	

Entity	Project Name	Disbursements 12/31/2016				12/31/2015	Future committed disbursements	
		Project status	Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
	El Teniente		**209,108**			**193,207**	**399,941**	
Codelco Chile	Construction of 7th phase of Carén	In Progress	2,707	Asset	P, P & E	1,697	-	2016
Codelco Chile	Network Monitoring System	Finished	-	Asset	P, P & E	250	-	-
Codelco Chile	Construction of 6th phase of Carén	In Progress	28,213	Asset	P, P & E	28,213	81,619	2017
Codelco Chile	Installation of Powder control	In Progress	-	Asset	P, P & E	172	-	-
Codelco Chile	Flowmeter Acquisitions	In Progress	-	Asset	P, P & E	124	-	-
Codelco Chile	Environmental reconstruction of courts	In Progress	-	Asset	P, P & E	1,557	-	-
Codelco Chile	Emergency reservoir construction	In Progress	-	Asset	P, P & E	2,099	-	-
Codelco Chile	Reinforcement structure and other critical sectors	In Progress	-	Asset	P, P & E	701	-	-
Codelco Chile	Scale and bridges replacement	In Progress	122	Asset	P, P & E	122	-	-
Codelco Chile	Coya module acquisition	In Progress	309	Asset	P, P & E	4	-	-
Codelco Chile	Construction of slag treatmentn plant	In Progress	6,092	Asset	P, P & E	-	37,112	2016
Codelco Chile	Smelting emissions network	In Progress	41,880	Asset	P, P & E	-	129,373	2019
Codelco Chile	Acid plants	In Progress	61,240	Expenditure	Adm. Expense	68,748	60,973	2016
Codelco Chile	Solid waste	In Progress	4,079	Expenditure	Adm. Expense	3,474	3,687	2016
Codelco Chile	Water treatment plant	In Progress	12,886	Expenditure	Adm. Expense	14,423	13,803	2016
Codelco Chile	Tailings	In Progress	51,580	Expenditure	Adm. Expense	71,623	73,374	2016
	Gabriela Mistral		**11,278**			**17,072**	**12,471**	
Codelco Chile	Installation of modular pool cover	In Progress	691	Asset	P, P & E	-	-	-
Codelco Chile	Installation of gravel dump	In Progress	7,682	Asset	P, P & E	14,243	8,721	2017
Codelco Chile	Installation of gravel dump phase IV	In Progress	41			-	368	2016
Codelco Chile	Environmental monitoring	In Progress	1,668	Expenditure	Adm. Expense	140	65	2016
Codelco Chile	Solid waste	In Progress	51	Expenditure	Adm. Expense	1,532	2,067	2016
Codelco Chile	Water treatment plant	In Progress	1,145	Expenditure	Adm. Expense	1,157	1,250	2016
	Ventanas		**65,543**			**59,683**	**51,873**	
Codelco Chile	Capturing of second gases	In Progress	15,034	Asset	P, P & E	14,236	7,796	2017
Codelco Chile	Capturing of racking gases	In Progress	2,044	Asset	P, P & E	6,921	-	-
Codelco Chile	Treatment of gases in line	In Progress	1,828	Asset	P, P & E	6,356	-	-
Codelco Chile	Natural gas conversion burner	Finished	-	Asset	P, P & E	397	-	-
Codelco Chile	Standardization of Measurements	Finished	-	Asset	P, P & E	48	-	-
Codelco Chile	Eliminating Visible Smokes	In Progress	10,170	Asset	P, P & E	3,263	2,135	2017
Codelco Chile	Fugitive gas treatment	In Progress	10,063	Asset	P, P & E	1,524	6,799	2017
Codelco Chile	Treatment of secondary gases	In Progress	14	Asset	P, P & E	-	-	-
Codelco Chile	Reparation of exchanger	In Progress	30	Asset	P, P & E	517	-	-
Codelco Chile	Installation Cloth 6	In Progress	-	Asset	P, P & E	22	-	-
Codelco Chile	Container carrier	In Progress	46	Asset	P, P & E	-	1,731	2017
Codelco Chile	Acid plants	In Progress	18,030	Expenditure	Adm. Expense	18,687	21,425	2016
Codelco Chile	Solid waste	In Progress	1,643	Expenditure	Adm. Expense	1,430	2,381	2016
Codelco Chile	Environmental monitoring	In Progress	1,529	Expenditure	Adm. Expense	1,542	1,544	2016
Codelco Chile	Effluent treatment plant	In Progress	5,112	Expenditure	Adm. Expense	4,740	8,062	2016
	Radomiro Tomic		**3,014**			**2,001**	**4,809**	
Codelco Chile	Application of monitoring system	In Progress	127	Asset	P, P & E	-	1,493	2017
Codelco Chile	Solid waste	In Progress	1,199	Expenditure	Adm. Expense	989	1,324	2016
Codelco Chile	Environmental monitoring	In Progress	764	Expenditure	Adm. Expense	-	945	2016
Codelco Chile	Effluent treatment plant	In Progress	924	Expenditure	Adm. Expense	1,012	1,047	2016
	Ministro Hales		**15,669**			**3,875**	**3,295**	
Codelco Chile	Mounting system acquisition and washing	In Progress	-	Asset	P, P & E	496	-	-
Codelco Chile	Improving accessibility and integration villas	In Progress	12,496	Asset	P, P & E	2,579	-	-
Codelco Chile	Acquisition sprinkler truck	In Progress	-	Asset	P, P & E	22	-	-
Codelco Chile	Silicone Bagging Facility	In Progress	-	Asset	P, P & E	308	-	2015
Codelco Chile	Enlargement plant plant filter	In Progress	-	Asset	P, P & E	470	-	2015
Codelco Chile	Solid waste	In Progress	1,726	Expenditure	Adm. Expense	-	1,800	2016
Codelco Chile	Environmental monitoring	In Progress	669	Expenditure	Adm. Expense	-	695	2016
Codelco Chile	Water treatment plant	In Progress	778	Expenditure	Adm. Expense	-	800	2016
	Ecometales Limited		**217**			**207**	**215**	
Ecometales Ltd.	Smelting plant of foundry dust	In Progress	217	Expenditure	Adm. Expense	207	215	2015
Subtotal		304,829			276,045	472,604		
Total		664,524			635,276	1,324,585		

CODELCO

Ratio Analysis of the Consolidated Financial Statement

As of December 31, 2016

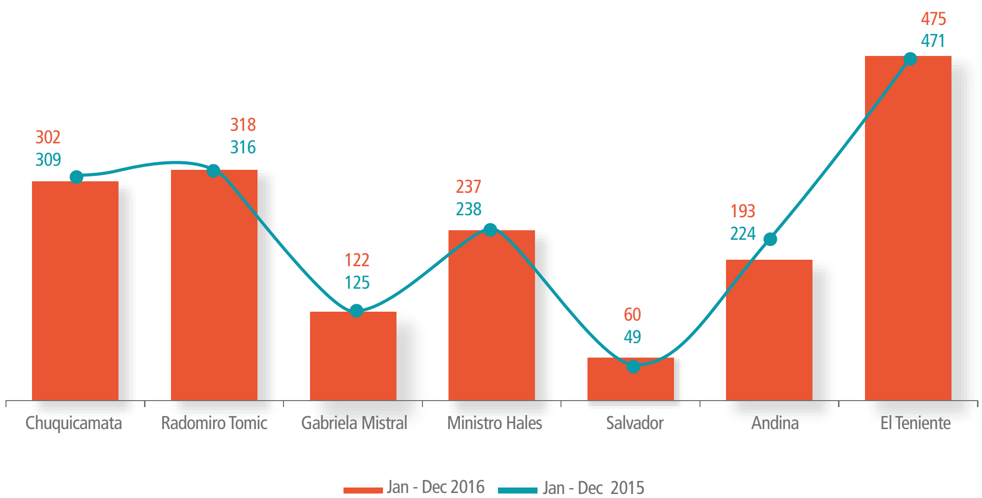
Ratio Analysis of the Consolidated Financial Statements

As of December 31, 2016

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 2016 and its comparison with the year 2015.

This report is to be understood as a supplement to the consolidated financial statements and its explanatory notes and should be read together with such information to obtain a more comprehensive conclusion on the topics recorded therein

I. ANALYSIS OF RESULTS OF OPERATIONS



Graphic 1: Plant production of FMT.

1. Production.

As of December 31, 2016, the total production of fine copper of Codelco Chile, from its operating divisions, amounted to ThFMT 1,707, representing a decrease in production of 1.4% compared to the production generated in 2015.

At divisional level, the negative variance is explained by the decreases in production recorded in the Chuquicamata Division(-2.3%), Andina Division (-13.7%), Gabriela Mistral Division (-2.6%) and to a lower extent the Ministro Hales Division (-0.4%), which resulted in ThFMT 42 of decrease in production; being partially offset by the increase in production recorded at the Radomiro Tomic Division (0.8%), El Salvador Division (22.0%) and El Teniente Division (0.9%), the increase in and contribution of which represents ThFMT 18 of production.

Note that such production behavior represents a constant management effort addressing different factors presented in mining operations; i.e., a decline in ore grades, higher rock hardness, greater depth of deposits, among others, which is in particular present in divisions with older deposits. Because of this, we seek that such factors be permanently offset by management actions and/or improvements in the factorial productivity of resources used.

2. Physical sales volume

Sales, expressed in fine metric tons of own and third party copper and molybdenum are detailed as follows:

Deliveries	12-31-2016 FMT	12-31-2015 FMT	Variance FMT	Variance %
Own copper	1,748,634	1,681,213	67,421	4%
Own copper, third party minerals	111,831	92,470	19,361	21%
Sales of own copper, own and third party minerals	**1,860,465**	**1,773,683**	**86,782**	**5%**
Copper acquired from third parties	401,966	445,967	(44,001)	-10%
Total own and third party sales	**2,262,431**	**2,219,650**	**42,781**	**2%**
Own molybdenum	29,823	26,029	3,794	15%

Table 2: Total Physical Sales of Copper and Molybdenum.

Total physical sales of own copper (ThFMT 1,860.5) processed in Codelco's plants mainly from own minerals (94%) and to a lower proportion from third party minerals (6%), increased by 5% compared to the period from January and December 2015. With respect to this, total deliveries of own copper produced from mineral resources from Codelco's deposits reflected an increase of 4%(ThFMT +67.4), whereas own physical copper sales with minerals from third parties increased by 21%

Adding to this figure copper acquired from third parties, which decreased by ThFMT 44 total sales volume amounted to ThFMT 2,262.4, which for 2016 represents an increase of 2% compared to 2015 (ThFMT +42.8).

In addition, during 2016, the delivery volume of molybdenum increased by 15% (ThFMT +3.8).

3.Profit for the period (expressed in millions of U.S. dollars, MUS$)

The table below shows the behavior of the statement of income for the period between January and December 2016 and 2015.

Concept	12-31-2016 MUS$	12-31-2015 MUS$	Variance (%)
Revenue from sales of own copper	8,774	8,722	1%
Revenue from sales of third party copper	1,754	2,039	-14%
Revenue from sales of molybdenum	419	392	7%
Revenue from sales of other products and services	585	538	9%
Revenue from future market	5	3	67%
Total revenue	**11,537**	**11,694**	**-1%**
Cost of own copper sold	-7,140	-7,396	-3%
Cost of third party copper sold	-1,767	-2,034	-13%
Cost of molybdenum sold	-185	-174	6%
Cost of other products and services sold	-358	-313	14%
Total cost of sales	**-9,450**	**-9,917**	**-5%**
Gross profit	**2,087**	**1,777**	**17%**
Other income and o9ther expenses per function (without No. Law 13.196)	-320	-1,069	-70%
Law No. 13.196	-866	-865	0%
Distribution expenses	-12	-12	0%
Administrative expenses	-415	-363	14%
Other gains (losses)	29	21	38%
Gains (losses) from operating activities	**503**	**-511**	**198%**
Finance income	23	17	35%
Finance costs	-547	-525	4%
Share of profit of associates and joint ventures accounted for using the equity method of accounting	-177	-2,502	-93%
Foreign currency translation differences	-233	466	-150%
Loss before taxes	**-431**	**-3,056**	**-86%**
Income tax expense	97	728	-87%
Consolidated loss	**-334**	**-2,328**	**-86%**
Loss attributable to non-controlling interests	-58	-836	-93%
Codelco net loss	**-275**	**-1,492**	**-82%**
Profit (loss) before income taxes and Law No. 13.196, Consolidated (Surplus)	**435**	**-2,191**	**120%**
Profit before income taxes and Law No. 13.196, Stand-alone (Surplus)	**500**	**-1,357**	**137%**
EBIT (Earnings Before Interests and Taxes)	116	-2,531	105%
EBITDAL (Earnings Before Interests, Taxes, Depreciation, Amortization and Law No. 13.196)	2,918	358	715%
EBITDAL ((Earnings Before Interests, Taxes, Depreciation, Amortization and Law No. 13.196) (*) Excluding accounting adjustments for impairment and write-offs	3,075	3,575	-14%
Mining EBITDAL (*) Excluding accounting adjustments for impairment and write-offs	3,088	3,570	-13%
Mining EBITDA Margin (*) Excluding accounting adjustments for impairment and write-offs	32%	37%	-15%

Table 3: Consolidated profit or loss as of December 31, 2016 and 2015.

Profit before taxes and Law No. 13.196 generated a profit of MUS$ 435 representing an increase of 120% compared to the prior year. Such increase in profit before income tax, specific tax on mining activities (mining royalty) and reserved law is reflected by a positive gross margin, mainly related to the recognition of lower costs of sale of own copper and copper from third parties which exceed the decrease recorded in operating income because of the positive variance recognized in the caption other income (expenses) by function, and the variance in the gain or loss obtained from investments in subsidiaries and affiliates, this positive variance includes the negative effect recorded by the variance in the foreign currency translation difference recognized during 2016.

Note that in the period between October and December 2016, Codelco recorded profit before income taxes, specific tax on mining activities (royalty) and reserved law (Surplus) of MUS$ 453. (During the third quarter of 2016, profit before income taxes, specific tax on mining activities (royalty) and reserved law was an accumulated loss of MUS$ 18).

Gross profit as of December 31, 2016 amounted to MUS$ 2,087, which is greater by MUS$ 310 than the profit obtained in 2015. Such positive variance, as indicated above, is mainly due to the reduction of costs of sales of own and third party copper, which exceeds the decrease in revenue, the effect of which is mainly due to the lower price of copper .

The variation in production costs for the periods indicated above is detailed below.

Cost Category (US¢/lb)	Jan - Dec 2016	Jan - Dec 2015	Var (%)
Total costs (*)	214.6	203.0	5,7%
Net cost to cathode (C3) (*)	204.1	196.9	3,7%
Direct cash cost (C1)	126.1	138.7	-9,1%

Table 4: Production costs as of December 31, 2016 and 2015.

The 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 conducted by Codelco. This is evident at cash cost level (C1), the main ratio for the industry, showing a reduction of 9% compared to 2015. At total cost level, there was an increase of 6% whereas the net cost at cathode level increased by 4%.

(*) Note that for 2015, the total cost ratio and net cost at cathode level ratio C3 excludes the accounting adjustments for impairment and assets written-off.

4.Other income and expenses per function

As of December 31, 2016, Other income and expenses per function (which also add the reserved law) amount to net expense of MUS$ 1,186, which was lower by 39% compared to 2015.

The positive variance of MUS$ 748 is mainly explained by lower expenses recorded in 2016 for property, plant and equipment written-off, investment and research projects written-off, inventories written-off, impairment of cash-generating units Divisions Salvador and Ventanas, expenses associated with contractor transport and climatic impact, which were recognized in accounting in 2015.

As indicated above, the tax under Law No.13.196, which imposes a rate of 10% on the return from exports of own copper and by-products, is recognized within the caption other expenses per function. As of December 31, 2016 and 2015, the expense amounted to MUS$ 866 and MUS$ 865, respectively), which is naturally explained by sales revenue.

1 Average copper price in the LME for Jan-Dec 2016 and Jan-Dec 2015 ₵US/lb. 220.6 and ₵US/lb. 249.2, respectively (Variance: -11.5%).
Average molybdenum price for Jan-Dec 2016: US$/Kg. 14.3 and Jan-Dec 2015: US$/Kg. 14.7 (Variance: -2.6%).

5. Surplus - profit (loss) before taxes and net profit (loss)

As of December 31, 2016, the consolidated net profit before income taxes and income under Law No.13.196 was MUS$ 435, greater than in 2015 (loss of MUS$ 2,191). The positive variance in comparing both results is mainly explained by the greater result in revenue and operating costs (lower gross margin); because of the positive variance recognized in the caption other income (expenses) per function; because of the positive variance in the share of profit (loss) of investees, which partly offset the negative effect of the foreign currency translation difference recognized in the period (loss of MUS$ 233 as of December 31, 2016) and other administrative expenses.

In addition, the loss before income taxes and specific tax on mining activities (royalty) amounted to MUS$ 431; whereas the net loss for the period at Codelco amounted to MUS$ 275. During the period accumulated through December 31, 2016, a loss was recognized because of the non-controlling interests of MUS$ 58.

Annualized return on assets and equity for the same period, without considering the tax burden, Law No.13.196, interest, depreciation and amortization, results in 8.74% and 29.75%, respectively.

II. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Caption	12-31-2016 MUS$	31-12-2015 MUS$	Variance %
Current assets	4,696	6,058	-22,48%
Non-current assets	28,707	27,247	5,36%
Total assets	**33,403**	**33,305**	**0,29%**
Current liabilities	2,469	3,722	-33,66%
Non-current liabilities	21,044	19,850	6,02%
Total liabilities	**23,513**	**23,572**	**-0,25%**
Equity	9,890	9,733	1,61%
Total liabilities and equity	**33,403**	**33,305**	**0,29%**

Table 5: Consolidated statements of financial position as of December 31, 2016 and 2015.

From total assets as of December 31, 2016, items of current assets represent 14% and the remaining percentage relates to non-current assets where property, plant and equipment has the greater percentage (84%).

From total liabilities and equity as of December 31, 2016, current liabilities represents 7%. Non-current liabilities and equity represent 63% and 30%, respectively.

1. Assets

As of December 31, 2016, current assets amounted to MUS$ 4,696, mainly composed of Inventories of MUS$ 1,800 (38%), Trade and other receivables of MUS$ 2,255 (48%), Cash and cash equivalents of MUS$ 577 (12%), Current tax assets of MUS$ 12 (0.3%) and the difference is composed of other current asset accounts.

Inventories decreased in net terms by MUS$ 297, as reflected in the lower amount of inventories of finished products, mainly from own minerals copper and molybdenum, from inventories of product in process, as well as materials and supplies maintained in the warehouse. The amount of inventories from affiliates recorded a positive variance of MUS$ 16

As of December 31, 2016, inventories are detailed as follows:

Inventory	December 2016 MUS$	December 2015 MUS$	Variance D16/D15
Finished products	323	492	-169
Products in process	1,004	1,080	-76
Warehouse	406	474	-68
Total Inventories - Codelco	**1,733**	**2,046**	**-313**
Consolidation of subsidiaries	67	51	16
Total Inventories	**1,800**	**2,097**	**-297**

Table 6: Inventories as of December 31, 2016 and 2015.

The table below presents items of Property, plant and equipment as of December 31, 2016:

Property, plant and equipment	12-31-2016 MUS$	12-31-2015 MUS$	Variance D16/D15
Construction in progress, gross	6,266	4,891	28%
Land, gross	151	133	14%
Buildings, gross	5,141	4,963	4%
Plant and equipment, gross	14,296	14,129	1%
Facilities and fixtures, gross	51	56	-9%
Motor vehicles, gross	1,978	1,999	-1%
Land improvements, gross	4,915	4,716	4%
Mining operations, gross	5,824	5,199	12%
Mine development, gross	3,980	3,864	3%
Other assets, gross	1,368	1,433	-5%
Total property, plant and equipment, gross	43,970	41,383	6%
Total accumulated depreciation	19,993	18,755	7%
NET VALUE	23,977	22,628	6%

Table 7: Property, plant and equipment as of December 31, 2016 and 2015.

In net terms, there was an increase of MUS$ 1,349 in the caption property, plant and equipment representing an increase of 6% (increase of such assets of MUS$ 2,796 less accumulated depreciation 1,238) compared to December 31, 2015.

2. Liabilities

As of December 31, 2016, current liabilities amounted to MUS$ 2,469 (MUS$ 3,722 as of December 31, 2015) and is composed of other current financial liabilities of MUS$ 353 (14%), trade and other payables of MUS$ 1,208 (49%), current provisions for employee benefits of MUS$ 440 (18%), other current provisions of MUS$ 290 (12%), trade payables due to related parties of MUS$ 104 (4%) plus other miscellaneous liabilities.

As of December 31, 2016, non-current liabilities amounted to MUS$ 21,044 (MUS$ 19,850 as of December 31, 2015), mainly composed of other non-current financial liabilities of MUS$ 14,931 (71%), deferred tax liabilities of MUS$ 3,144 (15%), other long-term provisions of MUS$ 1,593 (8%), non-current provisions for employee benefits of MUS$ 1,309 (6%), 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 market.

Movements in obligations with banks and financial institutions for the period between January 1 and December 31, 2016 relate to the payment of bank borrowings, increases and accrual of financial interest, foreign currency translation difference and others.

Movements in bank borrowings	Current	Non-current
	MUS$	
Initial balance of bank borrowings	996	2,512
Increases	413	73
Postponement of borrowings	-500	500
Repayment of borrowings	-850	-
Transfer to the current portion	100	-100
Foreign currency translation difference, accrual of interests and others	7	3
Total movements	-830	476
Closing balance of bank borrowings	166	2,988

Table 8: Movements in Bank borrowings as of December 31, 2016

3. Equity

As of December 31, 2016, equity amounted to MUS$ 9,890 (MUS$ 9,733 as of December 31, 2015), which represents an increase of 1.6%, equivalent to a positive variance of MUS$ 157.

Such positive variance is mainly explained by the record of the extraordinary capital contribution (in accordance with article 1 of Law No. 20.790), received in December 2016 of MUS$ 500, because of the incorporation of the net loss for the year recognized at Codelco of MUS$ 275, plus the loss recognized from non-controlling interests of MUS$ 58, because of the negative effect of other comprehensive income and other movements recognized in the period, net effect, of MUS$ 4.

III. FINANCIAL RATIOS

Liquidity	12-31-2016	12-31-2015	Variance (%)
Current liquidity: Current assets/current liabilities	1.90	1.63	16,6%
Acid test: (Current assets-inventories-prepayments)/current liabilities	1.17	1.06	10,4%
Indebtedness	**12-31-2016**	**12-31-2015**	**Variance(%)**
Indebtedness ratio: Total liabilities/equity (times)	2.38	2.42	-1,7%
Short-term to total debt: Current liabilities/total liabilities	0.11	0.16	-31,3%
Long-term debt to total debt: Non-current liabilities/total liabilities	0.89	0.84	6%
Hedges and profitability ratios	**12-31-2016**	**12-31-2015**	**Variance (%)**
Profit before taxes and interest / finance costs (times)	0.21	-4.82	-104%
Annualized return on assets before taxes %	-1,3%	-9,2%	-86%
Annualized return on equity before taxes %	-4,4%	-28,8%	-85%
Annualized return on operating assets before taxes %	-1,8%	-12,6%	-85%
Activity ratios	**12-31-2016**	**12-31-2015**	**Variance (%)**
Accounts receivable turnover (times)	7.16	11.04	-35,1%
Collection recovery (based on 360 days)	50.3	32.6	54,2%
Inventory turnover (times)	4.09	4.02	1,6%
Inventory permanence (based on 360 days)	88.1	89.5	-1,6%
Assets	**12-31-2016**	**12-31-2015**	**Variance (%)**
Total assets (millions of US$)	**33,403**	**33,305**	**0,3%**

Table 9: Financial ratios

As of December 31, 2016, the current liquidity ratio was 1.90 times, whereas for 2015 it was 1.63 times, maintaining its payment capacity stable for both periods. The increase with respect to the prior year (+16.6%), is explained because current liabilities decreased (variance: -33.7%) in a greater proportional amount than current assets (variance: -.22.5%). This decrease in current liabilities is mainly due to maturities of loans occurred during the year.

As of December 31, 2016, Codelco's total indebtedness amounted to MUS$ 23,513 (MUS$ 23,572 as of December 31, 2015), which generates a decrease of MUS$ 59 in such ratio. The decrease in the percentage of the indebtedness ratio (variance: -2.1%), is mainly explained by the positive variance recorded in equity (+ 1.6% / MUS$ 157) explained above related to the capital contribution received in December 2016

IV. STATEMENT OF CASH FLOWS

As of December 31, 2016, net cash flows from operating activities presented a positive movement of MUS$ 1,886, which is lower by MUS$ 1,509 compared to 2015. Such negative variance is mainly explained by the lower collection of sales revenue obtained by Codelco, attributable to the effect of the lower price of copper and molybdenum and lower income from dividends received. In addition, during 2016 Codelco presented greater expenses associated with payments to suppliers and contractors partially offset by the lower payment of taxes associated with profits and sales.

Cash flows from operating activities highlight the following items:

Concept	12-31-2016 MUS$	12-31-2015 MUS$
Cash receipts from sales of goods and rendering of services	11,255	12,134
Other cash receipts from operating activities	1,637	1,775
Cash payments to suppliers for the supply of goods and services	(7,380)	(6,830)
Finance hedges and sales	29	35
Dividends received	78	211
Cash payments for Law No. 13.196	(917)	(867)
Income taxes paid	(25)	(248)
Other cash payments for operating activities	(2,791)	(2,815)
Total cash flows generated from operating activities	1,886	3,395

Table 10: Cash flows from operating activities as of December 31, 2016 and 2015

In addition, as of December 31, 2016 cash flows from financing activities had a negative balance of MUS$ 55, reflecting negative variance of MMUS$ 1,393 compared to 2015. Such variance mainly relates to lower proceeds from bank borrowings recorded during this period.

As part of the cash flows from financing activities, we may highlight the following:

Concept	12-31-2015 MUS$	31-12-2014 MUS$
Payments for other interests in equity	1	-
Total proceeds from bank borrowings	884	2,331
Repayment of bank borrowings	-852	-1,043
Interest paid	-588	-550
Other cash inflows (outflows)	500	600
Dividends paid	-	-
Total cash flows (used in) from financing activities	(55)	1,338

Table 11: Cash flows from financing activities as of December 31, 2016 and 2015

Finally, investing activities generated a net negative cash flow of MUS$ 2,997 as of December 31, 2016, which represents a decrease (net effect) of MUS$ 1,285 compared to December 31, 2015 (negative cash flows of MUS$ 4,282).

Considering cash flows indicated above and the effect on the variance in the exchange rate on cash and cash equivalents and the initial cash balances (MUS$ 1,742 and MUS$ 1,297 for December 31, 2016 and 2015, respectively), Codelco obtained a closing balance of cash and cash equivalents of MUS$ 576, which is lower than the balance of MUS$ 1,748 determined at end of 2015.

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. Its main commercial product is grade A copper cathode.

During 2016, its production totaled ThFMT 1,827(including the share of production in El Abra and Anglo American Sur), a record figure which represents 10% of the World's production and a 33% of the domestic production. In addition, Codelco has 7% the World's copper reserves, contained in world-class deposits and with a share of 11% is the second biggest producer of molybdenum.

Codelco has seven mining divisions: Radomiro Tomic, Chuquicamata, Gabriela Mistral, Ministro Hales, Salvador, Andina and El Teniente. 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, Codelco also has interest in different companies focused on technology exploration and development both in Chile and abroad. In international exploration operations, Codelco´s activities are focused on Ecuador and Brazil.

As of December 2016, Codelco had assets for over US$ 33.4 million and equity of US$ 9.9 billion, both figures at carrying amount.

Since the nationalization of copper in 1971 up to 2016, Codelco's deposits and operations have generated surpluses for over US$ 102 billion, expressed in currency of 2016. Thanks to the high prices of copper, over 60% of this amount was generated over the period between 2004 and 2014. During the last thirteen years, Codelco's contributions to the Chilean Treasury have represented 10% of the Main Government revenue, its exports have represented 18% of Chilean exports and its investments have exceeded 60% the total foreign investment in mining (Decree Law No. 600).

During 2016, Codelco recorded consolidated surplus of US$ 435 million, which compares favorably to the losses recorded in the prior year, mainly explained by the impairment and other accounting adjustments made to the amount of assets because of a more conservative view related to the evolution of copper price over the next few years. Excluding the impairment and accounting adjustments, surplus for 2016 show a decrease of 42% compared to 2015, as a result of the negative impact of foreign currency translation differences and the lower copper price. The average copper price was 220.6 c/lb., showing a decrease of -11.5% compared to the average in 2015. These factors were partially mitigated by the management efforts made by Codelco.

Causes for the decline in the price of copper are linked to the evolution in the world economy and the copper market scenario. The impairment and change in the model in the Chinese economy and the downturn in other emerging countries, such as Russia and Brazil, have added to the uncertainty as to the pace of growth in the United States, the speed of the increase in its interest rates and the evolution of the strengthening of U.S. dollars. Such factors have affected all commodity markets. In addition, copper price has also been influenced by the speculation about the impact of lower oil prices and lower prices of other supplies and services on production costs. All this within a context where inventories in metal exchanges have increased by 120% from the reduced level recorded in mid-2014, and the fact that certain analysts envision a surplus balances over the next few years. This set of items has translated into the impairment of expectations as to the future price of copper.

For costs, in 2016, Codelco implemented a Cost Reduction Plan aimed at generating savings of US$ 242 million. Codelco exceeded such objective achieving savings of US$ 433 million. At cash cost C1 level, the ratio that is most used for cost benchmarking purposes in the industry, Codelco recorded an average of 126.1 c/lb., with a decrease of 9%, compared to the prior year.

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. As a reference, during 2016, Codelco's consumption of goods and services amounted to US$6,863 million.

Looking at the long-term, market foundations continue to be attractive. The expected growth in China, India and 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 future growth in consumption. 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, the absence of relevant tech breaks, and greater geopolitical risks of the new mining districts set up a challenging outlook.

Considering such outlook and its own challenges, Codelco has defined a strategy focused on the following:

- Control of costs and increase in production capacity in current operations.
- Brownfield expansions making the mining base more profitable.
- Growth beyond the current mining base.

Those focuses are supported by six strategic foundations:

- Managing health and occupational safety.
- Operating in an operation which is environmentally friendly and takes care of the communities and territories.
- Strengthening the organization and management process.
- Incorporating and minimizing talent development.
- Creating value through innovation and new technologies.
- Strengthening corporate governance.

The main developments and most significant milestones for Codelco in its strategic focuses and foundations are reviewed below.

For Security and occupational safety after a 2015 without fatal accidents and with overall frequency and severity rates at historical minimum, in 2016 Codelco was struck by 4 fatal accidents. Codelco together with regretting such tragedies has reasserted its commitment to safety and occupational health for all employees working in their different projects and operating sites.

In the Environment and Communities area, Codelco has continued its work towards the reduction of environmental vulnerabilities, as well as contributing to the development of communities and territories near its operations. During 2016, the investment in sustainability initiatives amounted US$ 489 million. Notwithstanding the progress made and investments made, during the same period, significant environmental incidents occurred, which has resulted in Codelco driving even more the actions that allow it to comply with the world-class standards and ensure environmental and social approval of its operations and projects.

With respect to cost control and increase in productivity, Codelco has established a Strategic Agency which contemplates the following challenging goals:

- Increasing productivity by 18% at the end of 2018 and by 20% at 2020.
- Decreasing direct cash cost C1 and optimizing working capital.
- Generating savings of US$ 2,000 million by 2020.
- Decreasing fresh water consumption by 30% by 2025.

The 2020 Strategic Agenda for Productivity and Costs considers 8 topics around which a number of initiatives have been defined at all Divisions and Head Office.

With respect to people management and talent development, a highlight refers to feminine involvement, which achieved in the headcount of 9.0% in 2016, the highest in the domestic mining industry (7.9%). Codelco has committed to increase by 25% feminine headcount within the organization by 2020. Likewise, women are expected to assume director positions and other positions traditionally appointed to men. Simultaneously, the Head Office and Ventanas Division achieved the certification in the Chilean Standard 3262 for Gender Diversity and Reconciliation of Family, Labor and Personal Life, adding to the Gabriela Mistral Division, which had achieved this in 2015.

With respect to innovation and technology, Codelco has defined three lines of action: automation, remote operation and data analysis; applying new technology to increase energy efficiency and the use of resources and looking for technologies for treating impurities and making resources viable. On such lines, Codelco has established eight topics for development with over 100 projects in progress.

Another milestone for 2016 is achieving the first molybdenum shipment from the Mejillones Molyb Plant starting new business areas for Codelco. Molyb is a subsidiary of Codelco that will process 16,500 tons per year of molybdenum and 8 annual tons of rhenium.

With respect to corporate governance, Codelco has implemented a number of actions to perfect such aspect while making progress to greater transparency and integrity in Codelco's management. In August 2016, Codelco launched the web site www.codelcotransparente.cl, which is the information channel on such topics as the use of water, emissions, liquid and solid industrial waste, slags and tailings, management of human resources. Additionally, Codelco signed the United Nations Global Compact, a voluntary initiative through which, Codelco, as well as other 10,000 companies at worldwide level and 75 at domestic level, commit to align their strategies and operations to ten principles that universally accepted in four topics: human rights, labor standards, the environment and anti-corruption. Note that in 2016 Codelco complied with all the requirements from public entities established by the Transparency Board, being qualified as an institution which guarantees the delivery of full information to the citizenship, within the terms defined, complying with procedures and provisions established in the Transparency Act.

Codelco looking for improving the profitability of its mining base is currently 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 and its official opening occurred in January 2016. Through the present date Chuquicamata Underground Mine, Transfer of Andina and New Mine Level at El Teniente, are currently under construction. RT Sulfuros Fase II (RT Sulfides Phase II), in detail engineering and with an Environmental Impact Study approved in January 2016, Andina Future Development in reconceptualization and Rajo Inca (Inca Open Pit) currently under the prefeasibility study are added to the previous projects. Within the same aspect, the approval of the Recursos Norte (Northern Resources project) Environmental Impact Study is significant as this project will allow El Teniente Division to add significant resources and ensure its production, while the New Mine Level Structural project commences operations, currently being validated with respect to buildability and reformulation.

The formalization of this set of projects requires significant investments. During 2016, Codelco invested MUS$ 2,739 including projects, deferred expenses and contributions to companies.

The financing of the investments which ensure Codelco's leadership in the industry has been achieved thanks to the support provided by the Chilean Government and its credit rating. At the end of August 2016, Codelco succeeded in placing bonds for UF 10 million in one of the placements with better conditions and which more demand has generated in the history of the local market. Additionally, in October and November 2016, bilateral loans were renewed for 5 years with the Bank of Tokyo and Export Development Canada for a total of US$ 550 million. In addition, within the framework of Codelco's Multiyear Capitalization Law (2014-2018), during 2016, the Government injected capital to Codelco for US$ 500 million and committed the processing of a bill contemplating an additional contribution of up to US$ 475 million in 2017.

Finally and looking to make progress towards a new paradigm, which places in the center of its business the social and environmental aspects, generating shared value for the community, the citizenship, the environment and Codelco, at the end of December 2016 Codelco launched its Sustainability Master Plan, which contains efforts and initiatives with respect to sustainability, people management, innovation, business results and corporate governance. The main purpose of this plan is to develop and impose in the market the "Codelco seal" so that all sustainable and traceable processes and products are supported by an efficient, inclusive, dialog-enabling and innovating organization. To achieve such ambitious objective goals have been established for 2020, 2030 and 2040 which will guide Codelco´s management actions.

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 28 and 29 to the Financial Statements.

Divisional statements of income
As of December 31, 2016

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Building a better working world

Independent Auditor's Report on Supplementary Information

(Translation of a report originally issued in Spanish)

To the Shareholders and Directors of
Corporación Nacional del Cobre de Chile:

We have audited the consolidated financial statements of the Corporación Nacional del Cobre de Chile (hereinafter, the financial statements), as of December 31, 2016 and for the year then ended, and have issued our report dated March 30, 2017, 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 aforementioned supplementary 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 Audit SpA.

Santiago, March 30, 2017

Divisional Statement of Income

Chuquicamata

For the year ending December 31, 2016

Expressed in thousands of dollars - ThUS$

IINCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	1,700,216
Sale of copper bought from third parties	268,887
Income from sale of by-products and other	334,444
Income from transfers	195,700
TOTAL INCOME FROM ORDINARY ACTIVITIES	**2,499,247**
COST OF SALES	
Cost of sale of own copper	(1,329,174)
Cost of sale of copper bought from third parties	(279,895)
Cost of sale of by-products and other	(118,359)
Income from transfers	(328,044)
TOTAL COST OF SALES	**(2,055,472)**
GROSS INCOME	**443,775**
Other income by function	37,068
Distribution costs	(3,749)
Administrative expenses	(95,598)
Other expenses by function	(363,687)
Other gains (loss)	6,168
Finance income	6,231
Finance costs	(126,220)
Share of profit of associates and joint ventures accounted for using the equity method	(17,399)
Foreign exchange differences	(67,334)
PRE-TAX PROFIT (LOSS)	**(180,745)**
Income tax expenses	91,268
PROFIT (LOSS)	**(89,477)**
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(86,376)
Profit (loss) attributable to non-controlling interests	(3,101)
PROFIT (LOSS)	**(89,477)**

Divisional Statement of Income

Radomiro Tomic

For the year ending December 31, 2016

Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	1,571,924
Sale of copper bought from third parties	203,062
Income from sale of by-products and other	20,984
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	**1,795,970**
COST OF SALES	
Cost of sale of own copper	(1,216,660)
Cost of sale of copper bought from third parties	(201,448)
Cost of sale of by-products and other	(26,167)
Income from transfers	50,576
TOTAL COST OF SALES	**(1,393,699)**
GROSS INCOME	**402,271**
Other income by function	4,973
Distribution costs	(978)
Administrative expenses	(50,960)
Other expenses by function	(192,560)
Other gains (loss)	4,432
Finance income	3,211
Finance costs	(49,645)
Share of profit of associates and joint ventures accounted for using the equity method	(12,663)
Foreign exchange differences	(24,666)
PRE-TAX PROFIT (LOSS)	**83,415**
Income tax expenses	(66,368)
PROFIT (LOSS)	**17,047**
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	15,397
Profit (loss) attributable to non-controlling interests	1,650
PROFIT (LOSS)	**17,047**

Divisional Statement of Income
Salvador

For the year ending December 31, 2016
Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	508,747
Sale of copper bought from third parties	84,140
Income from sale of by-products and other	70,751
Income from transfers	81,640
TOTAL INCOME FROM ORDINARY ACTIVITIES	**745,278**
COST OF SALES	
Cost of sale of own copper	(507,765)
Cost of sale of copper bought from third parties	(83,595)
Cost of sale of by-products and other	(39,643)
Cost of sale from transfers	(51,809)
TOTAL COST OF SALES	**(682,812)**
GROSS INCOME	**62,466**
Other income by function	41,340
Distribution costs	(1,032)
Administrative expenses	(25,110)
Other expenses by function	(110,221)
Other gains (loss)	1,839
Finance income	1,839
Finance costs	(20,142)
Share of profit of associates and joint ventures accounted for using the equity method	(4,624)
Foreign exchange differences	(21,378)
PRE-TAX PROFIT (LOSS)	**(75,023)**
Income tax expenses	31,959
PROFIT (LOSS)	**(43,064)**
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(40,316)
Profit (loss) attributable to non-controlling interests	(2,748)
PROFIT (LOSS)	**(43,064)**

Divisional Statement of Income

Andina

For the year ending December 31, 2016

Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	873,101
Sale of copper bought from third parties	120,456
Income from sale of by-products and other	70,963
Income from transfers	860
TOTAL INCOME FROM ORDINARY ACTIVITIES	**1,065,380**
COST OF SALES	
Cost of sale of own copper	(909,711)
Cost of sale of copper bought from third parties	(119,501)
Cost of sale of by-products and other	(24,158)
Income from transfers	6,712
TOTAL COST OF SALES	**(1,046,658)**
GROSS INCOME	**18,722**
Other income by function	10,758
Distribution costs	(853)
Administrative expenses	(41,444)
Other expenses by function	(142,949)
Other gains (loss)	2,629
Finance income	2,033
Finance costs	(90,342)
Share of profit of associates and joint ventures accounted for using the equity method	(8,398)
Foreign exchange differences	(15,469)
PRE-TAX PROFIT (LOSS)	**(265,313)**
Income tax expenses	153,343
PROFIT (LOSS)	**(111,970)**
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(107,991)
Profit (loss) attributable to non-controlling interests	(3,979)
PROFIT (LOSS)	**(111,970)**

Divisional Statement of Income

El Teniente

For the year ending December 31, 2016

Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	2,352,920
Sale of copper bought from third parties	324,060
Income from sale of by-products and other	189,044
Income from transfers	141
TOTAL INCOME FROM ORDINARY ACTIVITIES	**2,866,165**
COST OF SALES	
Cost of sale of own copper	(1,513,784)
Cost of sale of copper bought from third parties	(321,488)
Cost of sale of by-products and other	(115,747)
Income from transfers	14,967
TOTAL COST OF SALES	**(1,936,052)**
GROSS INCOME	**930,113**
Other income by function	24,846
Distribution costs	(1,812)
Administrative expenses	(100,200)
Other expenses by function	(275,842)
Other gains (loss)	7,073
Finance income	5,780
Finance costs	(177,195)
Share of profit of associates and joint ventures accounted for using the equity method	(21,660)
Foreign exchange differences	(64,669)
PRE-TAX PROFIT (LOSS)	**326,434**
Income tax expenses	(238,836)
PROFIT (LOSS)	**87,598**
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	96,483
Profit (loss) attributable to non-controlling interests	(8,885)
PROFIT (LOSS)	**87,598**

Divisional Statement of Income

Ventanas

For the year ending December 31, 2016

Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	111,655
Sale of copper bought from third parties	107,450
Income from sale of by-products and other	212,094
Income from transfers	98,058
TOTAL INCOME FROM ORDINARY ACTIVITIES	**529,257**
COST OF SALES	
Cost of sale of own copper	(110,922)
Cost of sale of copper bought from third parties	(111,034)
Cost of sale of by-products and other	(213,801)
Cost of sale from transfers	(103,277)
TOTAL COST OF SALES	**(539,034)**
GROSS INCOME	**(9,777)**
Other income by function	1,961
Distribution costs	(1,223)
Administrative expenses	(19,234)
Other expenses by function	(36,350)
Other gains (loss)	1,306
Finance income	1,282
Finance costs	(8,678)
Share of profit of associates and joint ventures accounted for using the equity method	(3,733)
Foreign exchange differences	(5,039)
PRE-TAX PROFIT (LOSS)	**(79,485)**
Income tax expenses	46,244
PROFIT (LOSS)	**(33,241)**
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(31,197)
Profit (loss) attributable to non-controlling interests	(2,044)
PROFIT (LOSS)	**(33,241)**

Divisional Statement of Income

Gabriela Mistral

For the year ending December 31, 2016
Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	611,305
Sale of copper bought from third parties	77,947
Income from sale of by-products and other	154
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	**689,406**
COST OF SALES	
Cost of sale of own copper	(517,712)
Cost of sale of copper bought from third parties	(77,328)
Cost of sale of by-products and other	(162)
Income from transfers	-
TOTAL COST OF SALES	**(595,202)**
GROSS INCOME	**94,204**
Other income by function	15,379
Distribution costs	(327)
Administrative expenses	(36,561)
Other expenses by function	(67,003)
Other gains (loss)	1,701
Finance income	875
Finance costs	(15,224)
Share of profit of associates and joint ventures accounted for using the equity method	(4,860)
Foreign exchange differences	(10,436)
PRE-TAX PROFIT (LOSS)	**(22,252)**
Income tax expenses	5,807
PROFIT (LOSS)	**(16,445)**
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(13,633)
Profit (loss) attributable to non-controlling interests	(2,812)
PROFIT (LOSS)	**(16,445)**

Divisional Statement of Income

Ministro Hales

For the year ending December 31, 2016

Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	1,050,725
Sale of copper bought from third parties	567,489
Income from sale of by-products and other	104,233
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	**1,722,447**

COST OF SALES	
Cost of sale of own copper	(1,034,242)
Cost of sale of copper bought from third parties	(572,233)
Cost of sale of by-products and other	(5,139)
Income from transfers	34,476
TOTAL COST OF SALES	**(1,577,138)**

GROSS INCOME	**145,309**

Other income by function	2,149
Distribution costs	(1,917)
Administrative expenses	(46,288)
Other expenses by function	(135,537)
Other gains (loss)	4,252
Finance income	2,151
Finance costs	(59,901)
Share of profit of associates and joint ventures accounted for using the equity method	(12,145)
Foreign exchange differences	(23,904)
PRE-TAX PROFIT (LOSS)	**(125,831)**

Income tax expenses	58,729

PROFIT (LOSS)	**(67,102)**

PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(60,443)
Profit (loss) attributable to non-controlling interests	(6,659)

PROFIT (LOSS)	**(67,102)**

Consolidated Divisional Statement of Income

For the year ending December 31, 2016

Expressed in thousands of dollars - ThUS$

	CHUQUICA-MATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	H. OFFICE	CONSOLIDATED	ADJUSTMENTS	Total
INCOME FROM ORDINARY ACTIVITIES												
Income from sale of own copper	1,700,216	1,571,924	508,747	873,101	2,352,920	111,655	611,305	1,050,725	-	8,780,593	-	8,780,593
Sale of copper bought from third parties	268,887	203,062	84,140	120,456	324,060	107,450	77,947	567,489	-	1,753,491	-	1,753,491
Income from sale of by-products and other	334,444	20,984	70,751	70,963	189,044	212,094	154	104,233	-	1,002,667	-	1,002,667
Income from transfers	195,700	-	81,640	860	141	98,058	-	-	-	376,399	(376,399)	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	2,499,247	1,795,970	745,278	1,065,380	2,866,165	529,257	689,406	1,722,447	-	11,913,150	(376,399)	11,536,751
COST OF SALES												
Cost of sale of own copper	(1,329,174)	(1,216,660)	(507,765)	(909,711)	(1,513,784)	(110,922)	(517,712)	(1,034,242)	-	(7,139,970)	-	(7,139,970)
Cost of sale of copper bought from third parties	(279,895)	(201,448)	(83,595)	(119,501)	(321,488)	(111,034)	(77,328)	(572,233)	-	(1,766,522)	-	(1,766,522)
Cost of sale of by-products and other	(118,359)	(26,167)	(39,643)	(24,158)	(115,747)	(213,801)	(162)	(5,139)	-	(543,176)	-	(543,176)
Income (Cost of sales) from transfers	(328,044)	50,576	(51,809)	6,712	14,967	(103,277)	-	34,476	-	(376,399)	376,399	-
TOTAL COST OF SALES	(2,055,472)	(1,393,699)	(682,812)	(1,046,658)	(1,936,052)	(539,034)	(595,202)	(1,577,138)	-	(9,826,067)	376,399	(9,449,668)
GROSS INCOME	443,775	402,271	62,466	18,722	930,113	(9,777)	94,204	145,309	-	2,087,083	-	2,087,083
Other income by function	37,068	4,973	41,340	10,758	24,846	1,961	15,379	2,149	-	138,474	-	138,474
Distribution costs	(3,749)	(978)	(1,032)	(853)	(1,812)	(1,223)	(327)	(1,917)	-	(11,891)	-	(11,891)
Administrative expenses	(95,598)	(50,960)	(25,110)	(41,444)	(100,200)	(19,234)	(36,561)	(46,288)	-	(415,395)	-	(415,395)
Other expenses by function	(363,687)	(192,560)	(110,221)	(142,949)	(275,842)	(36,350)	(67,003)	(135,537)	-	(1,324,149)	-	(1,324,149)
Other gains (loss)	6,168	4,432	1,839	2,629	7,073	1,306	1,701	4,252	-	29,400	-	29,400
Finance income	6,231	3,211	1,839	2,033	5,780	1,282	875	2,151	-	23,402	-	23,402
Finance costs	(126,220)	(49,645)	(20,142)	(90,342)	(177,195)	(8,678)	(15,224)	(59,901)	-	(547,347)	-	(547,347)
Share of profit of associates and joint ventures accounted for using the equity method	(17,399)	(12,663)	(4,624)	(8,398)	(21,660)	(3,733)	(4,860)	(12,145)	(91,876)	(177,358)	-	(177,358)
Foreign exchanges differences	(67,334)	(24,666)	(21,378)	(15,469)	(64,669)	(5,039)	(10,436)	(23,904)	-	(232,895)	-	(232,895)
PRE-TAX PROFIT (LOSS)	(180,745)	83,415	(75,023)	(265,313)	326,434	(79,485)	(22,252)	(125,831)	(91,876)	(430,676)	-	(430,676)
Income tax expenses	91,268	(66,368)	31,959	153,343	(238,836)	46,244	5,807	58,729	14,950	97,096	-	97,096
PROFIT (LOSS)	(89,477)	17,047	(43,064)	(111,970)	87,598	(33,241)	(16,445)	(67,102)	(76,926)	(333,580)	-	(333,580)
PROFIT (LOSS) ATTRIBUTABLE TO												
Profit (loss) attributable to owners of the parent	(86,376)	15,397	(40,316)	(107,991)	96,483	(31,197)	(13,633)	(60,443)	(47,342)	(275,418)	-	(275,418)
Profit (loss) attributable to non-controlling interests	(3,101)	1,650	(2,748)	(3,979)	(8,885)	(2,044)	(2,812)	(6,659)	(29,584)	(58,162)	-	(58,162)
PROFIT (LOSS)	(89,477)	17,047	(43,064)	(111,970)	87,598	(33,241)	(16,445)	(67,102)	(76,926)	(333,580)		(333,580)

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 Head Office and 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 Head Office and affiliates to the Division.

Other expenses by function includes the expense for Law No. 13196, 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	178,767
Radomiro Tomic	154,201
Salvador	52,547
Andina	79,412
El Teniente	202,360
Ventanas	26,107
Gabriela Mistral	59,255
Ministro Hales	113,006
Total Law No. 13196	**865,655**

Statement of Assignment of Income and Expenses Controlled by Head Office and Affiliates to the Division

Corresponding to the period between January 1 and December 31, 2016

Expressed in thousands of U.S. dollars - ThUS$

	TOTAL ThUS$	CHUQUICA-MATA ThUS$	R. TOMIC ThUS$	SALVADOR ThUS$	ANDINA ThUS$	EL TENIENTE ThUS$	VENTANAS ThUS$	G. MISTRAL ThUS$	M. HALES ThUS$	HEAD OFFICE ThUS$
Sales operations Head Office and affiliates	1,396,893	295,947	216,548	86,430	123,499	334,066	61,282	79,680	199,441	-
Sales costs Head Office and affiliates	(1,397,512)	(293,183)	(210,682)	(87,427)	(124,979)	(336,225)	(62,085)	(80,873)	(202,058)	-
Adjustment for unrealized affiliate sales	(17,728)	(6,612)	(8,630)	(152)	(163)	(2,255)	(11)	131	(36)	-
Other income by function	42,144	9,825	4,395	6,637	3,534	9,120	1,349	3,270	4,014	-
Distribution costs	(5,650)	(1,185)	(851)	(354)	(505)	(1,360)	(251)	(327)	(817)	-
Administrative expenses	(179,941)	(44,492)	(23,944)	(13,219)	(16,666)	(40,598)	(9,588)	(10,619)	(20,815)	-
Other expenses by function	(82,176)	(24,695)	(7,649)	(6,249)	(12,112)	(20,420)	(1,729)	(2,131)	(7,191)	-
Other gains (loss)	29,400	6,168	4,432	1,839	2,629	7,073	1,306	1,701	4,252	-
Finance income	18,284	4,809	2,290	1,434	1,733	4,034	1,066	1,060	1,858	-
Finance costs	(51,402)	(10,850)	(7,718)	(3,236)	(4,603)	(12,341)	(2,301)	(2,975)	(7,378)	-
Share of profit of associates and joint ventures accounted for using the equity method	(175,872)	(17,621)	(12,663)	(5,254)	(7,511)	(20,209)	(3,733)	(4,860)	(12,145)	(91,876)
Foreign exchange differences	(4,408)	(1,711)	(288)	(511)	(473)	(765)	(401)	(256)	(3)	-
Income taxes	191,117	46,998	26,710	9,767	18,265	40,438	7,503	7,440	19,045	14,950
Total income (expenses) controlled in Head Office and affiliates	(236,851)	(36,602)	(18,050)	(10,295)	(17,352)	(39,442)	(7,593)	(8,759)	(21,833)	(76,926)
Total income (expenses) controlled in Head Office and affiliates attributable to non-controlling interests	(58,162)	(3,101)	1,650	(2,748)	(3,979)	(8,885)	(2,044)	(2,812)	(6,659)	(29,584)
Total income (expenses) controlled in Head Office and affiliates attributable to the owners of the parent company	(178,689)	(33,501)	(19,700)	(7,547)	(13,373)	(30,556)	(5,549)	(5,947)	(15,174)	(47,342)
Total income (expenses) controlled in Head Office and affiliates	(236,851)	(36,602)	(18,050)	(10,295)	(17,352)	(39,442)	(7,593)	(8,759)	(21,833)	(76,926)

Criteria for the assignment of income and expenses controlled by the Head Office and affiliates to the division

Income and expenses controlled by the Head Office 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 Head Office, 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.
- Finance costs of affiliates are distributed in proportion to the ordinary income of each Division.
- Finance costs of affiliates and Head Office are distributed in proportion to the administrative costs of each Division.

9. Share of profit of associates 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 exchange differences

- Foreign exchange differences identifiable with each Division in particular is assigned directly.
- Foreign exchange differences of affiliates is distributed in proportion to the ordinary income of each Division.
- Remaining Foreign exchange differences is distributed in relation to the operational cash expenditures of each Division.

11. Chilean tax contribution Law No. 13196

- 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. 2398 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 Head Office 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. 2398 tax assigned to each Division.

Summarized financial statement of subsidiaries

As of December 31, 2016

2016	CHILE COPPER LTD. CONSOLIDADO	CODELCO KUPFERHANDEL GMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	CÍA. CONTRACTUAL MINERA LOS ANDES	CÍA. MINERA PICACHO SCM	SANTIAGO DE RÍO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES MINERAS GACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENT OF FINANCIAL POSITION													
ASSETS													
Total current assets	21,554	148,997	8,008	24,790	4,742	283	-	-	8,305	918	2,026	113,993	18,270
Total non-current assets	100	4,036	24	114,484	118	462	-	-	554	82	22,155	3,014,897	97,348
TOTAL ASSETS	21,654	153,033	8,032	139,274	4,860	745	-	-	8,859	1,000	24,181	3,128,890	115,618
LIABILITIES													
Total current liabilities	17,831	112,320	5,169	7,946	566	4,222	-	-	6,276	56	4,371	152,607	5,903
Total non-current liabilities	19	69	-	2,302	-	-	-	-	707	-	9,027	670,771	74,905
TOTAL LIABILITIES	17,850	112,389	5,169	10,248	566	4,222	-	-	6,983	56	13,398	823,378	80,808
EQUITY													
Equity attributable to owners of the parent	3,431	40,644	2,863	129,026	4,294	(3,477)	-	-	1,876	944	10,805	1,326,848	34,810
Non-controlling interests	373	-	-	-	-	-	-	-	-	-	(22)	978,664	-
TOTAL EQUITY	3,804	40,644	2,863	129,026	4,294	(3,477)	-	-	1,876	944	10,783	2,305,512	34,810
TOTAL LIABILITIES AND EQUITY	21,654	153,033	8,032	139,274	4,860	745	-	-	8,859	1,000	24,181	3,128,890	115,618
	-	-	-	-	-	-	-	-	-	-	-	-	-
SUMMARIZED STATEMENTS OF INCOME													
Gross Profit	168	3,933	1,666	14,593	2,492	-	-	-	1,491	-	-	8,953	9,350
Other incomes (expenses) and profits (losses)	64	2,612	1,436	16,682	1,074	4,067	-	-	798	11	6,476	225,674	4,978
Profit (loss) for the period before tax	104	1,321	230	(2,089)	1,418	(4,067)	-	-	693	(11)	(6,476)	(216,721)	4,372
Income tax expense	(24)	393	(90)	-	(359)	-	-	-	(444)	-	1,790	127	(1,209)
PROFIT (LOSS)	80	1,714	140	(2,089)	1,059	(4,067)	-	-	249	(11)	(4,686)	(216,594)	3,163
SUMMARIZED STATEMENTS OF CASH FLOWS – DIRECT METHOD													
Cash flow provided by (used in) operating activities	315	(15,071)	2,057	(960)	554	(3,577)	-	-	3,712	-	168	5,348	3,865
Cash flows provided by (used in) investing activities	12	(2)	-	93,626	1	-	-	-	(38)	-	(682)	256	95
Cash flows provided by (used in) financing activities	-	15,066	-	(98,041)	-	3,679	-	-	-	-	853	(55,523)	-
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	327	(7)	2,057	(5,375)	555	102	-	-	3,674	-	339	(49,919)	3,960
Effects of exchange rate changes on cash and cash equivalents	(788)	7	-	1,133	(28)	-	-	-	2	-	(1)	-	11
Net increase (decrease) in cash and cash equivalents	(461)	-	2,057	(4,242)	527	102	-	-	3,676	-	338	(49,919)	3,971
Cash and cash equivalents at beginning of period	4,546	1	2,385	19,225	2,926	167	-	-	3,910	918	566	63,381	11,278
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,085	1	4,442	14,983	3,453	269	-	-	7,586	918	904	13,462	15,249

2016	IM2 S.A.	CODELCO TEC SPA (EX-BIOSIGMA)	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RÍO BLANCO LTDA.	ISAPRE CHUQUICAMATA LTDA.	CLÍNICA SAN LORENZO LTDA. CONSOLIDADO	FUSAT CONSOLIDADO	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA.
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENT OF FINANCIAL POSITION													
ASSETS													
Total current assets	-	9,130	307	5,038	1,363	4,208	4,225	5,442	3,252	23,012	-	2,818	78,578
Total non-current assets	-	708	611	7,642	1,239	9,922	2,390	3,243	1,379	42,702	-	547	487,699
TOTAL ASSETS	-	9,838	918	12,680	2,602	14,130	6,615	8,685	4,631	65,714	-	3,365	566,277
LIABILITIES													
Total current liabilities	-	3,678	93	2,896	4,111	4,225	3,439	3,301	3,873	19,603	-	87	20,487
Total non-current liabilities	-	544	601	11,810	1,045	9,922	672	1,617	827	43,904	-	-	477,429
TOTAL LIABILITIES	-	4,222	694	14,706	5,156	14,147	4,111	4,918	4,700	63,507	-	87	497,916
EQUITY													
Equity attributable to owners of the parent	-	5,616	222	(2,026)	(2,554)	(17)	2,504	3,767	(69)	2,207	-	3,278	68,361
Non-controlling interests	-	-	2	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	-	5,616	224	(2,026)	(2,554)	(17)	2,504	3,767	(69)	2,207	-	3,278	68,361
TOTAL LIABILITIES AND EQUITY	-	9,838	918	12,680	2,602	14,130	6,615	8,685	4,631	65,714	-	3,365	566,277
	-	-	-	-	-	-	-	-	-	-	-	-	-
SUMMARIZED STATEMENTS OF INCOME													
Gross Profit	911	2,552	8	1,259	(520)	-	242	1,138	2,239	14,708	-	-	1,079
Other incomes (expenses) and profits (losses)	695	4,604	40	1,794	527	(1)	(221)	900	1,392	16,431	6	(23)	27,551
Profit (loss) for the period before tax	216	(2,052)	(32)	(535)	(1,047)	1	463	238	847	(1,723)	(6)	23	(26,472)
Income tax expense	51	(166)	-	110	304	-	(185)	-	(216)	279	-	-	6,886
PROFIT (LOSS)	267	(2,218)	(32)	(425)	(743)	1	278	238	631	(1,444)	(6)	23	(19,586)
SUMMARIZED STATEMENTS OF CASH FLOWS – DIRECT METHOD													
Cash flow provided by (used in) operating activities	-	1,723	(36)	(1,225)	(54)	-	241	(399)	1,825	541	-	91	(182,144)
Cash flows provided by (used in) investing activities	-	(103)	-	(78)	1	-	(275)	666	(223)	(669)	-	(87)	-
Cash flows provided by (used in) financing activities	-	1,190	-	2,583	-	-	-	-	(893)	2,451	-	-	149,256
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	-	2,810	(36)	1,280	(53)	-	(34)	267	709	2,323	-	4	(32,888)
Effects of exchange rate changes on cash and cash equivalents	-	961	14	22	24	-	7	109	7	64	-	-	3,515
Net increase (decrease) in cash and cash equivalents	-	3,771	(22)	1,302	(29)	-	(27)	376	716	2,387	-	4	(29,373)
Cash and cash equivalents at beginning of period	-	-	248	205	424	-	130	1,874	88	2,258	-	-	33,621
CASH AND CASH EQUIVALENTS AT END OF PERIOD	-	3,771	226	1,507	395	-	103	2,250	804	4,645	-	4	4,248

Summarized financial statement of subsidiaries

As of December 31, 2015

2015	CHILE COPPER LTD. CONSOLIDADO	CODELCO KUPFERHANDEL GMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	CÍA. CONTRACTUAL MINERA LOS ANDES	CÍA. MINERA PICACHO SCM	SANTIAGO DE RÍO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES MINERAS GACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENT OF FINANCIAL POSITION													
ASSETS													
Total current assets	28,007	90,768	8,124	26,326	3,696	181	-	-	12,880	918	5,607	169,276	16,413
Total non-current assets	128	3,764	27	230,860	301	462	-	-	666	82	22,552	3,215,675	101,385
TOTAL ASSETS	28,135	94,532	8,151	257,186	3,997	643	-	-	13,546	1,000	28,159	3,384,951	117,798
LIABILITIES							-						
Total current liabilities	23,651	54,017	5,428	7,722	495	17	-	55	11,304	45	11,967	168,068	7,250
Total non-current liabilities	25	145	-	114,536	-	36	-	-	623	-	1,550	686,999	77,829
TOTAL LIABILITIES	23,676	54,162	5,428	122,258	495	53	-	55	11,927	45	13,517	855,067	85,079
EQUITY													
Equity attributable to owners of the parent	4,013	40,370	2,723	134,928	3,502	590	-	(55)	1,615	955	14,504	1,487,713	32,719
Non-controlling interests	446	-	-	-	-	-	-	-	4	-	138	1,042,171	-
TOTAL EQUITY	4,459	40,370	2,723	134,928	3,502	590	-	(55)	1,619	955	14,642	2,529,884	32,719
TOTAL LIABILITIES AND EQUITY	28,135	94,532	8,151	257,186	3,997	643	-	-	13,546	1,000	28,159	3,384,951	117,798
	-	-	-	-	-	-	-	-	-	-	-	-	-
SUMMARIZED STATEMENTS OF INCOME													
Gross Profit	305	4,426	1,101	15,536	2,463	-	-	-	2,523	-	(431)	6,943	8,367
Other incomes (expenses) and profits (losses)	(67)	(2,634)	(1,240)	61,129	(1,405)	(1,109)	-	(1)	(2,580)	(15)	(1,573)	(2,650,320)	(4,666)
Profit (loss) for the period before tax	238	1,792	(139)	76,665	1,058	(1,109)	-	(1)	(57)	(15)	(2,004)	(2,643,377)	3,701
Income tax expense	(27)	(975)	43	-	(268)	-	-	-	(114)	-	472	(1,550)	(1,012)
PROFIT (LOSS)	211	817	(96)	76,665	790	(1,109)	-	(1)	(171)	(15)	(1,532)	(2,644,927)	2,689
SUMMARIZED STATEMENTS OF CASH FLOWS – DIRECT METHOD													
Cash flow provided by (used in) operating activities	281	34,272	(217)	10,143	878	(2,311)	-	9	(2,782)	-	1,320	78,263	4,812
Cash flows provided by (used in) investing activities	10	-	-	80,484	(3)	-	-	-	(145)	-	(1,038)	61,647	(3,219)
Cash flows provided by (used in) financing activities	-	(34,183)	-	(74,793)	-	2,016	-	(9)	-	-	(661)	(152,376)	-
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	291	89	(217)	15,834	875	(295)	-	-	(2,927)	-	(379)	(12,466)	1,593
Effects of exchange rate changes on cash and cash equivalents	-	(126)	-	(2,371)	20	31	-	-	(1,372)	-	(24)	-	(35)
Net increase (decrease) in cash and cash equivalents	291	(37)	(217)	13,463	895	(264)	-	-	(4,299)	-	(403)	(12,466)	1,558
Cash and cash equivalents at beginning of period	4,255	38	2,602	5,763	2,031	431	-	-	8,209	918	969	75,847	9,720
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,546	1	2,385	19,226	2,926	167	-	-	3,910	918	566	63,381	11,278

2015	IM2 S.A.	BIOSIGMA S.A.	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RÍO BLANCO LTDA.	ISAPRE CHUQUICAMATA LTDA.	CLÍNICA SAN LORENZO LTDA. CONSOLIDADO	FUSAT CONSOLIDADO	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA.
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENT OF FINANCIAL POSITION													
ASSETS													
Total current assets	8,275	1,861	339	1,282	1,179	3,948	3,111	4,273	3,247	21,971	1	1	91,783
Total non-current assets	449	812	674	5,746	692	11,420	1,833	3,394	1,368	39,294	-		325,411
TOTAL ASSETS	8,724	2,673	1,013	7,028	1,871	15,368	4,944	7,667	4,615	61,265	1	1	417,194
LIABILITIES													
Total current liabilities	3,697	546	113	7,679	1,895	4,036	2,492	2,770	3,749	19,609	322	18	27,086
Total non-current liabilities	-	119	677	2,286	1,841	11,350	346	1,558	1,334	38,738	-	-	328,228
TOTAL LIABILITIES	3,697	665	790	9,965	3,736	15,386	2,838	4,328	5,083	58,347	322	18	355,314
EQUITY													
Equity attributable to owners of the parent	5,027	1,339	216	(2,937)	(1,865)	(18)	2,106	3,339	(475)	2,917	(321)	(17)	61,880
Non-controlling interests	-	669	7	-	-	-	-	-	7	1	-	-	-
TOTAL EQUITY	5,027	2,008	223	(2,937)	(1,865)	(18)	2,106	3,339	(468)	2,918	(321)	(17)	61,880
TOTAL LIABILITIES AND EQUITY	8,724	2,673	1,013	7,028	1,871	15,368	4,944	7,667	4,615	61,265	1	1	417,194
	-	-	-	-	-	-	-	-	-	-	-	-	-
SUMMARIZED STATEMENTS OF INCOME													
Gross Profit	2,863	1,236	10	(77)	810	-	688	2,204	1,995	13,802	-	-	-
Other incomes (expenses) and profits (losses)	(2,312)	(3,134)	(40)	(1,783)	(2,018)	17	(280)	(1,090)	(1,864)	(18,288)	52	(21)	(9,497)
Profit (loss) for the period before tax	551	(1,898)	(30)	(1,860)	(1,208)	17	408	1,114	131	(4,486)	52	(21)	(9,497)
Income tax expense	(91)	-	-	-	-	-	(244)	(835)	(45)	1,174	-	-	-
PROFIT (LOSS)	460	(1,898)	(30)	(1,860)	(1,208)	17	164	279	86	(3,312)	52	(21)	(9,497)
SUMMARIZED STATEMENTS OF CASH FLOWS – DIRECT METHOD													
Cash flow provided by (used in) operating activities	191	(1,545)	(40)	(927)	52	-	206	(17,161)	(391)	2,788	-	-	(200,168)
Cash flows provided by (used in) investing activities	(34)	(165)	-	(112)	(8)	-	(113)	17,919	111	(1,272)	-	-	-
Cash flows provided by (used in) financing activities	-	2,000	-	854	93	-	-	(268)	(131)	(1,685)	-	-	237,096
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	157	290	(40)	(185)	137	-	93	490	(411)	(169)	-	-	36,928
Effects of exchange rate changes on cash and cash equivalents	(121)	-	(45)	(49)	(62)	-	(16)	(122)	(83)	(266)	-	-	(13,607)
Net increase (decrease) in cash and cash equivalents	36	290	(85)	(234)	75	-	77	368	(494)	(435)	-	-	23,321
Cash and cash equivalents at beginning of period	226	671	333	439	349	-	53	1,506	582	2,693	-	1	10,300
CASH AND CASH EQUIVALENTS AT END OF PERIOD	262	961	248	205	424	-	130	1,874	88	2,258	-	1	33,621

Summarized statements of changes in equity

As of December 31, 2016

2016	CHILE COPPER LTD. CONSOLIDADO	CODELCO KUPFERHANDEL GMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	CÍA. CONTRACTUAL MINERA LOS ANDES	CÍA. MINERA PICACHO SCM	SANTIAGO DE RÍO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES MINERAS GACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENTS OF CHANGES IN EQUITY													
Initial Balance as of 1/1/2016													
Issued Capital	1	3,272	-	110,198	2,000	17,655	-	24	236	1,000	14,987	167,784	32,596
Other Reserves	(1)	-	1,706	2,943	38	-	-	4	96	-	86	3,508,916	-
Accumulated retained earnings	4,013	37,098	1,017	21,787	1,464	(17,065)	-	(83)	1,283	(45)	(569)	(2,188,987)	123
Equity attributable to owners of the parent	4,013	40,370	2,723	134,928	3,502	590	-	(55)	1,615	955	14,504	1,487,713	32,719
Non-controlling interests	446	-	-	-	-	-	-	-	4	-	138	1,042,171	-
TOTAL EQUITY	4,459	40,370	2,723	134,928	3,502	590	-	(55)	1,619	955	14,642	2,529,884	32,719
Changes in equity													
Issued Capital	-	377	-	(20,633)	-	-	1,213	-	-	-	(709)	-	-
Other Reserves	230	-	-	1,385	122	-	-	-	-	-	(127)	8,153	-
Accumulated retained earnings	(185)	3,374	117	27,986	(711)	1,109	(984)	1	715	19	4,254	127,365	(2,636)
Equity attributable to owners of the parent	45	3,751	117	8,738	(589)	1,109	229	1	715	19	3,418	135,518	(2,636)
Non-controlling interests	(2)	-	-	-	-	-	-	-	(4)	-	107	14,407	-
TOTAL EQUITY	43	3,751	117	8,738	(589)	1,109	229	1	711	19	3,525	149,925	(2,636)
Final Balance as of 12/31/2016													
Issued Capital	1	3,162	-	115,437	2,000	17,655	-	-	236	1,000	15,978	167,784	32,596
Other Reserves	(664)	-	1,706	3,309	(123)	-	-	-	179	-	82	3,507,629	-
Accumulated retained earnings	4,094	37,482	1,157	10,280	2,417	(21,132)	-	-	1,461	(56)	(5,255)	(2,348,565)	2,214
Equity attributable to owners of the parent	3,431	40,644	2,863	129,026	4,294	(3,477)	-	-	1,876	944	10,805	1,326,848	34,810
Non-controlling interests	373	-	-	-	-	-	-	-	-	-	(22)	978,664	-
TOTAL EQUITY	3,804	40,644	2,863	129,026	4,294	(3,477)	-	-	1,876	944	10,783	2,305,512	34,810

2016	IM2 S.A.	CODELCO TEC SPA (EX-BIOSIGMA)	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RÍO BLANCO LTDA.	ISAPRE CHUQUICAMATA LTDA.	CLÍNICA SAN LORENZO LTDA. CONSOLIDADO	FUSAT CONSOLIDADO	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA 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$
SUMMARIZED STATEMENTS OF CHANGES IN EQUITY														
Initial Balance as of 1/1/2016														
Issued Capital	3,298	34,201	-	3,354	355	358	757	1,079	20	200	25,002	1,356	79,086	1,240,736
Other Reserves	29	(438)	-	(95)	19	-	1,316	-	640	10,027	-	-	(32)	(35,641)
Accumulated retained earnings	1,700	(32,424)	216	(6,196)	(2,239)	(376)	33	2,260	(1,135)	(7,310)	(25,323)	(1,373)	(17,174)	3,066,715
Equity attributable to owners of the parent	5,027	1,339	216	(2,937)	(1,865)	(18)	2,106	3,339	(475)	2,917	(321)	(17)	61,880	4,271,810
Non-controlling interests	-	669	7	-	-	-	-	-	7	1	-	-	-	
TOTAL EQUITY	5,027	2,008	223	(2,937)	(1,865)	(18)	2,106	3,339	(468)	2,918	(321)	(17)	61,880	4,271,810
Changes in equity														
Issued Capital	-	(1,333)	-	571	60	-	129	183	-	-	-	(1,355)	(63,200)	-
Other Reserves	-	(343)	(20)	(17)	3	-	224	-	(33)	1,151	-	-	(13)	(6,427)
Accumulated retained earnings	(322)	1,608	47	1,131	527	(17)	(172)	83	(77)	3,312	3,257	279	9,500	(369,365)
Equity attributable to owners of the parent	(322)	(68)	27	1,685	590	(17)	181	266	(110)	4,463	3,257	(1,076)	(53,713)	(375,792)
Non-controlling interests	-	(33)	2	-	-	-	-	-	(7)	-	-	-	-	
TOTAL EQUITY	(322)	(101)	29	1,685	590	(17)	181	266	(117)	4,463	3,257	(1,076)	(53,713)	(375,792)
Final Balance as of 12/31/2016														
Issued Capital	-	53,913	-	3,554	395	358	800	1,140	20	200	-	4,628	105,220	1,240,736
Other Reserves	-	4,454	-	(287)	196	-	-	-	407	10,767	-	-	(144)	(42,068)
Accumulated retained earnings	-	(52,751)	222	(5,293)	(3,145)	(375)	1,704	2,627	(496)	(8,760)	-	(1,350)	(36,715)	2,697,350
Equity attributable to owners of the parent	-	5,616	222	(2,026)	(2,554)	(17)	2,504	3,767	(69)	2,207	-	3,278	68,361	3,896,018
Non-controlling interests	-	-	2	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	-	5,616	224	(2,026)	(2,554)	(17)	2,504	3,767	(69)	2,207	-	3,278	68,361	3,896,018

Summarized statements of changes in equity

As of December 31, 2015

2015	CHILE COPPER LTD. CONSOLIDADO	CODELCO KUPFERHANDEL GMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	CÍA. CONTRACTUAL MINERA LOS ANDES	CÍA. MINERA PICACHO SCM	SANTIAGO DE RÍO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES MINERAS GACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENTS OF CHANGES IN EQUITY													
Initial Balance as of 1/1/2015													
Issued Capital	1	3,649	-	89,565	2,000	17,655	1,213	24	236	1,000	14,278	167,784	32,596
Other Reserves	229	-	1,706	4,328	160	-	-	4	96	-	(41)	3,517,069	-
Accumulated retained earnings	3,828	40,472	1,134	49,773	753	(15,956)	(984)	(82)	1,998	(26)	3,685	(348,790)	(2,513)
Equity attributable to owners of the parent	4,058	44,121	2,840	143,666	2,913	1,699	229	(54)	2,330	974	17,922	3,336,063	30,083
Non-controlling interests	444	-	-	-	-	-	-	-	-	-	245	1,862,844	-
TOTAL EQUITY	4,502	44,121	2,840	143,666	2,913	1,699	229	(54)	2,330	974	18,167	5,198,907	30,083
Changes in equity													
Issued Capital	-	377	-	(20,633)	-	-	1,213	-	-	-	(709)	-	-
Other Reserves	230	-	-	1,385	122	-	-	-	-	-	(127)	8,153	-
Accumulated retained earnings	(185)	3,374	117	27,986	(711)	1,109	(984)	1	715	19	4,254	1,840,197	(2,636)
Equity attributable to owners of the parent	45	3,751	117	8,738	(589)	1,109	229	1	715	19	3,418	1,848,350	(2,636)
Non-controlling interests	(2)	-	-	-	-	-	-	-	(4)	-	107	820,673	-
TOTAL EQUITY	43	3,751	117	8,738	(589)	1,109	229	1	711	19	3,525	2,669,023	(2,636)
Final Balance as of 12/31/2015													
Issued Capital	1	3,272	-	110,198	2,000	17,655	-	24	236	1,000	14,987	167,784	32,596
Other Reserves	(1)	-	1,706	2,943	38	-	-	4	96	-	86	3,508,916	-
Accumulated retained earnings	4,013	37,098	1,017	21,787	1,464	(17,065)	-	(83)	1,283	(45)	(569)	(2,188,987)	123
Equity attributable to owners of the parent	4,013	40,370	2,723	134,928	3,502	590	-	(55)	1,615	955	14,504	1,487,713	32,719
Non-controlling interests	446	-	-	-	-	-	-	-	4	-	138	1,042,171	-
TOTAL EQUITY	4,459	40,370	2,723	134,928	3,502	590	-	(55)	1,619	955	14,642	2,529,884	32,719

2015	IM2 S.A.	BIOSIGMA S.A.	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RÍO BLANCO LTDA.	ISAPRE CHUQUICAMATA LTDA.	CLÍNICA SAN LORENZO LTDA. CONSOLIDADO	FUSAT CONSOLIDADO	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA 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$
SUMMARIZED STATEMENTS OF CHANGES IN EQUITY														
Initial Balance as of 1/1/2015														
Issued Capital	3,298	32,868	-	3,925	415	358	886	1,262	20	200	25,002	1	15,886	1,240,736
Other Reserves	29	(781)	(20)	(112)	22	-	1,540	-	607	11,178	-	-	(45)	(11,069)
Accumulated retained earnings	1,378	(30,816)	263	(5,065)	(1,712)	(393)	(139)	2,343	(1,212)	(3,998)	(22,066)	(1,094)	(7,674)	3,168,614
Equity attributable to owners of the parent	4,705	1,271	243	(1,252)	(1,275)	(35)	2,287	3,605	(585)	7,380	2,936	(1,093)	8,167	4,398,281
Non-controlling interests	-	636	9	-	-	-	-	-	-	1	-	-	-	-
TOTAL EQUITY	4,705	1,907	252	(1,252)	(1,275)	(35)	2,287	3,605	(585)	7,381	2,936	(1,093)	8,167	4,398,281
Changes in equity														
Issued Capital	-	(1,333)	-	571	60	-	129	183	-	-	-	(1,355)	(63,200)	-
Other Reserves	-	(343)	(20)	(17)	3	-	224	-	(33)	1,151	-	-	(13)	24,572
Accumulated retained earnings	(322)	1,608	47	1,131	527	(17)	(172)	83	(77)	3,312	3,257	279	9,500	101,899
Equity attributable to owners of the parent	(322)	(68)	27	1,685	590	(17)	181	266	(110)	4,463	3,257	(1,076)	(53,713)	126,471
Non-controlling interests	-	(33)	2	-	-	-	-	-	(7)	-	-	-	-	-
TOTAL EQUITY	(322)	(101)	29	1,685	590	(17)	181	266	(117)	4,463	3,257	(1,076)	(53,713)	126,471
Final Balance as of 12/31/2015														
Issued Capital	3,298	34,201	-	3,354	355	358	757	1,079	20	200	25,002	1,356	79,086	1,240,736
Other Reserves	29	(438)	-	(95)	19	-	1,316	-	640	10,027	-	-	(32)	(35,641)
Accumulated retained earnings	1,700	(32,424)	216	(6,196)	(2,239)	(376)	33	2,260	(1,135)	(7,310)	(25,323)	(1,373)	(17,174)	3,066,715
Equity attributable to owners of the parent	5,027	1,339	216	(2,937)	(1,865)	(18)	2,106	3,339	(475)	2,917	(321)	(17)	61,880	4,271,810
Non-controlling interests	-	669	7	-	-	-	-	-	7	1	-	-	-	
TOTAL EQUITY	5,027	2,008	223	(2,937)	(1,865)	(18)	2,106	3,339	(468)	2,918	(321)	(17)	61,880	4,271,810

Relevant Events

to the Consolidated Financial Statements

as of December 31, 2016

The Corporation has reported to the Chilean Superintendence of Securities and Insurance (SVS) the following relevant events occurred during the periods between January and December 2016 and 2015:

1. Changes in the Board of Directors, Executives and the Organizational Structure

- On February 27, 2015, Codelco communicated as an essential event that it appointed the following main executives:

  1. Mr. Patricio Chávez Inostroza, starting from March 1, 2015, as the Vice President of Corporate Affairs and Sustainability.
  2. Mr. Alejandro Rivera Stambuk, who joined the Corporation on April 1, 2015, as the Vice President of Finance and Administration. The following management will report to him: Management of Budget and Management Control, Management of Investment Evaluation and Project Control, Controllership Management, Information Technology Telecommunications and Automation (ITTA) Management, Finance Management and Strategic Business Management.
  3. Mr. José Robles Becerra, starting from April 1, 2015, as Vice President of Production and Costs. The following management will report to him: Management of Production and Cost Structural Project, Technical Management for Divisional Projects, Management of Supply, Management and Inspection of Contractor Companies, Management of Energy and Hybrid Resources and Smelter and Refinery Optimization Management.
  4. Mr. César Correa Parker as the Corporation's General Auditor starting from April 1, 2015.

- On May 5, 2015, Codelco communicated as an essential event that the President of Chile starting from May 11, 2015, appointed as members of the Board of Directors of Codelco Mr. Juan Enrique Morales Jaramillo and Mr. Isidoro Palma Penco.

- On March 29, 2016, Codelco communicated as an essential event that Mr. Cristián Quinzio Santelices, Codelco's Legal Advisor ceased to provide services to Codelco starting from April 1, 2016.

  Mr. Diego Ruidíaz Gómez, Legal Advisor for El Teniente Division, assumes as the Interim Legal Advisor starting from April 1, 2016.

- On April 1, 2016, Codelco communicated as an essential event that with the purpose of improving the answer of Codelco's operating challenges and taking advantage of the existing operating and territorial synergies, Codelco has made the decision to restructure the organization of the Northern and Central-Southern Vice Presidencies, which will be structured as follows:

- Vice Presidency of Northern Operations: Chuquicamata, Radomiro Tomic, Ministro hales, Gabriela Mistral and Salvador Divisions led by Mr. Alvaro Aliaga Jobet.

- Vice Presidency of Central-Southern Operations: Andina, Ventanas and El Teniente Divisions led by Mr. Octavio Araneda Oses.

These organizational changes and appointments will be effective starting from May 1, 2016.

- On May 11, 2016, Codelco communicated as an essential event that through Supreme Decree No. 82, of April 14, 2016 issued by the Ministry of Mining, Mr. Raimundo Espinoza Concha has been appointed as member of Codelco's Board of Directors during a period of 4 years starting from May 12, 2016.

- On June 3, 2016, Codelco communicated as an essential event that Mr. Ricardo Palma Contesse, the General Manager of the Andina Division ceased to provide his services to Codelco starting from June 15, 2016.

  The current Operations Manager of such Division Mr. Alejandro Cuadra Pesce assumes as the Interim General Manager of such Division starting from June 15, 2016.

- On July 1, 2016, Codelco communicated as an essential event that Mr. Alejandro Cuadra Pesce has been appointed as the General Manager of the Andina Division.
- On August 3, 2016, Codelco communicated as an essential event that Mr. Nicolai Bakovic Hudig has been appointed as the Legal Advisor of Codelco starting from October 1, 2016.

  Starting on such same date, Mr. Diego Ruidíaz Gómez ceased to be the Interim Legal Advisor who continues to be the Legal Advisor of El Teniente Division.

2. Shareholders' Meetings

- On April 9, 2015, Codelco informed that its Board of Directors opted to summon to an Ordinary Shareholders' Meeting for April 28, 2015 at 12:00 p.m. at Codelco's office located at Huérfanos 1270, piso 11 to address matters inherent to an Ordinary Shareholders' Meeting.

  At such meeting, the shareholders addressed 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, 2014;
  2. Appointment of Codelco's external auditors and risk raters for 2015.
  3. Determining a newspaper based in the legal domicile for legal publications.
  4. Information on transactions with related parties
  5. Report on Expenses incurred by the Board of Directors and Board of Directors' Committee during 2014.
  6. Any other matter or topic of interest which is to be discussed by the shareholders at an ordinary shareholders' meeting and adopting the related agreements.

  The Company' financial statements as of December 31, 2014 and 2014 Annual Report have been published in Codelco's web site www.codelco.com.

- On April 29, 2015, it has been communicated as an essential event that at Codelco's Ordinary Shareholders' Meeting held on April 28, 2015 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, 2014 and the Report of External Auditors for that year.
  2. The shareholders appointed Ernst & Young as Codelco's external auditors for 2015.
  3. The shareholders appointed Feller Rate, Fitch Rating, Moody's, and Standard & Poor's as Codelco's risk raters for 2015.
  4. The shareholders appointed La Segunda as the newspaper for publications Codelco has to perform, in conformity with that provided in the Public Company 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 Public Company Act.
  6. Expenses incurred by the Board of Directors and Board of Directors' Committee during 2014 were informed.
  7. The Shareholders were informed of and analyzed the Annual Report on the Progress of the 2014-2018 Business and Development Plan, established by Law No. 20.790.

- On September 7, 2015, Codelco informed that its Board of Directors opted to summon to an Extraordinary Shareholders' Meeting for Tuesday, September 29, 2015 to address the "Follow-up of the 2014-2018 Progress in the Business and Development Plan" as established by Law No. 20.790; including the sources of financing and capitalization required.
- On September 25, 2015, Codelco communicated as an essential event that the Ministers of Finance and Mining as representatives of the President of Chile reported they were unable to attend the Extraordinary Shareholders' Meeting of

Codelco, summoned for Tuesday, September 29, 2015 and because of this such meeting could not be confirmed.

Accordingly, Codelco's Board of Directors summoned to a new Extraordinary Meeting.

- On October 8, 2015, in accordance with Article 63 of Law 18.046, the Public Company Act, Codelco informed as an Essential Event that its Board of Directors opted to summon to an Extraordinary Shareholders' Meeting for Monday, October 26, 2015 to address the "Follow-up of the 2014-2018 Progress in the Business and Development Plan" as established by Law No. 20.790; including the sources of financing and capitalization required.

- On October 26, 2015, Codelco reported as an Essential Event that at the Extraordinary Shareholders' Meeting held on that date, as attended by the Ministers of Finance and Mining representing the President of Chile, Management reported the Progress in the 2014-2018 Business and Development Plan as established by Law No. 20.790, including sources of financing and capitalization required.

- On April 7, 2016, Codelco informed that its Board of Directors opted to summon to an Ordinary Shareholders' Meeting for April 25, 2016 at 5:30 p.m. at Codelco's office located at Huérfanos 1270, piso 11 to address matters inherent to an Ordinary Shareholders' Meeting.

  At such meeting, the shareholders addressed 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, 2015;
  2. Appointment of Codelco's external auditors and risk raters for 2016.
  3. Determining a newspaper based in the legal domicile for legal publications.
  4. Information on transactions with related parties
  5. Report on Expenses incurred by the Board of Directors and Board of Directors' Committee during 2015.
  6. Follow-up of the 2014-2018 Business and Development Plan as established in Law 20.790, including the sources of financing and capitalization required.
  7. Any other matter or topic of interest which is to be discussed by the shareholders at an ordinary shareholders' meeting and adopting the related agreements.

  The Company' financial statements as of December 31, 2015 and 2015 Annual Report have been published in Codelco's web site www.codelco.com

- On April 25, 2016, it has been communicated as an essential event that at Codelco's Ordinary Shareholders' Meeting conducted today 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, 2015 and the Report of External Auditors for that year.
  2. The shareholders appointed Ernst & Young as Codelco's external auditors for 2016.
  3. The shareholders appointed Feller Rate, Fitch Rating, Moody's, and Standard & Poor's as Codelco's risk raters for 2016.
  4. The shareholders appointed La Segunda as the newspaper for publications Codelco has to perform, in conformity with that provided in the Public Company 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 Public Company Act.
  6. The activities of the Board of Directors' Committee and expenses incurred by the Board of Directors and Board ofDirectors' Committee during 2015 were informed.
  7. The Shareholders were informed of and analyzed the Annual Report on the Progress of the 2014-2018 Business and Development Plan, established by Law No. 20.790.

3. Financing

- On September 9, 2015, Codelco communicated as an Essential Event that on that same date, Codelco had access to international financial markets through the issuance of bonds of USD 2,000 million at a term of 10 years with an annual coupon of 4.5% and annual performance of 4.695%.

  Such issuance was led by HSBC, Bofa Merrill Lynch and JP Morgan. Such resources were included in Codelco's program to finance its investment plan.

- On August 25, 2016, Codelco communicated as an essential event that on that same date, Codelco placed in the local market (Bolsa de Comercio de Santiago, the Santiago Stock Exchange) Series C Bonds (BCODE-C), which correspond to the first issuance of bonds with a charge to the line registered with the Securities Registry of the Chilean Superintendence of Securities and Insurance (SVS) under No. 608.

  The total amount of the placement was UF 10,000,000, composed of 20,000 debt securities which were issued with a par value of UF 500 each, at an annual placement rate of 2.09%. Series C bonds mature on August 24, 2026 at an annual the interest rate (cover) of 2.5% compound, due and calculated on the basis of equal semi-annual periods of 180 days, equivalent to semi-annual 1.2423%.

  Proceeds from the placement of such bonds will be destined by 50% to finance investments and by 50% to refinance Codelco's liabilities.

4. Contingencies, strikes and disruption of activities

- On April 9, 2015, Codelco reported as an Essential Event that because of the heavy rains occurred on March 24 and 25, 2015 in the Atacama Region of Chile, the Salvador Division disrupted its operations, which were gradually resumed starting from Monday April 20.

  Codelco believes such disruption of activities represented a decrease in production of approximately 5,000 fine copper tons, which Codelco expects to recover at Corporate level during the remaining part of the year, through different mitigation actions. As such, this situation will not result in a material or significant impact on Codelco's profit or loss.

- On July 23, 2015, Codelco reported as an Essential Event that demonstrations by contractor companies, which in the case of the Salvador Division pose a risk to employees' safety and generate damages to the Company's facilities and public infrastructure because of force majeure reasons and in order to protect employees' and the population safety, Codelco was obliged to temporarily disrupt the operations in such Division until conditions were back to normal allowing safe operations.

  The financial and accounting effects of such disruption depended on the evaluation of the scope and extent of such an event. Because of such demonstrations, Codelco reiterated the need for resolving discrepancies or pending negotiations through pacific actions and dialog.

- On August 4, 2015, Codelco reported as an Essential Event that the facilities in the Ministro Hales Division experienced de Codelco suffered acts of sabotage related to demonstrations which illegally entered its facilities cutting an overland conveyor belt which carries minerals with the purpose of stopping the operations. Such piece of equipment was carrying mineral loaded and is pivotal for the entire production chain and its disruption could translate into a daily production loss of approximately 70 tons of fine copper.

  Because of this event, Codelco indicate it will file the related legal actions against whoever are responsible for such acts.

  In addition, Codelco reported that such incidents occurred while the first session of the negotiation summoned by Agema (Asociación Gremial de Empresas para la Minería y Rubros Asociados – the Guild Association for Mining and Associated Lines of Business) attended by executives of contractor companies and Codelco as the facilitator to which the representatives of employees of contractor companies involved in demonstrations did not attend.

- On August 18, 2015, Codelco reported as an Essential Event that in the afternoon of Monday, August 17, 2015, a fire affected a portion of the facilities in the Chuquicamata Division located in the Antofagasta Region of Chile, resulting in no wounded or injured individuals.

  The fire occurred in the underground K1 tunnel affecting two mineral conveyor belts in the crushing facilities of such Division and started when the conveyor belt had been stopped and without power because of the scheduled maintenance that was being performed in such facilities.

  Codelco started an internal investigation to clarify the cause of the fire requesting the support from subject matter to discard the possible intervention by third parties.

- On October 8, 2015, Codelco reported as an Essential Event that within the framework of a collective negotiation process, on October 8, the members of the Unions of Supervisors from the Radomiro Tomic Division commenced a legal strike after rejecting Codelco's last offer. The financial and accounting effects of such disruption have not been quantified at the date of this report, as they depend on the evaluation of the scope and extent of such event.

- On October 20, 2015, Codelco reported as an Essential Event that the members of the Union of Supervisors and Professionals from the Radomiro Tomic Division approved the last offer delivered by Codelco's Management and ending the legal strike they started on Thursday, October 8.

- On February 26, 2016, Codelco communicated as an essential event that as a result of the leakage of copper concentrate occurred on February 25, 2016 in the Saladillo sector in Region V of Chile, Codelco's Andina Division made maximum efforts to overcome this environmental incident focusing works on continue to monitor the quality of the waters and reestablishing the normal conditions in the copper concentrate conveyance system from the concentration plant to the filtration plant.

  Within this context, all operations for sending copper concentrate were suspended.

- On February 29, 2016, Codelco communicated as an essential event that SERNAGEOMIN allowed reestablishing operations for sending copper concentrate at the Andina Division as communicated on such date.

- On April 16, 2016, Codelco communicated as an essential event that El Teniente Division had to suspend its operations in its plants and mine because of damages in the infrastructure for employee access and supply infrastructure, as well as the suspension of the ore conveyance system to the plants as a result of the unfavorable weather conditions that affected the O'Higgins Region of Chile.

- On April 22, 2016, Codelco communicated as an essential event that beginning on April 21, 2016, El Teniente Division gradually resumed production operations at mine and plants after the suspension of five days because of damages resulting from the severe bad weather conditions affecting the central zone of Chile during the last week-end.

  The decrease in production because of such suspension is expected to be recovered at Corporate level during the remaining part of the year through different mitigation actions. As a result, such situation will not result in a material or significant impact on Codelco's profit or loss.

- On September 5, 2016, Codelco communicated as an essential event that within the framework of the collective negotiation process, Union No. 2 of Salvador Division which mainly represents employees from Smelter and Refinery of such Division, started a legal strike after having rejected Codelco's last offer also preventing the work of employees members of Union No. 6. Finally, note that the effects of such strike in the production and profit or loss at the reporting date have not been quantified as they depend on the assessment of the scope and extension of such strike.

- On September 12, 2016, Codelco communicated as an essential event that employees members of Union No. 2 of Potrerillos, of the Salvador Division on Friday, September 9, 2016 agreed to end the legal strike they commenced on September 5, 2016 after accepting the proposal delivered within the framework of the collective negotiation.

Subsequent to this, the Salvador Division has started the smelter, refinery, mining and plant operations coordinating the entrance for employees and releasing the temporary suspension applied to contractor companies to ensure their gradual reinstatement.

Finally, note that Codelco is making all efforts to recover the decrease in the production caused by such strike through different mitigation actions which are being implemented in the Salvador Division. Accordingly, such strike will not result in a material or significant impact on Codelco's profit or loss

5. Other

- On June 26, 2015, Codelco reported as an Essential Event that the Board of Directors approved significant actions to increase the standards in such matters as transparency, probity and good corporate governance.

  The set of actions approved by the Board of Directors has an influence on three aspects in the performance of Codelco's activities: business relations, institutional links and lobbying and people management processes.

  For such purposes, the Company reviewed and systematized existing standards by unifying and formalizing corporate standards and incorporating new standards looking for strengthening those already existing, highlighting the following seven initiatives:

  - Generating a single policy for regulating conflicts of interest for the entire Corporation.
  - Increasing the number of people who will file statements of interest and equity.
  - Increased regulation and control of contracts entered into with related parties and conflicts of interest.
  - Restriction on and regulation of gifts and courtesies.
  - Regulation of lobbying.
  - Hiring politically exposed people or companies.
  - Establishing a mechanism for information and sanction.

  Such set of actions supplements the high standards on transparency and probity currently in force at the Company from the approval of Codelco's Corporate Governance Law.

  The current Board of Directors approved in September 2014 the first set of actions aimed at improving its corporate governance which include establishing limits and controls to manage resources assigned to the performance of the Board of Directors' activities, the implementation of transparent and traceable system for managing requests for recruitment, promotion and contract termination for Codelco's executives and employees and the generation of a mechanism to regulate the relationships between the members of the Board and Management and related parties.

- On August 28, 2015, Codelco reported as an Essential Event that the Board of Directors in its permanent evaluation of the performance of its projects and production divisions, increases in constructive costs and associated profitability, has decided to reassess the Andina Expansion project and withdraw the processing of the Environmental Impact Study.

  Considering that indicated above, Codelco will redesign such project and request, on a timely basis, the relevant authorizations and approvals, to generate an alternative that requires a lower investment, implies lower impacts on the environment and extends the useful life of the Andina Division for other 50 years.

- On October 28, 2015, the Board of Directors became aware that the Chilean Government through the Ministry of Finance, as Government Representative, owner of Codelco and in accordance with the legal powers conferred, has resolved making an extraordinary capital contribution of US$600 million in conformity with article 1 of Law 20.790. Such capitalization will be financed through the sale of financial assets from the Public Treasury in domestic or foreign currency.

- On April 7, 2016, Codelco formalized its exist from the ownership in Copper Partners Investment Company Limited (CUPIC) on which prior to such date had ownership of 50% through the subsidiary Codelco International and that the same proportional percentage was shared with Album Enterprises Limited (a subsidiaries of Minmetals).

  To formalize the aforementioned exit of the ownership, Codelco entered into a number of agreements, which mainly formalized the following aspects:

  - Amendment to the contract for the sale of copper from Codelco to CUPIC entered into in 2006 (described in Note 30, letter b), number ii) of the financial statements), which establishes the reduction of half the tonnage pending delivery to such company for which Codelco pays to CUPIC the amount of ThUS$ 99,330.
  - A capital decrease at CUPIC equivalent to 50% of the shares of Codelco International in such company and for which CUPIC refunds to Codelco the amount of ThUS$ 99,330.
  - Waiver of Codelco to the possible dividends associated with profit generated by CUPIC between January 1, 2016 and the date in which the agreement has been signed.
  - Additionally, the end of the receipt of dividends as a result of Codelco not having an interest in CUPIC starting in 2016, generated that the aforementioned copper sales agreement entered into with CUPIC decreases the net estimated benefit for Codelco through the end of it (year 2021). This implied the contract to qualify as an Onerous Contract in accordance with the accounting standards currently in force, having an adverse impact on the profit or loss for financial purposes net of taxes of Codelco by ThUS$22,184 (negative effect net of taxes of ThUS$ 6,599) as of April 7, 2016.

- On December 1, 2016, the Board of Directors became aware that the Chilean Government through the Ministry of Finance, as Government Representative, owner of Codelco and in accordance with the legal powers conferred, has resolved making an extraordinary capital contribution of US$500 million in conformity with article 1 of Law 20.790. Such capitalization will be financed through the sale of financial assets from the Public Treasury in domestic or foreign currency.

  There are no other events that qualify as relevant occurred prior to December 31, 2016.

Board of Directors and Management Compensation

As of December de 2016 and 2015

Expressed in thousands of U.S. dollars - ThUS$

During 2015 and 2014, 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	2016 ThUS$	2015 ThUS$
Raimundo Espinoza Concha	91	93
Gerardo Jofré Miranda	91	93
Marcos Büchi Buc (1)	-	-
Marcos Lima Aravena	-	41
Blas Tomic Errázuriz	114	108
Augusto González Aguirre	-	33
Laura Albornoz Paulman	91	93
Oscar Landerretche Moreno	137	140
Dante Contreras Guajardo	91	93
Isidoro Palma Penco	91	60
Juan Morales Jaramillo	91	60

(1) (1) During the periods from 1 January to 11 May 2015 and between 1 January and 31 December 2014, the Corporation has not issued any payment instrument for remuneration to Mr. Marcos Buchi Buc, arising from their participation (and until the end of his term) as Director of the Corporation, having expressly and irrevocably waived such payments, as also to any collection action present or future for this concept.

2. Compensation

Name	2016 ThUS$	2015 ThUS$
Raimundo Espinoza Concha	44	36
Augusto González Aguirre	-	53

The remuneration of the Company's main executives for 2016 amount to THUS$ 8.714. This amount includes a performance bonus of ThUS$ 1.640.

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:

a. The reference market for Executives' remuneration will be measured by a standard survey.

b. 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.

c. 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 2016 payments equivalent to ThUS$ 444.

Additional Information on the Board of Directors and Board of Directors' Committee

As of December 31, 2016

Expressed in thousands of U.S. dollars - ThUS$

1. Advisory services engaged by the Board of Directors

During 2016, expenses for advisory services provided to the Board of Directors are as follows:

Company	Purpose	Amount (ThUS$)
Ramiro Mendoza y Cía. Ltda.	Law Report, Corporación Nacional del Cobre (Codelco) and its Management and External Inspection System	45,136.23
Balbontín, Linazasoro y Cía. Ltda.	Legal advisory services of partner Jorge Correa Sutil	12,852.78
Prime Call Chile SPA	Audio conference services	15.06
Gonzalez, Riesco y Cía. Ltda.	Legal opinion	5,830.06

2. Composition of the Board of Directors' Committee

In 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 the three candidates proposed for the position by the Senior Public Management Council.

In line with this, as of December 31, 2016, the following individuals are the members of the Board of Directors' Committee:

- Mr. Blas Tomic Errázuriz, ID No. 5.390.891-8, Chairman.
- Mr. Gerardo Jofré Miranda, ID No. 5.672.444-3, Vice-Chairman.
- Mr. Juan Morales Jaramillo, ID No. 5.078.923-3.
- Mr. Isidoro Palma Penco, ID No. 4.754.025-9.

3. Board of Directors' Committee's Compensation

Fees for the years ended December 31, 2016 and 2015 are available in the Chilean Superintendence of Securities and Insurance (SVS) web site as part of the 2016 Annual Report 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.

Transactions addressed by Title XVI of Law No. 18.046 are available in the SVS web site as part of the 2016 Annual Report 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.

Sworn statement of responsibility

Annual Report 2016

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 2015 is true and correct.

Óscar Landerretche Moreno
Presidente del Directorio
RUT 8.366.611-0

Dante Contreras Guajardo
Director
RUT 9.976.475-9

Laura Albornoz Pollmann
Directora
RUT 10.338.467-2

Blas Tomic Errázuriz
Director
RUT 5.390.891-8

Gerardo Jofré Miranda
Director
RUT 5.672.444-3

Isidoro Palma Penco
Director
RUT 4.754.025-9

Juan Enrique Morales Jaramillo
Director
RUT 5.078.923-3

Raimundo Espinoza Concha
Director
RUT 6.512.182-4

Offices, subsidiaries and sales representatives

January-December 2016

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