

# TODAY WE TRANSFORM FOR THE FUTURE OF CHILE!

2019 ANNUAL REPORT

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## CORPORATE PROFILE

# WE SEEK TO CONTINUE CONTRIBUTING TO THE DEVELOPMENT OF CHILE

For 48 years, Codelco has been Chile's primary company. Today we are executing structural projects to extend the life of our ore deposits for a further 40 to 50 years. We are also raising our environmental standards, increasing our productivity and maintaining the current levels at 1.7 million tons of fine copper per year.



Corporate Profile



Key Indicators



Our management



Transparency, integrity and good corporate governance



Transformation and future



Subsidiaries and affiliated companies



2019 Consolidated financial statements



Offices and representatives



# MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

**Juan Benavides Feliú**, Chairman of the Board

**“The transformation that we are promoting, aimed at maintaining our contributions to Chile for at least 50 more years, is not only based on a perspective of production levels but also on a perspective of values. Our executives, professionals, workers and administrators have a duty to act in an accountable and transparent manner”.**

In 2019, Codelco commenced a profound business transformation. This inescapable task aims to reposition us among the most competitive, sustainable and profitable copper producers in the world, while continuing to contribute to the nation's development and, in turn, a better quality of life for its citizens.

Society's expectations have changed. We have seen this on the horizon for some time, but it became rather evident at the end of the year. At Codelco, we are clear that today more than ever we must strive to improve our results, increase efficiency and productivity, teamwork and redouble our efforts to deliver Chile more and more surplus. Moreover, we must be aware that no production goal is above the safety and care of our people. The country requires our contributions so that the State can respond to

the demands of citizens. Therefore, we are implementing a robust business plan that concentrates our efforts on copper extraction. Accordingly, we have defined three strategic approaches: operational excellence, project excellence and maximum efficiency in converting resources into reserves.

In this regard we are improving efficiency in the use of our operational assets, with maintenance strategies that ensure continuity of operations. We are implementing more demanding and longer-term productivity practices, while reinforcing the quality and efficiency of services in the supply area.

We also began to optimize the design and construction standards on our projects (especially structural projects) while, in parallel, supporting the capture of the potential of Codelco's vast geological resource base.





Our core enablers lie in the strengthening of our organization, managing critical talents and changing leadership. Our strategy also includes discipline in terms of safety and operational health, the preparation of optimized sustainability standards and the adoption of current technologies and innovative development in mining.

In parallel to this profound transformation plan, the board of directors remains committed to raising our standards of good corporate governance, integrity, management oversight and transparency, while applying the strictest controls to the company.

Codelco is probably one of the companies that is subject to one of the most varied and extensive auditing models in the country. The Corporation is audited by the Comisión del Mercado Financiero as an open stock company, which requires high standards regarding continuous submittals of transparent and consistent market information.

The company is also supervised by the Comisión Chilena del Cobre (Cochilco) which requires us to provide information for its audits, conducting a functional review of about 60 to 70 investment projects each year. Additionally, the law permits Comptroller General of the Republic, when circumstances permit it so, to temporarily and fully assume all or some of the supervisory powers that correspond to this commission.

Therefore, the transformation that we are promoting, aimed at maintaining our contributions to Chile for at least 50 more years, is not only based on a perspective of production levels but also on a perspective of values. We understand that we must satisfy the expectations that society has of those who manage a company - a company

that belongs to all Chileans. Ethical standards that do not rise to this challenge also put Codelco's future at risk. Therefore, our executives, professionals, workers and administrators have a duty to act in an accountable and transparent manner.

Every time one of us flouts these principles, our progress is called into question and it takes a heavy toll on our reputation. This is a problem of enormous proportions with additional complexity: all the institutions are being questioned. Only with irreproachable conduct and zero tolerance towards a lack of business ethics can we regain public trust.

Over the last 10 years, since approval of our company's Corporate Governance Act in November of 2009, the efforts made by different directors and the administration to provide the company with an organizational structure, systems and rules that safeguard the process traceability have been evident and vigorous.

Thus we have responded to the urgent need to strengthen self-regulation, which translates into corporate rules, procedures, voluntary commitments and best practices that bolster professional and ethical behavior at all levels of the company.

In 2019 we approved a policy and a new risk management and control model, with the aim of making them part of the organizational culture and identity, to develop our work proactively and preventively and to continuously seek out best practices in our activities. With this common model will help mitigate the uncertainty of the mining industry, strengthen



Our challenge today is to reinforce our transparency and integrity standards to all areas and personnel”.

the control environment and have clear roles and responsibilities. It provides us with a unique method to identify and manage events that may negatively impact the achievement of our goals.

At Codelco we are also convinced that privileging personal interest over those of the company is unacceptable conduct. To protect the integrity and credibility of the organization, we have developed internal regulations that expressly regulate what to do and what not to do under different situations. Our goal is to have systems that allow us to identify and manage conflicts of interest among our staff and collaborating associated, whether real, potential or apparent.

We also updated our Crime Prevention Model and reinforced our due diligence process, incorporating the expectations of ethical performance for companies that want to work with Codelco. These mechanisms will help us fight corruption and increase trust, which will ultimately translate into value for Codelco.

Our challenge today is to reinforce our transparency and integrity regulations within all areas and personnel. With this objective in mind, we designed a comprehensive plan for dissemination, training and education to generate greater awareness that this task is a key responsibility of each and every one of us who work in this company.

These improvements to aspects of governance seek to ensure that decisions to define Codelco's strategies and to control, self-monitor and audit our work are made exclusively in the interest of Chile.

I am convinced that Codelco deserves to be managed by a corporate government and a administration that is committed to strategic business planning and raising its standards of integrity, transparency and management oversight, with the aim of ensuring the Codelco's sustainability. In 2020 we will continue along this path. It is the only way we may fully confront the challenge of projecting ourselves into the future and to continue contributing to the development of Chile for another 50 years.

**Juan Benavides Feliú**  
Chairman of the Board



# MESSAGE FROM THE CEO

**Octavio Araneda Osés, CEO**

**“We must be more productive, increase inclusion and diversity, strengthen our drive for sustainability, move towards an improved standard in matters of innovation and technology; by reinforcing and developing the talent of our people, strengthening safety and consolidate our progress in transparency and integrity”.**

Today, Chile is undergoing a change. The demands of many of our fellow compatriots and women reaffirm the historic responsibility of this company to continue contributing resources for several more decades, thereby improving the living conditions of all Chileans.

At Codelco, we are facing a transformation process to confront a complex domestic and foreign market scenario. Our challenge for the medium and long term is to sustain the profitability of the business in the midst of complex conditions such as depleted, lower quality or increasingly deeper ore deposits. This, in addition to the increased cost of labor and key supplies, and volatility in the price of copper due to different factors.

Under such conditions, Codelco is now executing large structural projects that are necessary to extend the life of our deposits. These projects require a significant investment of several tens of billions of dollars.

In August of this year we inaugurated the first of such projects, Chuquicamata Subterránea. In 2019 activity began to ramp down at this enormous 950-hectare pit that has given so much to Chile and will close its activities in 2022. Meanwhile, the underground mine will continue to advance until it reaches its maximum capacity in 2026, when it begins to move 140,000 tons of ore daily, with a more favorable head grade.





The Chuquicamata mega-deposit has 1.02 billion tons of copper ore in reserves and a grade of 0.82%. These figures confirm that Codelco will continue contributing to the development of Chile for at least another 40 more years.

In addition to Chuquicamata, at Codelco we are embarking on the construction of Traspaso Andina and the El Teniente development projects. Another three projects are undergoing different stages of assessment or engineering: Rajo Inca, Desarrollo Futuro Andina and RT Sulfuros Fase II.

All these large-scale engineering works are inescapable, not only because they transform our mining resources and reserves into economic value, but also because they will help maintain our ability to generate surpluses over time.

In any case, our future sustainability depends not only on the construction of these projects, but also on the fact that the workers, supervisors and executives commit ourselves with all our might to build a more agile and modern company; a company with lower costs and higher productivity. Such efforts will place us in the second quartile of the industry in 2022 and put us on the path to continuous improvement.

Therefore, we must be more productive, increase inclusion and diversity, strengthen our drive for sustainability, move towards an improved standard in matters of innovation and technology, reinforce and develop the talent of our people, strengthen security and consolidate our progress in integrity and transparency.

Our 2019 indicators were not optimal, but we are working to reverse the problems we identified in many of our processes and operations for 2020.

Despite the fact that this year Codelco had the lowest recorded accident rates in the history of our company, we regret the occurrence of a fatal accident that occurred at the división El Teniente. This causes a feeling of anguish in a company in which the protection of life and our people is a core value. We will continue to strengthen the protection of our workers, develop self-care awareness and improve our processes and standards.

Between January and December, we produced 1,706,000 tons of copper. This figure includes our participation in Anglo American Sur and El Abra; that is, 100 thousand tons less than 2018 (-5.6%), compared to 1,806,000 tons produced during the period between January-December 2018.

There are several explanations for this, but the most relevant pertain to the February rains, the 14-day strike in Chuquicamata in June and the maintenance campaigns and operational problems at división Andina and Chuquicamata. However, we managed to reverse the first semester's poor results, which were 11% lower than during the same period of the previous year.

Despite the fact that C1 cost increased by 1.8% due to lower production, fundamentally, the net cost to cathode (c3) decreased by 3%. This was due mainly to lower non-operating costs (write-offs, provisions and exchange rate differences) and the sale of the



I am convinced that we are obliged to improve our overall status if we want to continue being contribute relevantly to the progress of Chile ”.

GNL Mejillones subsidiary (to focus on the main business).

Our pre-tax profit totaled US\$ 1,340 million, which is lower than the same period last year. This is due in part, aside from the drop in production, by the drop in the price of copper, delays in the start-up of the smelters and collective bargaining.

We have to continue improving because, even if we attain our production and cost goals for 2020, or even if the price of copper rises, this will not be enough to ensure Codelco's contribution over the long term.

I am convinced that we are obliged to improve our overall status if we want to continue being contribute relevantly to the progress of Chile.

Our commitment for 2020 is to focus on our strategic business plan for 2022, which seeks to increase our productivity and profitability, through a profound transformation that has already started and that we will continue to expand upon.

To be more productive, profitable and sustainable we are prioritizing the most promising projects to execute them on time and with simpler designs.

Accordingly, we are reinforcing excellence across all our operations and focusing on further development of our mineral resources.

Our objectives are sound. This strategic plan aims to improve our net pre-tax profits by US\$ 1 billion per year, starting in 2021. This will add to our projected savings of 20% on the total investment portfolio that we have planned for the forthcoming years. These resources will help us finance our projects and fulfil our promise to extend the life of Codelco.

This operational, organizational and cultural overhaul will be a reality, as we are convinced that changes are possible and that together we can elevate the Chile's main company for the good of the whole of Chile.



**Octavio Araneda Osés**  
CEO



# DIRECTORIO

To December 31, 2019



**Juan Benavides Feliú**  
 Chairman of the Board  
 Business Administration  
 Pontificia Universidad Católica de Chile  
 RUT 5.633.221-9

**GHASSAN DAYOUB PSELI**  
 Director  
 Civil-Industrial Engineer,  
 Universidad de Chile  
 RUT 14.695.762-5



**HERNÁN DE SOLMINIHAC TAMPIER**  
 Director  
 Civil Construction Engineer,  
 Pontificia Universidad Católica de Chile  
 RUT 6.263.304-2



**RAIMUNDO ESPINOZA CONCHA**  
 Director  
 Certified Electrician Mining Engineering Studies,  
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**JUAN ENRIQUE MORALES JARAMILLO**  
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**ISIDORO PALMA PENCO**  
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**PAUL SCHIODTZ OBILINOVICH**  
 Director  
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 Universidad de Santiago  
 RUT 7.170.719-9

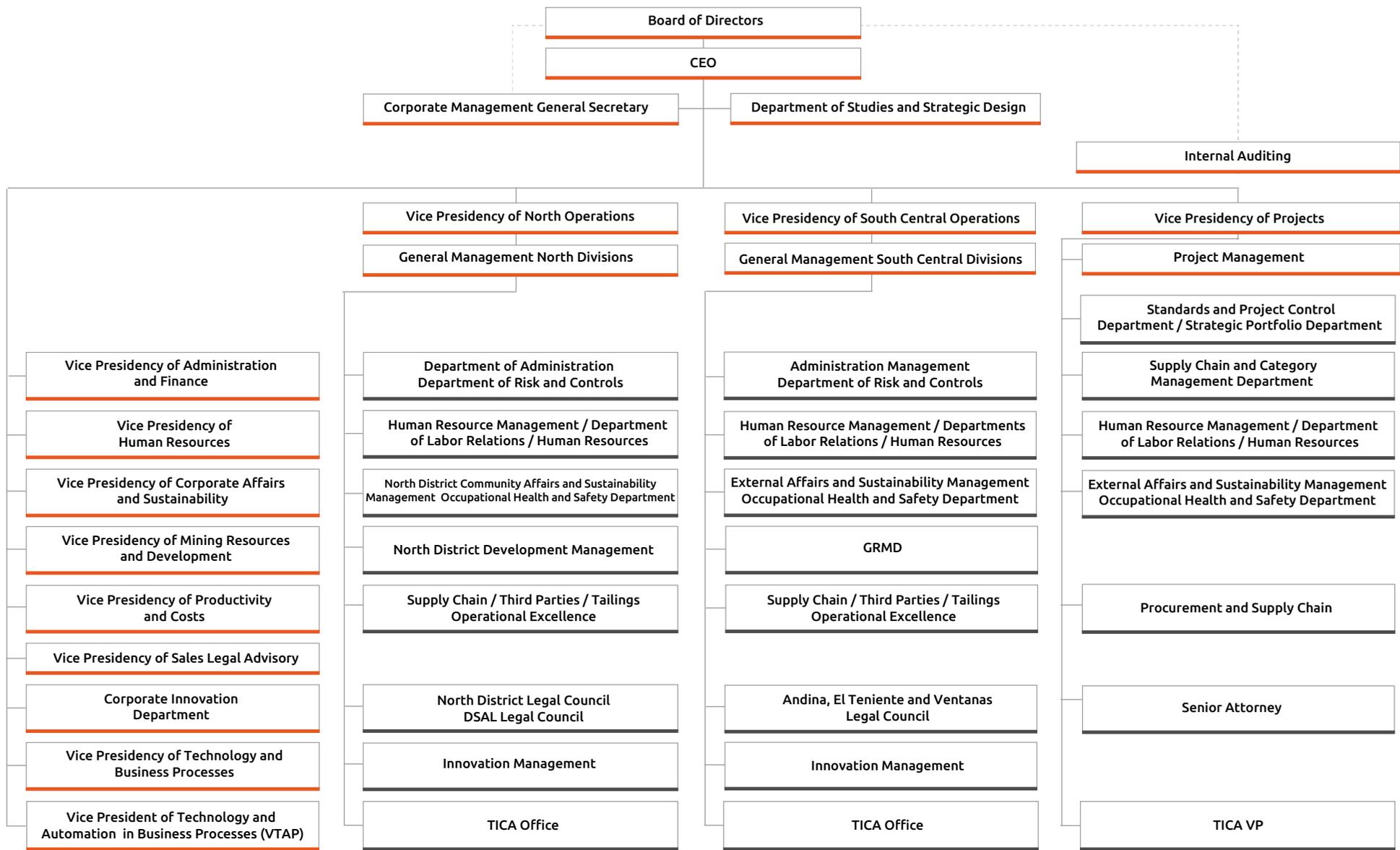


**BLAS TOMIC ERRÁZURIZ**  
 Director  
 Civil-Industrial Engineer,  
 Universidad de Chile  
 RUT 5.390.891-8



# ORGANIZATION CHART

To December 2019





# SENIOR MANAGEMENT

To December 2019



**Octavio  
Araneda Osés**

CEO

Civil-mining Engineer  
RUT 8.088.228-9

**ÁLVARO  
ALIAGA JOBET**

**Vice President of  
North Operations**  
Civil-mining Engineer  
RUT 8.366.217-4



**MAURICIO  
BARRAZA GALLARDO**

**Vice President of  
South Central Operations**  
Civil-mining Engineer  
RUT 9.467.943-5



**ALEJANDRO  
RIVERA STAMBUK**

**Vice President of  
Administration & Finance**  
Industrial Engineer  
RUT 7.332.747-4



**GERHARD  
VON BORRIES HARMS**

**Vice President  
of Projects**  
Civil-mining Engineer  
RUT 6.372.610-9



**MARCELO  
ÁLVAREZ JARA**

**Vice President of  
Human Resources**  
Business Administration  
RUT 13.026.507-3



**ANTONIO  
BONANI RIZZOLLI**

**Vice President of Mining  
Resources Management  
and Development (I)**  
Civil-mining Engineer  
10.535.613-7



**ROBERTO  
ECCLEFIELD ESCOBAR**

**Vice President  
of Marketing**  
Civil Industrial Engineer  
RUT 10.643.229-5



**JOSÉ  
ROBLES BECERRA**

**Vice President  
Productivity & Costs**  
Mechanical Engineer  
RUT 8.088.122-3



**RENATO  
FERNÁNDEZ BAEZA**

**Vice President of Corporate  
Affairs & Sustainability**  
Journalist  
RUT 10.871.675-4





# SENIOR MANAGEMENT

To December 2019

**ÁLVARO GARCÍA GONZÁLEZ**

**Vice President of Technology and Automation in Business Processes**  
Civil-industrial Engineer  
RUT: 10.216.192-0



**LINDOR QUIROGA BUGUEÑO**

**General Manager División Radomiro Tomic**  
Civil-mining Engineer  
RUT 9.182.846-4



**NICOLÁS RIVERA RODRÍGUEZ**

**General Manager División Chuquicamata**  
Civil Industrial Engineer and Civil Mining Engineer  
RUT 14.119.793-2



**RODRIGO BARRERA PÁEZ**

**General Manager División Ministro Hales**  
Civil-mining Engineer  
RUT 13.327.336-0



**SERGIO HERBAGE LUNDIN**

**General Manager División Gabriela Mistral**  
Civil Mining Engineer  
RUT 13.461.800-0



**CHRISTIAN TOUTIN NAVARRO**

**General Manager División Salvador**  
Civil-mining Engineer  
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**JAIME RIVERA MACHADO**

**General Manager División Andina**  
Civil Industrial Engineer and Civil Mining Engineer  
RUT 14.134.931-7



**JOSÉ SANHUEZA REYES**

**General Manager División Ventanas**  
Civil Metallurgical Engineer  
RUT 6.525.034-9



**ANDRÉS MUSIC GARRIDO**

**General Manager División El Teniente**  
Civil Mining Engineer  
RUT 14.119.532-8



**CÉSAR CORREA PARKER**

**Chief Internal Auditor Business Administration**  
RUT 7.417.045-5



**MARÍA FRANCISCA DOMÍNGUEZ MEZA**

**Legal Counsel (i) Lawyer**  
RUT 10.728.455-9





# CODELCO PRESENTATION

## CHALLENGES INVOLVED IN CODELCO'S MOST IMPORTANT TRANSFORMATION

“Today we are asking each member of Codelco to understand the challenge we face. We remind everyone that there is no second chance, that the solution is in our hands and that we have the ability to achieve our objectives. If we succeed, as a team we will be able to take Codelco into the future, turning it into a prestigious, healthy company that contributes to the development of Chile with its earnings.”

With this statement, in early December 2019, Codelco's CEO Octavio Araneda launched the most significant operational and organizational transformation campaign that the state-owned company has seen in recent years. At that moment, several vice presidents and senior executives with different roles, the Head Office were deployed to explain “The transformation in person” to more than two thousand people, including members of the executive committee, supervisors, shift managers and workers.

At the different massive gatherings, Codelco's strategic business plan to improve productivity, lower costs and increase earnings was detailed. The purpose of this plan is to finance the important investment portfolio contemplated for the coming years.

### WHAT ARE THE OBJECTIVES OF THE TRANSFORMATION?

- Allow Codelco to position itself in the second quartile of costs; that is, place itself in the group of 50% of all companies with the lowest costs, thereby ensuring the financing and development of our structural projects. This will help us remain competitive and maintain Codelco's contribution to the country for 50 more years.
- To improve our profits (compared to 2018) by US\$ 1 billion per year starting in 2021 and by US\$ 400 million in 2020.
- Maintain and reinforce austerity measures to lower costs. Save 20% on the total portfolio of investments that we develop between 2019 and 2028, which means a savings of approximately US\$ 8 billion. These increased earnings and less use of capital will ensure the financing and development of our structural projects, to maintain the relevance and contribution of Codelco to the country for 50 more years.
- Become a company with a world standard in terms of sustainability, transparency and integrity, innovation and development of personnel. We must make each Chilean feel proud again for the way Codelco fulfils its duty to Chile.

### HOW WILL WE ACHIEVE THIS?

#### Excellence in operations

- We will seek to reach the technical limits of our operations. This means that we will extract the highest possible yield from the same assets in a sustained manner through operational excellence and proper maintenance.
- We will implement even more demanding productivity practices in all areas, allowing us to rank in the second quartile of the industry in 2022.
- We will reinforce supply chain excellence to streamline purchases and contracts. We will procure only what is needed, at the best price on the market.

#### Excellence in projects

- We will prioritize the best projects to be executed.
- The designs of our projects will be simpler and adjusted to meet the real requirements of our business; incorporating creative solutions and best practices on the market.
- Hiring and construction will be executed on time, according to the agreed scope, increasing disciplined work in productivity and following up on our efficiency and continuous improvement goals.



We must initiate a process of cultural change, so that we are all on board with a common purpose and objective: our key goals and behaviors are essential to materialize our business strategy.

We aspire to be more - and we will seek continuous improvement. We will challenge the old mind-set that "it has always been done this way, so it's best to stay the way we are". With data, observations and new standards we will develop new and better ways of doing things. We will work as a team, be proactive in collaborating with others and we will value integration and diversity of opinion to reach innovative solutions. At the same time, we need leaders who incorporate the development of people into their role; that is, the technical and adaptive skills of their work teams.

For these efforts to achieve their objectives, deepening best practices and ethical management of resources for all Chileans is an essential requirement. Integrity, therefore, must be a fundamental pillar for achieving excellence in management. For this reason, we will continue to improve the procedures, practices and regulations of the company to avoid conflict of interest and incompatibilities. We will also continue to strengthen control mechanisms in contract execution with ongoing and random audits.

In terms of sustainability, we must understand its challenges, especially environmental care, as part of the organizational culture shift that we must achieve. We will promote the use of clean energy in future contracts, to positively impact business results. Furthermore, we will continue working

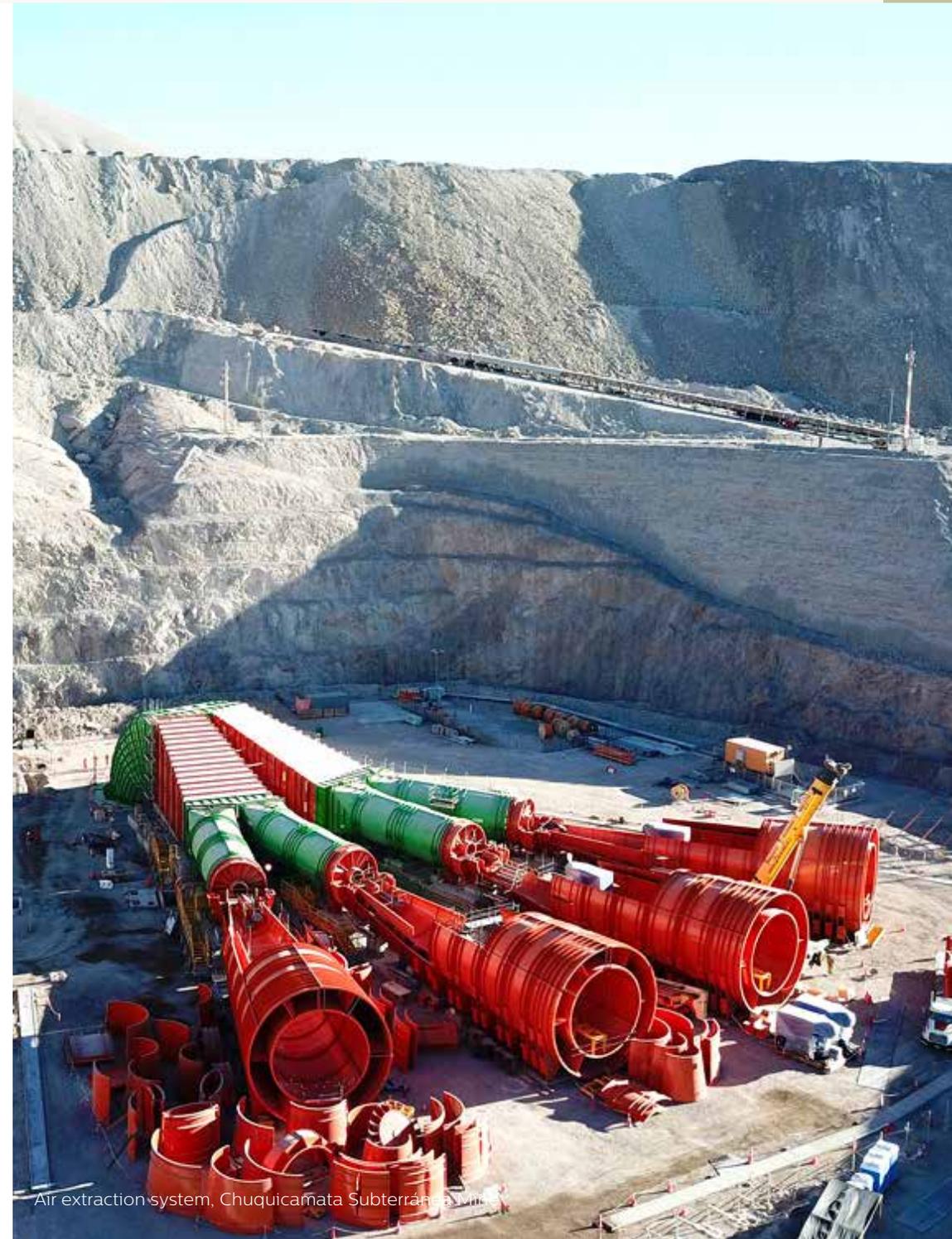
on the integration of our operations within nearby communities, to better understand and address community demands.

The deep transformation of our company has as one of its core strategic to deploy innovation and new technologies, focused on solving the key technological challenges of our business. We will seek to enable important mining resources to which we do not have access today, safeguard the safety of our workers and solve critical sustainability issues, such as optimization of water consumption, greater capture of emissions and better waste management.

We will become promoters of operational and organizational change, starting by understanding that we are one single corporation and not a set of divisions and projects. Everyone's destiny depends on the contribution of each individual. Our personal achievements will translate into team achievements and greater resources for the country, by means of improved results at Codelco that generate benefits and greater equity for the whole of Chile.

In summary, we are prepare ourselves to continue contributing to the development of the country for another 50 years. This will be achieved through operation and project excellence, the development of resources in geological reserves, a deep cultural transformation, optimized management of talent, accelerated adoption of technology and innovation and a vocation to be sustainable in the broad sense of the word.

**WE ARE TRANSFORMING TODAY FOR THE FUTURE OF CHILE!**



Air extraction system, Chuquicamata Subterránea Mine

# CORPORATE PROFILE

Across all Codelco management areas, we have promoted high standards of efficiency, effectiveness, integrity. We have also reinforced risk and control systems and optimized self-inspection, to ensure best practices and good use of our resources.



**1,706,013**  
fine metric tons  
of copper

INCLUDING OUR  
SHARE IN EL ABRA  
AND ANGLO  
AMERICAN SUR



Total sales  
**US\$ 12.52**  
billion

**8%**

OF THE GLOBAL  
COPPER MINE  
PRODUCTION

**29%**

AT THE NATIONAL  
LEVEL

**41%**

OF ALL NATIONAL  
PRODUCTION  
OF MINED MOLYBDENUM



## ABOUT US

Codelco's primary focus is on the exploration, development and extraction of mine resources, subsequent processing to produce refined copper and associated by-products, and bring these products to customers across the globe.

From our origins in 1971 to 2019 we have generated profits of US\$ 116 billion for the Chilean state (in 2019 currency). We hold assets amounting to US\$ 40.34 billion and an equity of US \$ 11.63 billion, as of December 2019.

We operate seven mine sites (known as "divisiones"): Chuquicamata, Ministro Hales, Radomiro Tomic, Gabriela Mistral, Salvador, Andina, El Teniente, in addition to the Ventanas Smelter and Refinery. Our Headquarters is located in Santiago where corporate strategy is coordinated, developed by a nine-member board of directors and our CEO.

Codelco's Charter of Values and Code of Business Conduct guide the daily management of our business. We want to be recognized, in Chile and abroad, for performance and a way of doing business that reflects our business values:

- **Respect for the life and personal dignity**
- **Responsibility and commitment**
- **Personal expertise**
- **Teamwork**
- **Work excellence**
- **Innovation**
- **Sustainable development**

We seek to position Codelco within the second quartile of costs; that is, to be in the 50% group of companies with lower costs; this, in addition to ensuring the financing and development of our structural projects, remaining competitive and maintaining Codelco's contribution to the country for 50 more years.

Also, maintain and reinforce austerity measures to lower costs and achieve greater earnings and less use of capital, which will ensure the financing and development of our structural projects and, in turn, protect the relevance and contribution of Codelco to the country.

Our calling is to be a company with a world standard in terms of sustainability, transparency and integrity, innovation and development of personnel. Therefore, we are pursuing a new approach to Chilean mining that supports the development of the country, while responding to the critical requirements demanded in the 21st-century extraction industry.

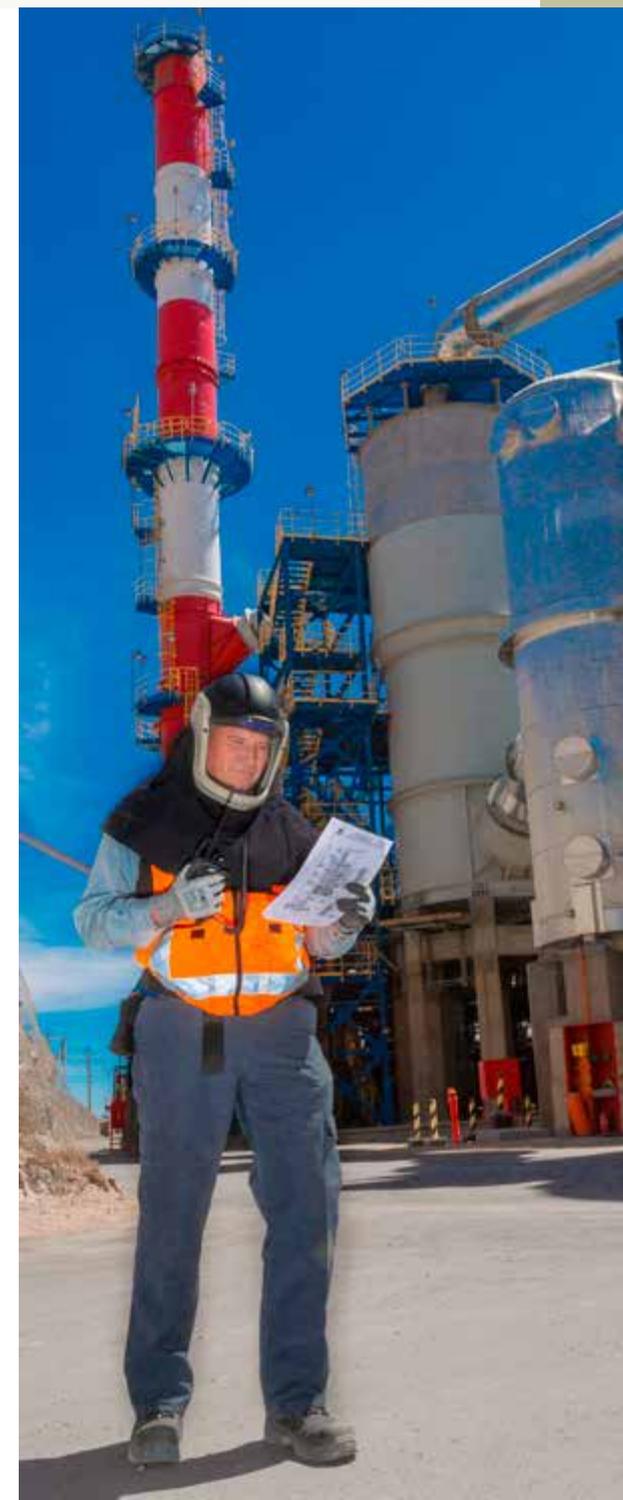
Sustainability is one of our strategic priorities and includes continuous improvement in areas of health, safety, environment, community relations and efficiency in the use of natural resources. Moreover, we are improving our energy-specific indicators in our productive processes. This will help us consolidate two essential objectives: the reduction of energy consumption and the incorporation of clean energy into our matrix.

Across all Codelco management areas, we have promoted high standards of efficiency, effectiveness, integrity. We have also reinforced risk and control systems and optimized self-inspection, to ensure best practices and the correct use of resources.

We maintain active public communication to disseminate information of interest on the management, progress and results of the workings of Chile's foremost company. Accordingly, we seek to be proactive and provide updated, accessible and understandable data, in addition to meeting our commitments to active transparency.

Likewise, our innovation strategy is focused on seven critical areas of our business, with a digital transformation aimed at enabling steady-state operation and to scale in new remote operation centers, automated equipment and the automation of support areas.

With the incorporation of data, observations and new standards, we will develop new and better ways of getting things done. We advocate proactivity in collaboration with others and value integration and diversity of opinions to achieve innovative solutions. Accordingly, we require leaders who include the development, coaching, mentoring of people into their role; that is, to foster the technical and adaptive skills of their respective work teams.





## FROM CHILE TO THE WORLD

Codelco is the world's largest copper producer. We closed the year with

A PRODUCTION OF  
**1,706,000**  
METRIC TONS OF  
FINE COPPER

including our share in El Abra and Anglo American Sur.

This figure is equivalent to **8% of the world's mined copper output** and 29% at the national level.



**We are one of the largest producers of molybdenum in the world and the largest in Chile,** with a total production of 23,353 fine metric tons in 2019, equivalent to 41% of national mined molybdenum production.



**Our total sales reached US\$ 12,525,000** with the Asian market as the main recipient, followed by the North American, European and South American markets.

Our exploration campaigns are ongoing and we seek to expand our mining base and **ensure our long-term business prospects.**

### OUR BUSINESS PORTFOLIO

We produce and market the following refined and unrefined copper products, byproducts and semi-finished product:

- **Refined:** copper cathodes with 99.9% purity, which are obtained from our electrorefining and electro winning processes.
- **Unrefined:** copper concentrates, roasted copper concentrates, anodes and blister (metallic material with a purity of about 99.5% , which is used as a raw material for the production of copper cathodes).
- **By-products:** molybdenum, our primary by-product, is a key input in the manufacture of special steels; sulfuric acid, which is capable of dissolving several types of metals and substances; gold, silver and rhenium.

### FINANCIAL MARKETS

Codelco has developed and maintains long-term relations with a stable and geographically diverse client base, who include some of the world's leading manufacturing companies. We regularly engage the national and international banking system and capital markets to finance investments and refinance liabilities.

We conduct operations in the Latin American, North American, Asian and European financial markets

through the issuance of bonds and bank credits. Our long track record has permitted us to develop a broad base and high-quality base of banks and investors.

### STRUCTURAL PROJECTS

We are executing structural projects to extend the life of our ore deposits for a further 40 to 50 years. We are also raising our environmental standards, increasing our productivity and maintaining the current production levels at 1.7 million tons of fine copper per year.

Chuquicamata Subterránea is the first of those projects to be inaugurated in August 2019. It then became the second largest underground mine in Chile, technologically advanced and prepared for 21st century environmental and safety demands which will help extend the life of this division by four more decades. Codelco is also building the Traspaso Andina and the Desarrollo El Teniente projects.

Another three projects are undergoing different stages of review or engineering: Rajo Inca, Desarrollo Futuro Andina and RT Sulfuros Fase II.

Considering this work and other significant portfolio developments, we invested US\$ 3,673 million in 2019. This amount is higher than 2018's investment of US\$ 3,535 million, which upholds Codelco as the top investor to the Chilean state.



## CREATION AND LEGAL FRAMEWORK

Codelco is a company owned by the Chilean state, whose purpose is to undertake mining, commercial and industrial activities. The National Copper Corporation of Chile, Codelco, was founded under Decree Law No. 1.350 of 1976, when the company took over management of the large-scale mines that had been nationalized in 1971.

We report to the Chilean Government through the Ministry of Mining and are governed by the provisions of the aforementioned decree law, by our statutes and, where not provided for in the aforementioned framework applicable thereto, by the rules of publicly traded corporations and common law, as applicable and compatible with in-house regulations.

Law N° 20.392, published in the official newspaper on November 14 2009, modified Codelco's Organic Statute as established under Decree Law N° 1.350 of 1976. Through the enactment of Law No. 19.137 of 1992 standards were established on the disposal of assets that do not form part of the deposits currently being exploited.

## CORPORATE GOVERNANCE

In accordance with Codelco's Corporate Governance Law, we are a Chilean state-owned company. We are administered by a board of directors consisting of nine regular members with terms lasting four years, which are renewed periodically. All board members are nominated by the President of the Republic, according to the following arrangement:

- **4 directors** selected from a proposed shortlist proposals for each position by the Public Senior Management Council.

- **2 Codelco workers' representatives based on**, a list of 5 candidates proposed by the Federación de Trabajadores de Cobre and the Asociación Nacional de Supervisores del Cobre otra.
- **3 directors** directly appointed by the President of the Republic.



**9** members sitting on board

The President of the Republic appoints, from among the nine directors, the chairman of the board.

Among the main powers of our board of directors is to appoint the chief executive (CEO) of Codelco. Currently, Codelco's CEO is civil engineer Octavio Araneda Osés, who holds a Master of Science in Mineral Economics from Curtin University of Technology, WASM, Australia. The CEO is responsible for executing the Board's agreements and overseeing all the company's productive, administrative and financial activities. Moreover, the CEO has the powers delegated by the Board and remains in the position as long as he / she retains the confidence of the Board.

Likewise, the board is responsible for preparing the annual Codelco budget, which must be approved by a joint supreme decree from the Ministries of Mining and Finance, for the transfer of earnings to the Treasury.



Overland ore transport belt, Chuquicamata Subterránea Mine



### BOARD COMMITTEES

The Committees of the Board of Directors divide tasks among its members in order to take advantage of specialized expertise and to address key issues in greater depth, thus supporting the work of governing body who is solely responsible for taking the decisions at hand.

The structure and roles of the committees are not defined by legislation, except in the case of the Auditing, Compensation and Ethics Committee, formed by four representatives from the Public Senior Management Council.

Moreover, the board has considered the formation of four other permanent committees and its Corporate Governance Code establishes the structure and roles of each:

### AUDITING

Oversight of the company is exercised by the Comisión para el Mercado Financiero (formerly the Superintendencia de Valores y Seguros), the Chilean Copper Commission (COCHILCO) and, indirectly through COCHILCO, by the Comptroller General of the Republic. Codelco is inscribed in Securities Register No. 785 of the Commission for the Financial Market (CMF) and is subject to the provisions of securities market law. Therefore, Codelco is obliged to disclose the same information as openly-held corporations to said commission and the general public.



Company name:  
Corporación Nacional del  
Cobre de Chile  
RUT: 61.704.000-K

### COMITÉS

- AUDITING, COMPENSATION AND ETHICS COMMITTEE
- PROJECTS AND INVESTMENT FINANCING
- MANAGEMENT
- SUSTAINABILITY COMMITTEE.
- SCIENCE, TECHNOLOGY AND INNOVATION COMMITTEE.



# HISTORY

In 2019, the historic Chuquicamata deposit began to ramp down production in the open pit make the shift to a high-tech underground mine operation.

This is the first of our structural projects to be inaugurated, all of which seek to extend the life of Codelco to continue contributing to Chile for 50 more years.

We are Chile's major state-owned mining company. We focus on the exploration, extraction and sustainable processing of the country's copper resources. Our mission is to competitively and sustainably maximize the economic value of the company and its long-term contribution to the State through the exploitation of copper.

Our historical contribution to the development of Chile is unquestionable. For almost half a century (1971-2019), we have been one of the primary drivers of development in the country. Our exports represent 20% of all Chilean sales abroad during the period. We have generated US\$ 116 billion in earnings to the Chilean state.

In addition, our capital investments of nearly US\$ 68 billion represent 8% of the total investment made in Chile over same period, exceeding the amount of all foreign investment combined in Chile's mining industry. Codelco belongs to all Chileans. With

optimized projects and further development of our resources, we are working to reposition Codelco among the most competitive, sustainable and profitable copper producers in the world. Structural projects will accelerate this transformative path.

This year the historic Chuquicamata deposit began to lower open-pit production to transform into a cutting edge underground mine, which will increase labor productivity by almost 40%, reaching 320,000 tons of fine copper per year.

Meanwhile, at Radomiro Tomic we have submitted an Environmental Impact Statement into the Assessment System in order to extend the life of the oxides deposit by 10 years, until 2030. In parallel, we continue developing the feasibility study of the Radomiro Tomic Sulfuros Phase II project. In Atacama at the división Salvador, the Rajo Inca project is moving forward with its early works while environmental permits are being processed, with the expectation of starting up operations in 2021.

At división Andina, the Traspaso Andina project reached 83% execution progress and will be inaugurated in 2020. Meanwhile, Desarrollo Futuro Andina continues its feasibility study. At El Teniente, the El Teniente development project is making progress in both the Andes Norte and the Diamante and Andesita projects.

These new projects will require other types of expertise, skills and production approaches - also on the part of workers. We will work as a team, be proactive in collaborating with others and we will value integration and diversity of opinion to reach innovative solutions.

We have more than 16.7 thousand in-house employees who must join this transformation if they want to be protagonists of the future of the company. It is up to all of us to be successful on the path that Codelco follows to improve its positioning and competitiveness, to strengthen the sustainability of our business for the next 50 years.





### HISTORICAL MILESTONES

The El Teniente, Andina, Exotica, Chuquicamata and El Salvador mines at one time belonged to foreign companies. In 1966, the "Chileanization" of large-scale copper mining led to Chilean state control of 51% of these properties and to oversee their respective activities through a board of directors, while field operations of the mines remained under the responsibility of North American companies.

In July 1971, Congress took a further step by unanimously approving the bill on the Nationalization of Large-Scale Copper Mining: "as required by the national interest and in exercise of the sovereign and inalienable right of the State to freely dispose of its natural resources and wealth, foreign companies that constitute the copper mining industry are hereby nationalized and thus declared incorporated into the full and exclusive domain of the Nation."

With the enactment of Law No. 17.450, Chile's mining industry radically changed. Existing corporate goods and facilities became 100% Chilean state property, who took direct charge of deposit exploitation as well as the organization and administration of different businesses that became subsidiaries of the Copper Corporation.

On April 1, 1976, the law decrees 1.349 and 1.350 were issued, which subdivided the Corporación del Cobre into two independent organizations: the Comisión Chilena del Cobre (Cochilco) a technical and advisory service agency; and Codelco, as a productive business that grouped all the deposits into a single mining, industrial and

commercial corporation, with legal personality and its own assets. Chilean engineers took charge of developing and operating the existing mines while assuming exploration of the company's vast geological resources and creating new technologies to exploit them.

In 1997, Codelco inaugurated the first operation led by Chileans, the Radomiro Tomic mine. Then we continued with Gabriela Mistral in 2008 and Ministro Hales in 2010. In addition, by order of the State, we acquired the Ventanas Smelter and Refinery in 2005, which until then belonged to the Empresa Nacional de Minería (Enami).

In November 2009 changes were incorporated in our corporate governance through Law No. 20.392 Codelco Chile (DL No. 1.350 of 1976) and the regulations on the disposition of assets currently in operation (Law No. 19.137).

The new guidelines modified, among other aspects, the composition of the board of directors, which was previously formed by the Ministers of Finance and Mining and today consists of nine members that are charge of appointing the CEO.

From that moment to now we continue moving forward to create a company with demanding standards of good corporate governance, integrity, transparency, management oversight and the cultivation of best practices across all operational areas. These attributes are indispensable for a state corporation of our size, competing on the global market. Among other measures implemented, Codelco established a



Construction of the Tchitack electrical substation, Chuquicamata Subterránea Mine



Air extraction system, Chuquibambilla Subterranean Mine

communication channel for grievances and launched the Corporate Governance Code. We also updated Codelco Corporate Standard No. 18. This standard regulates verification, authorization and reporting, in accordance with the regulations of the Comisión para el Mercado Financiero (CMF), for business with companies in which “related persons” work with a Codelco staff member. Moreover, we approved the Charter of Values and certified our crime prevention model under Law No. 20.393.

We also created the inspection and control system for contractor companies, defined rules to make

the relationship between the board members and management transparent and systematic, we expanded the obligation to sign a “Declaration of Interests” to all those who handle contracts with third parties (approximately 2,000 people); we regulated all future contracting with politically exposed persons, which in all cases requires the express authorization of the Board of Directors. We also approved the standard that controls eventual contracts with “persons exposed to Codelco”; that is, former employees of the company who require the express approval of the board of directors under all circumstances.

In addition, we reformed the Office of Legal Affairs to ensure the validity of corporate standards across all divisions, while reinforcing the operation of the Internal Auditing Unit, which now reports to the board’s Auditing Committee.

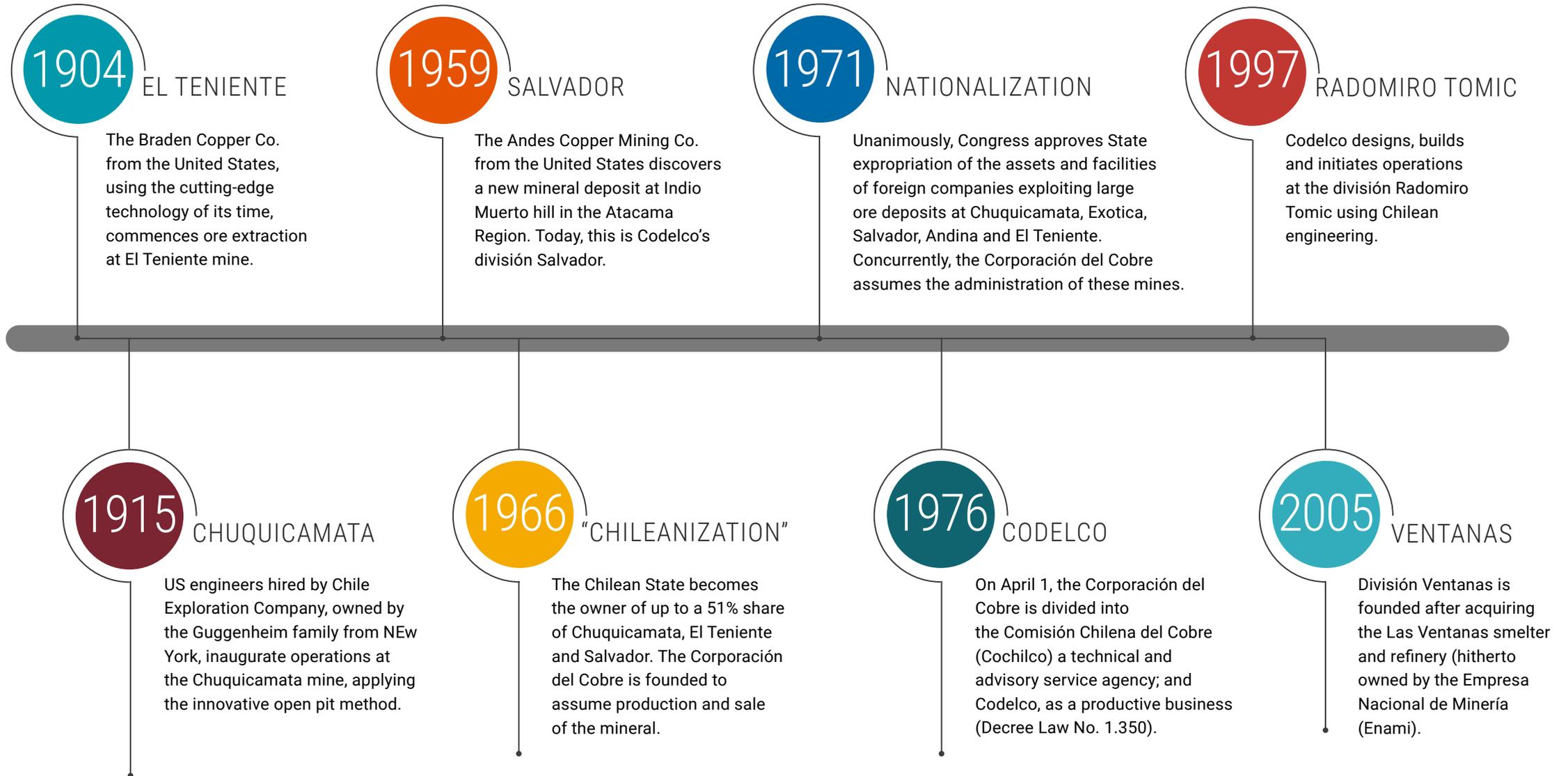
We strengthened our internal regulations, even exceeding the requirements of the laws that govern us. Among other issues, we made greater demands than those required by current regulations for the purchase or contracting of goods and services, business with related parties and the contracting of goods and services from Codelco subsidiaries.

This year we established new rules that strengthen integrity and transparency in the contracting processes, including declarations of apparent conflicts of interest and related companies, and ethical behavior requirements of companies interested in collaborating with Codelco.

This set of standards and processes allow us to be more prepared for public demands for greater traceability, integrity and transparency in our processes.



# TIMELINE





# TIMELINE



## CORPORATE GOVERNANCE LAW

Our organic statute was modified, including the composition of the board. New guidelines entered into force on March 1, 2010.



## NEW DIVISIÓN

Gabriela Mistral begins to provide a surge in copper production and earnings for the State of Chile.



## SUSTAINABILITY

We invested US \$ 644 million to comply with the environmental requirements on emissions by Supreme Decree No. 28 from the Ministry of the Environment. From 2010 to 2019 we have allocated US \$5 billion to projects related to sustainability, the most substantial investment of its kind in Chile's history.



## FIRST STRUCTURAL PROJECT

Operations begin at the división Ministro Hales, our first completed structural project.



## CAPITALIZATION

A capitalization plan is approved which signifies a capital injection of up to US\$ 4 billion for the 2014-2018 period, which allows us to promote and materialize the investment plan.



## CHUQUICAMATA SUBTERRÁNEA INAUGURATION

After 104 years of operation, the world's largest open-pit mine has become a cutting edge underground operation, equipped for 21st century environmental and safety standards. Chuquicamata Subterránea therefore is the kickoff for a massive transformation in Codelco's operations, organization and culture.



# DIVISIONS



## RADOMIRO TOMIC

**PRODUCTION**

266,415  
fine metric tons of copper

**IN-HOUSE STAFF**

1,252  
people reported December 31, 2019

**EXTRACTION METHOD**

Open pit mine

**IN OPERATION**

Since 1997

**LOCATION**

Calama, Antofagasta Region

**PRODUCTS**

Electro-won cathodes.

## CHUQUICAMATA

**PRODUCTION**

385,309  
fine metric tons of copper

**IN-HOUSE STAFF**

4,899  
people reported December 31, 2019

**EXTRACTION METHOD**

Open pit and underground mine

**IN OPERATION**

Since 1915

**LOCATION**

Calama, Antofagasta Region

**PRODUCTS**

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

## MINISTRO HALES

**PRODUCTION**

151,838  
fine metric tons of copper

**IN-HOUSE STAFF**

791  
people reported December 31, 2019

**EXTRACTION METHOD**

Open pit mine

**IN OPERATION**

Since 2010

**LOCATION**

Calama, Antofagasta Region

**PRODUCTS**

Calcine, copper and silver concentrate.

## GABRIELA MISTRAL

**PRODUCTION**

104,087  
fine metric tons of copper

**IN-HOUSE STAFF**

449  
people reported December 31, 2019

**EXTRACTION METHOD**

Open pit mine

**IN OPERATION**

Since 2008

**LOCATION**

Sierra Gorda, Antofagasta Region

**PRODUCTS**

Electro-refined cathodes.



# DIVISIONS



## SALVADOR

### PRODUCTION

50,561  
fine metric tons of copper

### IN-HOUSE STAFF

1,437  
people reported December 31, 2019

### EXTRACTION METHOD

Open pit and underground mine

### IN OPERATION

Since 1959

### LOCATION

Diego de Almagro, Atacama Region

### PRODUCTS

Electro-refined and electrowon copper cathodes.

## ANDINA

### PRODUCTION

170,274  
fine metric tons of copper

### IN-HOUSE STAFF

1,597  
people reported December 31, 2019

### EXTRACTION METHOD

Open pit and underground mine

### IN OPERATION

Since 1970

### LOCATION

Los Andes, Valparaíso Region

### PRODUCTS

Copper concentrate.

## EL TENIENTE

### PRODUCTION

459,744  
fine metric tons of copper

### IN-HOUSE STAFF

4,058  
people reported December 31, 2019

### EXTRACTION METHOD

Open pit and underground mine

### IN OPERATION

Since 1904

### LOCATION

Machalí, General Libertador  
Bernardo O'Higgins Region

### PRODUCTS

Copper anodes and concentrate.

## VENTANAS

### IN-HOUSE STAFF

852  
people reported December 31, 2019

### EXTRACTION METHOD

Smelter and refinery

### IN OPERATION

Since 1904

### LOCATION

Puchuncaví, Valparaíso Region

### PRODUCTS

Copper cathodes.



2019 KEY INDICATORS

# CODELCO COPPER REPRESENTS 29% OF ALL NATIONAL PRODUCTION



tunnel construction, Chuquicamata Subterránea Mine



Corporate Profile



Key Indicators



Our management



Transparency, integrity and good corporate governance



Transformation and future



Subsidiaries and affiliated companies



2019 Consolidated financial statements



Offices and representatives



# KEY INDICATORS

Based on the Consolidated Financial Statements and in accordance with the International Financial Reporting Standards (IFRS).

(MILLIONS OF US\$)	2015	2016	2017	2018	2019
Sales	11,694	11,537	14,642	14,309	12,525
Consolidated results before income tax and contributions pursuant to Law 13.196	-2,191 <sup>(1)</sup>	435	2,915	1,656 <sup>(4)</sup>	1,344
Consolidated results before income tax and contributions pursuant to Law 13.196 attributable to Codelco Chile (pre-tax earnings)	-1,357 <sup>(2)</sup>	500	2,885	1,606 <sup>(4)</sup>	1,340
Treasury payments	1,088	942	1,366	1,809	1,000
Investments	3,343	2,738	3,146	3,551	3,673
Total assets	33,305	33,421	36,356	37,091	40,345
Total liabilities	23,572	23,531	25,431	25,747	28,710
Equity	9,733	9,890	10,925	11,344	11,635
Incorporation of fixed assets	4,261	3,014	3,411	3,894	4,102
Copper production (in thousands of fine metric tons) (3)	1,891	1,827	1,842	1,806	1,706
<b>Direct staff (as of December 31 2018)</b>	19,117	18,605	18,562	18,036	16,194
Internal staff (not including temporary staff)					
Workers from operations and service contractors (*)	23,098	21,357	20,623	19,871	19,946
Workers from investment contractors (*)	23,250	25,741	24,965	27,157	32,672
<b>Copper price (cents/lb) (LME Grade A cathodes)</b>	<b>249.2</b>	<b>220.6</b>	<b>279.7</b>	<b>295.9</b>	<b>272.1</b>

(1) Up to December 31 2015, including write-offs and impairments of US\$ 3,217 million.

(2) Up to December 31 2015, including write-offs and impairments of US \$ 2,431 million.

(3) Includes Codelco's stake in El Abra and in Anglo American Sur.

(4) Up to December 31 2018, including write-offs and impairments of US\$ 396 million.

(\*) Providing services under subcontract arrangement (Law No. 20.123). Codelco measures the participation of contractors.



## OUR MANAGEMENT

# A COMPLEX YEAR IN ECONOMIC / FINANCIAL TERMS

A variety of factors such as February's rains in northern Chile, the workers' strike in May and the operational / maintenance issues at Chuquicamata and Andina account for the fall in production levels. This was exacerbated by the trade war between China and the United States, which influenced copper price volatility and had an impact on the Codelco's earnings. A rigorous 2020 strategic business plan seeks to reverse this trend.



Construction of the interior transfer station of the mine. Chuquicamata Subterránea Mine



Corporate Profile



Key Indicators



Our Management



Transparency, integrity and good corporate governance



Transformation and future



Subsidiaries and affiliated companies



2019 Consolidated financial statements



Offices and representatives



# ECONOMIC - FINANCIAL STATEMENTS

This year we faced a drop in production. In spite of this, we generated pre-tax earnings of US\$ 1.34 billion

## EARNINGS AND CONTRIBUTIONS TO THE STATE OF CHILE

In 2019, Codelco generated US \$ 1.34 billion in net pre-tax earnings. This figure down 17% from 2018 earnings (US \$ 1.60 billion, after accounting adjustments). This was due in part to lower sales, which in turn were due to a drop in production. Other contributing factors were the decrease in subsidiary earnings and a lower margin in the sale of by-products.

Codelco's reported pre-tax earnings correspond to results before our obliged contributions to the State; that is, before income tax and before contributions under to the Reserved Copper Law (No. 13.196), which imposes a 10% tax on returns for foreign copper sales and by-products.

As of December 2019, our consolidated Ebitda (earnings before interest, taxes, depreciation and amortization, before contributions under the

Reserved Copper Law) reached US \$ 4.04 billion, down 14% from 2018's Ebitda figure at US\$ 4.69 billion.

Our comparable profit, calculated by applying the private sector taxation regime, was US \$ 825 million in 2019, down 25% from 2018.

## PRICE OF COPPER AND BY-PRODUCTS

The average price of copper on the London Metal Exchange reached 272.1 cents per pound (c / lb) in 2019, down 8% from the 2018 average, when it was quoted at 295.9 c/lb. The price of molybdenum fell 4.8% from the previous year, averaging US\$ 25.03 per kilo during the 2019 Metals Week. On the other hand, the price of gold increased 9.8% and silver 3.2%.



US\$ 1.34 billion in pre-tax earnings

US\$ 989 million delivered to the treasury



## CONTRIBUTIONS TO THE TREASURY

We delivered US\$ 989 million to the Chilean Treasury during 2019, with the following comparative detail:

	2019	2018
Income tax and royalty	71	59
Law No. 13.196	918	1,137
Dividends	0	602
<b>TOTAL</b>	<b>989</b>	<b>1,798</b>

Based on individual economic - financial statements. Subsidiary taxes are not included.



## COSTS

Our total costs and expenditures experienced a 4.3% drop, from 245.1 cents per pound (c/lb) in 2018 to 233.5 c/lb in 2019. Meanwhile, our net cost to cathode fell by almost 3%, from 230.5 c/lb to 224.1 c / lb during the same period. Our direct cost (C1) reached 141.6 c / lb in 2019, up 1.8% from 2018 (139.1 c/lb). This is mainly due to lower production levels and the drop in by-product sales.

## PRODUCCIÓN

In 2019 Codelco produced 1,706,013 fine metric tons (fmt) of copper. This figure includes our stake in Minera El Abra (49% owned) and Anglo American Sur SA (20% owned), plus production from our deposits. This figure signifies a decrease of 100,000 fmt (5.6%) compared to 2018 production (1,806,363 fmt).

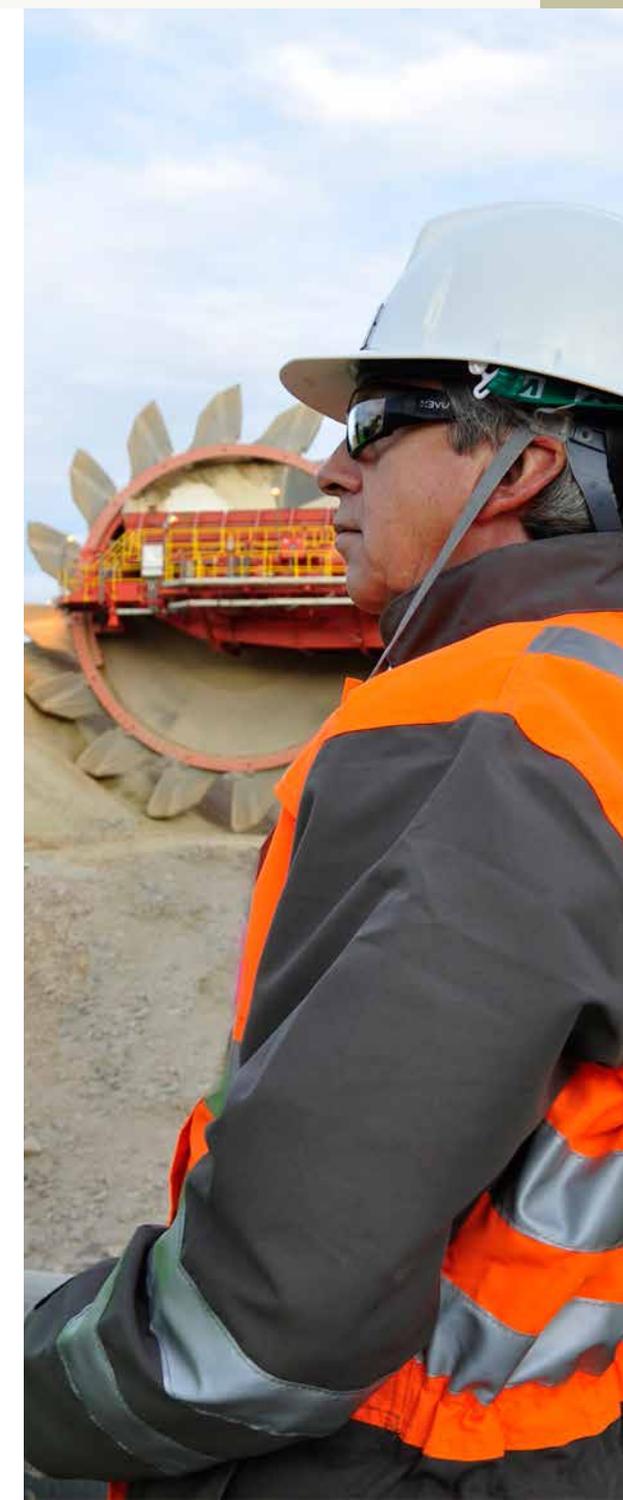
Our own copper production reached 1,588,229 fmt in 2019, 5.3% lower than the figures recorded in 2018. On the other hand, our molybdenum production was 22,353 fmt, down 7% from what was recorded in 2018.

The in-house copper production decrease can be explained by different factors, most importantly: the climatic events that occurred in February in the north, Chuquicamata union strikes in May, operational and maintenance issues at the Chuquicamata and Andina concentrators.

Unit costs (US\$ cents per pound)	2019	2018	Var
Total costs and expenses	233.5	245.1	-4.7%
Net cost to cathode (C3)	224.1	230.5	-2.8%
Direct cost (C1)	141.6	139.1	1.8%

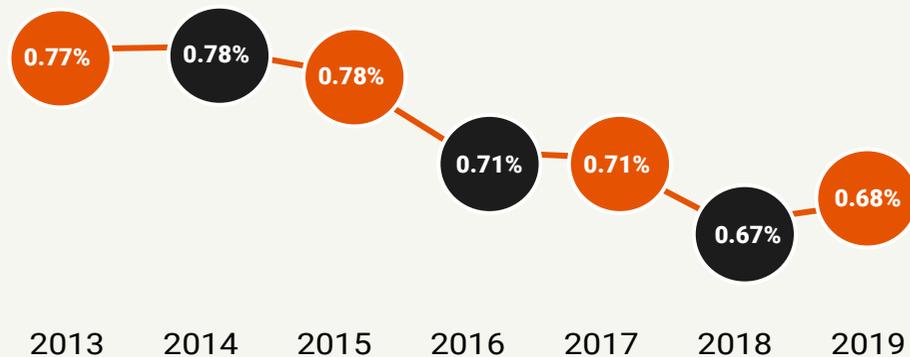
## COPPER AND MOLYBDENUM PRODUCTION (FMT)

División	Copper		Molybdenum	
	2019	2018	2019	2018
Chuquicamata	385,309	320,744	11,493	12,172
Radomiro Tomic	266,415	332,667	505	621
Ministro Hales	151,838	195,485	-	-
Gabriela Mistral	104,087	107,247	-	-
Salvador	50,561	60,840	757	993
Andina	170,274	195,531	2,095	3,489
El Teniente	459,744	465,040	7,503	6,756
CODELCO	1,588,229	1,677,554	22,353	24,031
El Abra	39,945	44,360		
Anglo American Sur	77,839	84,449		
<b>TOTAL</b>	<b>1,706,013</b>	<b>1,806,363</b>	<b>22,353</b>	<b>24,031</b>





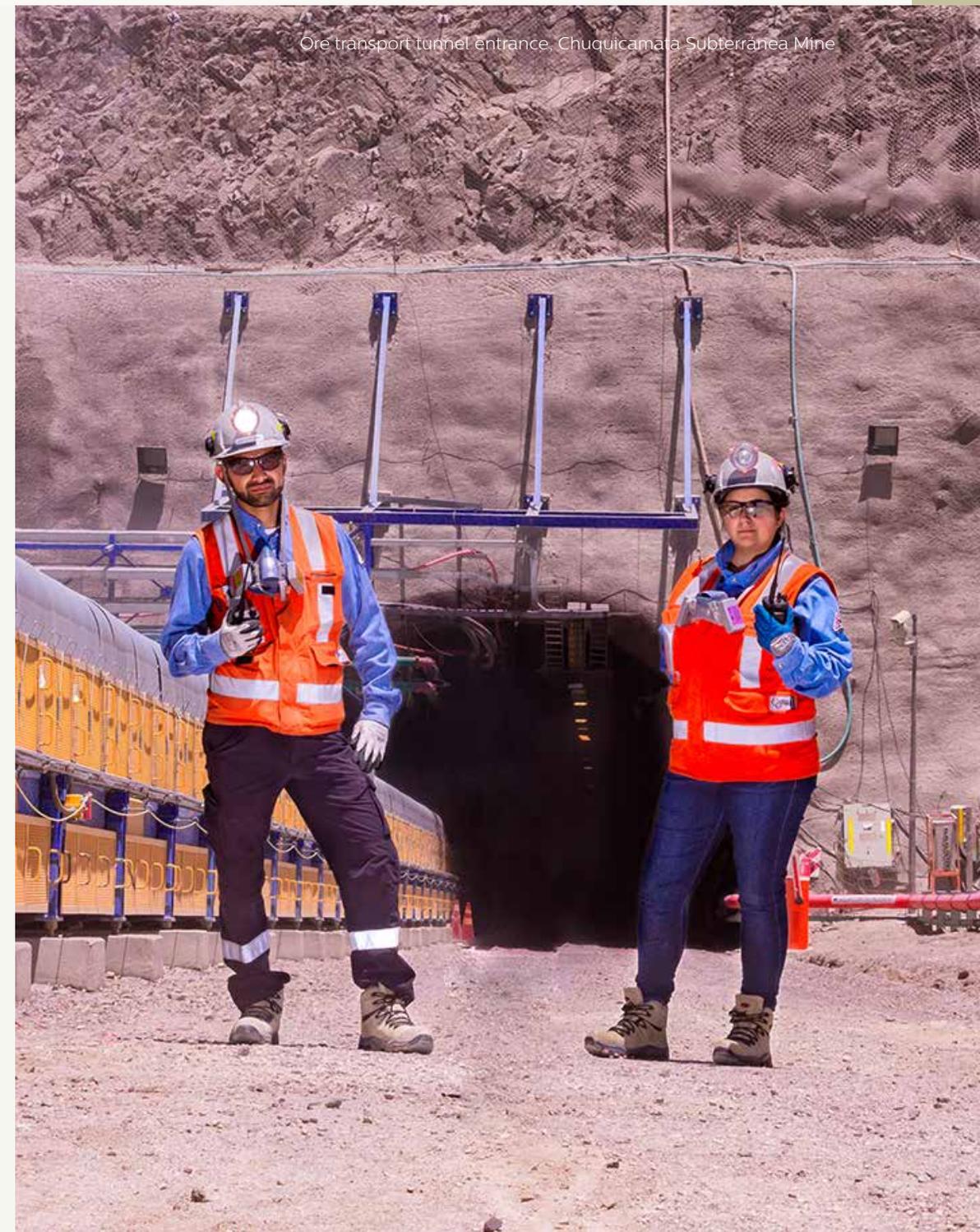
## HISTORIC FIGURES - COPPER LAW



## OTHER BY-PRODUCTS

Our production of sulfuric acid reached 2.1 million tons, 35.3% of which we sold, while the remainder (64.7%) we designated mainly to ore leaching operations.

División	Gold kg		Silver kg		Acid (tons)	
	2019	2018	2019	2018	2019	2018
Chuquicamata	1,307	1,410	339,374	261,959	263,795	640,281
Radomiro Tomic						
Ministro Hales			61,651	143,780	191,774	254,104
Gabriela Mistral						
Salvador	384	354	23,244	35,497	255,337	402,769
Andina			42,569	48,883		
El Teniente	746	822	89,125	96,614	1,050,883	1,178,700
Ventanas					324,683	324,768
<b>Codelco Total</b>	<b>2,437</b>	<b>2,585</b>	<b>555,963</b>	<b>586,733</b>	<b>2,086,472</b>	<b>2,800,622</b>





# PRODUCTIVITY AND EXCELLENCE C+

Through the joint efforts of the work centers, we defined a unique way to measure the labor productivity throughout all processes.

## I. IMPROVE INDICATORS, STARTING WITH COMMITMENT

In 2019 we focused on solving two major concerns among Codelco workers: how productivity is measured and what each person can do to influence the results. In response to the first concern, we consolidated an unprecedented calculation of labor productivity in our processes. In response to the second concern, we reinforced the importance of applying operational excellence, which at Codelco we call "C+" in all projects.

### LABOR PRODUCTIVITY: RESULTS BY PROCESS, BY PHASE, DIVISION AND CORPORATE

Propelling improvements in Codelco's operating processes has a domino effect by in that it benefits the staged productivity which in turn influences divisional productivity, which is then reflected at the corporate level and, as a consequence, in the earnings we deliver to the country.

That is why it was so important that this year, through a joint and participatory effort of the work

centers we have defined one single way to measure labor productivity of all processes. This has allowed us to compare the results of our divisions and seek out synergies and best practices within them.

If in 2019 we develop, define and approve the formulas that we will use in Codelco for this purpose, in 2020 we must disclose these figures so that people may propose changes that allow them to improve their own daily indicators and, in this way, increase earnings that as a Corporation we deliver to our owner - the Chilean state.

### OPERATIONAL EXCELLENCE: AT CODELCO C+

In 2019 we celebrate five years since we began to implement a profound transformation throughout Codelco known as C+, which is based on the lean management methodology. C+ was unrolled at all operations centers and at 70% of the production processes. Specifically, C+ fosters the empowerment of people, the design of management mechanisms

and the cultural shift necessary to achieve structural transformations.

In line with our company's strategy, C+ is an enabler of excellence that will increase the business performance of each workplace. Therefore, we have strengthened the analytical skills of staff who fulfill the role of "agents of change", who must generate robust statistical analyzes that eliminate variability and "waste" (a lean management concept, which refers to practices that prevent us from obtaining a perfect production process). The primary challenge for 2020 is to ensure the acquisition of value from our corporate strategy in its drive for excellence in operations, supply and maintenance, through the co-construction of tactical execution plans that test the technical limits of the processes involved to achieve our goals.



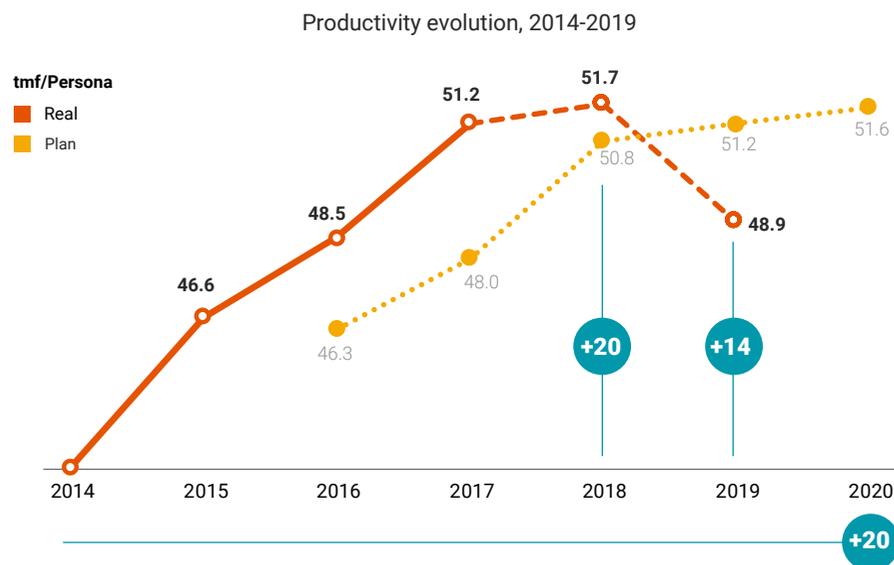
Conventional Grinding Plant, división El Teniente

Conventional Grinding Plant, división El Teniente



## II. 2019 PRIMARY RESULTS

### LABOR PRODUCTIVITY RESULTS



(1) P1 divisional copper production. Includes production and staffing of mining divisions, smelters and refineries.

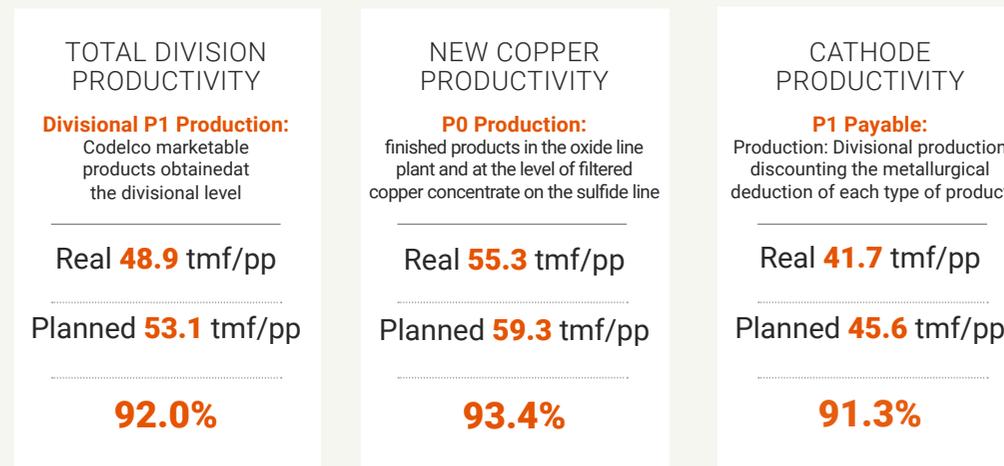


Caletones copper smelter, división El Teniente

The main decrease in productivity in 2019 is associated with Real to December Planned to December lower production, which in turn is explained by external factors such as February's weather events and the strike of senior workers. Other external factors included maintenance of the Chuquicamata and Andina concentrators.

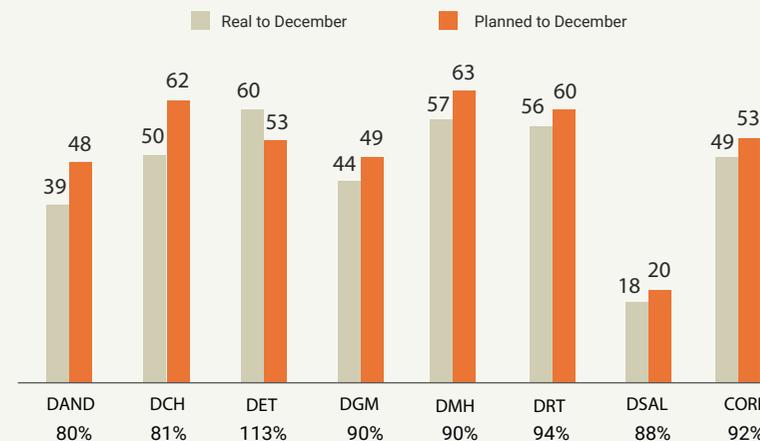
### LABOR PRODUCTIVITY RESULTS

Accumulated January - December 2019



### TOTAL DIVISIONAL LABOR PRODUCTIVITY (TMF/PP)

Accumulated January-December 2019 tmf/pp



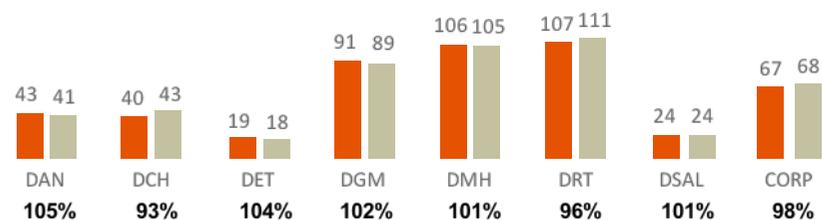


### LABOR PRODUCTIVITY RESULTS

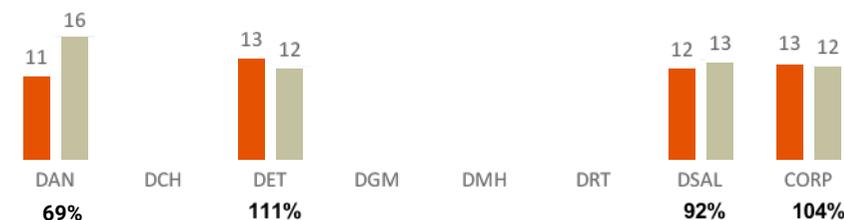
Accumulated January - December 2019

Real Plan

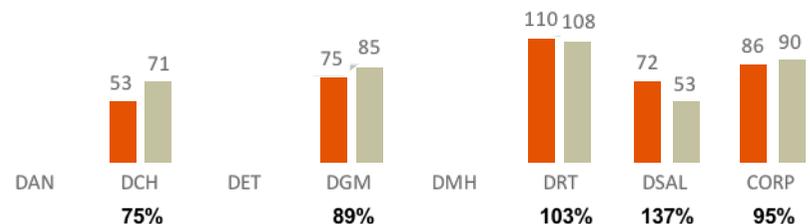
#### OPEN PIT - ktmh/pp | Total movement



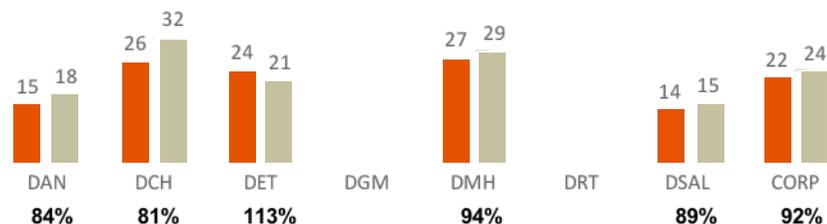
#### UNDERGROUND MINE - ktms/pp | Ore mined to división Andina



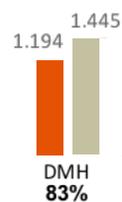
#### HYDROMETALLURGICAL PLANT - tmf/pp | Cathodes obtained



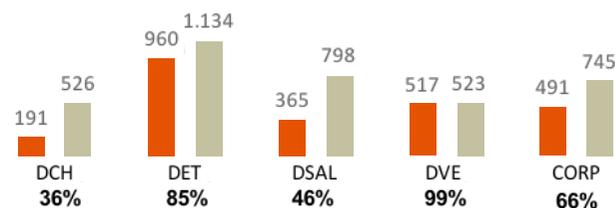
#### CONCENTRATOR PLANT - ktms/pp | Global throughput



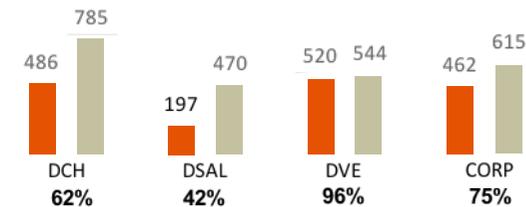
#### ROASTING - tms/pp | Concentrate roasting



#### SMELTER - tms/pp | Total smelting



#### REFINERY - tmf/pp | Cathodes produced





### III. MORE ABOUT C+

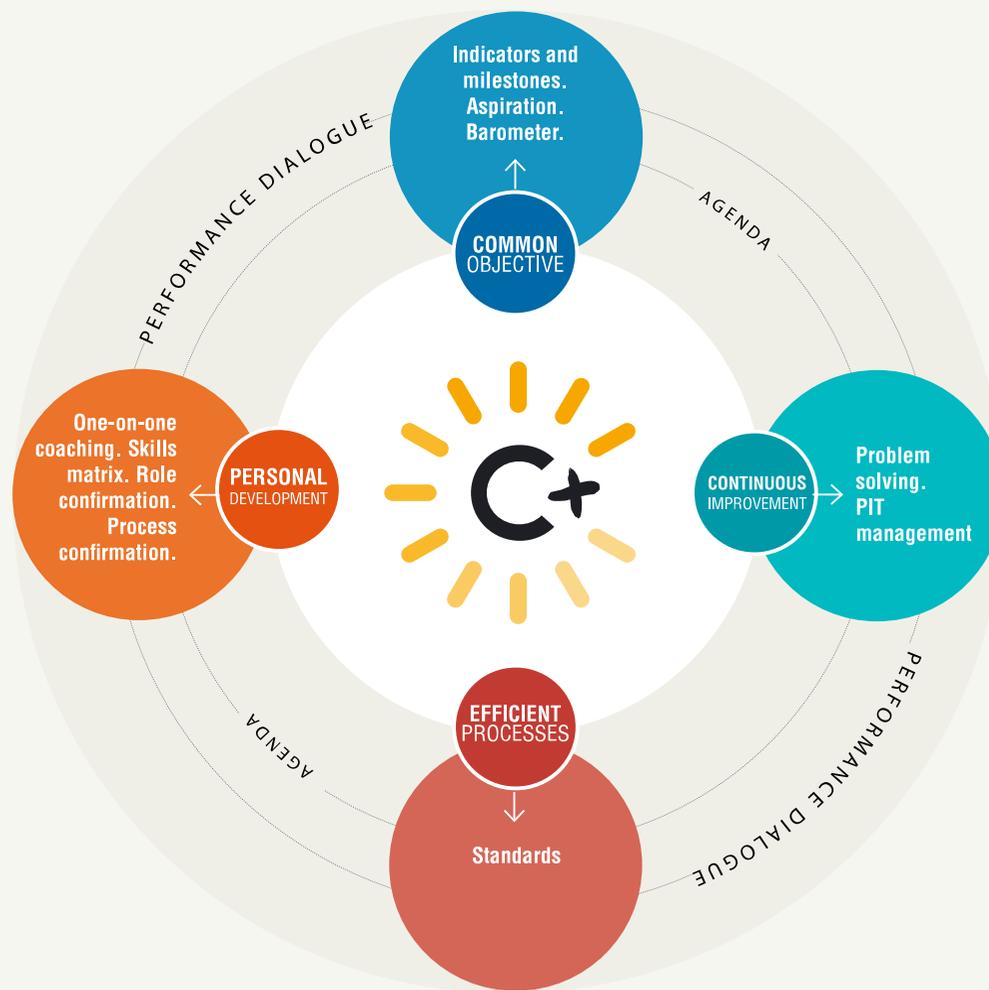
At Codelco our goals are always challenging. This is why we are continuously designing indicators that identify processes of value, which we monitor through performance reporting. Through such reporting commitments are generated and opportunities for improvement are identified, which also help identify problems and determine their root causes. To close these gaps we rely on tactical execution plans that generate continuous improvement and make processes more efficient through the development of technical and adaptive skills in people.

#### DIMENSIONS OF C+:

- Operating systems:** These systems identify the best way to operate through our business phases, eliminate irregularity in our processes, standardize practices and activities, capture the greatest value and promote collaborative work, through the transmission of best practices.
- Management systems:** These are used to implement practices and tools that help us eliminating "waste" in our daily work by identifying the root causes of operational problems and by effectively tracking key business indicators, always aiming for a common goal.
- Mentalities and behavior:** Institute a culture based on C+ principles, promoting collective intelligence and empowering work teams.

## C+ DISCIPLINES

There are four C+ disciplines that, with the respective tools and practices, have allowed us to maintain the unique and cross disciplinary C+ seal at all work centers.





# FINANCING

During 2019 we carried out financing operations for an aggregate amount of US \$ 4.38 billion. These funds were used to refinance liabilities and pre-finance the investment program, thereby facilitating the requirements for 2020.

During 2019, we issued a total of US\$ 3.43 billion in international U.S. dollar-denominated bonds. From this amount, US \$ 2.2 billion corresponded to 30-year bullet bonds and US \$ 1.23 billion to 10-year bullet bonds. Additionally, we issued bonds in other currencies: HK\$ 500 million in 15-year bullet bonds, equivalent to US\$ 64 million; and AU\$ 70 million in 20-year bullet bonds, equivalent to US\$ 49 million. These two issuances allowed us to achieve attractive financing rates while helping us continue to increase our investor base.

In parallel, we carried out bond repurchase processes through public offerings on two occasions. The objective was to continue matching our debt maturity with the start of production corresponding cash generation from projects in execution, thereby alleviating maturities during periods of major investment. In total, during 2019 we repurchased US\$ 1.67 billion in international bonds that will mature between 2020 and 2025.

In relation to bank financing, some of the key operations were loans to exporters in the amount of US\$ 265 million and the underwriting of two long-term bank loans (10 and 7 years) for a total of US\$ 375 million.

## CAPITALIZATION

In February, the State contributed US\$ 400 million in capital to Codelco, thus completing the US\$ 1 billion total capital injection approved in 2018. With this contribution, the Capitalization Law of 2014 drew to a close, which allowed to us to strengthen Codelco with a total of US \$ 2.82 billion. This crucial support from the State has allowed us to keep our debt levels in check during these years, despite the high level of investments.

## RISK CLASSIFICATION

Codelco undergoes analysis by four different risk rating agencies: Moody's and S&P (internationally) and Fitch Ratings and Feller-Rate (locally). During 2019, international ratings were maintained at A3 levels for Moody's and A+ for S&P. Moody's also maintained a stable outlook, while S&P shifted the outlook to negative from stable. Local ratings were maintained at AAA for both Fitch Ratings and Feller-Rate, both with a stable outlook.





### FINANCIAL MANAGEMENT

The price of copper significantly affects the financial results of the producing companies. Codelco's primary strategy to face price fluctuations is to maintain a competitive cost structure with respect to the industry.

Codelco uses derivative instruments to ensure that shipments are sold at current market prices of the month, as dictated by our pricing policy applicable to each product. Derivative transactions do not provide for operations of a speculative nature.

In order to manage risks associated with interest rate and exchange rate fluctuations, we occasionally contemplate the use of exchange rate hedges destined to market fluctuations that affect debts in currencies other than the US dollar. Meanwhile, to cover interest rates, we contemplate the provisional use of contracts to set the rates of existing debts. These actions do not represent operations of a speculative nature.

### CLAIMS

During February, we were affected by the breakdown of mill 511 at the división El Teniente concentrator plant. The claim settlement process led to compensation to Codelco for US\$ 27 million, an amount that will be received during the first quarter of 2020.



### INSURANCE



At Codelco we maintain insurance programs to cover our assets, workers and possible losses due to stoppages. In turn, these insurance policies include risk retention conditions that take into account the current context of the insurance market and our company's own ability to absorb losses from claims.



# INTERNATIONAL COPPER MARKET

As was the case in 2018, the behavior of copper prices in 2019 has shown that it is one of the raw materials most exposed to global macroeconomic fluctuations. Price expectations for the year were high, given the forecasted copper supply shortage compared to demand. However, the uncertainty generated by the trade disputes between the United States and China, together with other geopolitical conflicts, marked a negative trend and placed the average 2019 price at US\$ 2.72 per pound; that is, US \$ 0.24 less than in 2018 (when it stood at US\$ 2.96 a pound).

The copper market largely depends on the behavior of global manufacturing which, in turn, is conditioned by the global macroeconomic context. Market fundamentals appeared healthy for 2019, but geopolitical tensions drove expectations and demand downward, negatively affecting prices.

The year began with strained relations between the United States and China, but rumors of a possible deal emerged in late January, bringing the price above \$ 2.92 a pound. From that point, there was no further news in this regard until May, when the conflict escalated again with the imposition of new tariffs between the two nations. This detracted from copper price performance driving it even lower, to less than US\$ 2.75 per pound.

Other geopolitical conflicts, such as the one in Hong Kong and Brexit in the United Kingdom, among others, helped to generate uncertainty, which forced a downward adjustment in global economic and Chinese expectations. The instability generated affected manufacturing worldwide, which declined dramatically in 2019, especially in the euro zone led by Germany.

In November 2019, when pessimism permeated throughout much of the market, the United States and China moved closer. This marked a recovery in the Chinese and global economy. Thus copper prices closed the year with an upward trend, which again ascended to above US\$ 2.75.

MONTHLY AVERAGE COPPER PRICE IN THE LONDON METAL STOCK EXCHANGE (LME) 2019 (US\$ / LB)





## GLOBAL SUPPLY AND DEMAND

During 2019, mining production, including both copper concentrate and SX cathode production, was below expectations with a 0.5% downturn. This situation was mainly triggered by production interruptions in Chile, Peru and Indonesia and was, among other factors, one of the main reasons why the price didn't continue falling.

Furthermore, decelerated global economic growth and low manufacturing performance negatively impacted demand. Refined copper demand was projected to grow more than 2% at the beginning of the year, but we ended up with real growth below 1.5%.

## TOTAL COPPER STOCK IN OFFICIAL WAREHOUSES

During 2019, inventories on the London Metal Exchange (LME), the United States Metal Futures Exchange (Comex) and the Shanghai Futures Exchange (SHFE), remained low and closed the year with a 33% drop, compared to the close of 2018.

Although both LME and SHFE inventories fell by 15% compared to December 2018, the trend was marked by a 78% decrease in Comex inventories.

The low levels of base metal inventories, a condition that was maintained throughout the year, reflects that the fundamentals of the copper market remained positive. This was accentuated during the last part of 2019, when the lowest levels in recent years were reached.





SALES

Our total revenues reached US \$ 12,524 million in 2019 for the sale of internal and third party copper, molybdenum and by-products. This represents a 12% decrease compared to 2018.

In-house and third party copper 91% | The remainder 9%

In house and third party copper represented 91% of overall sales while the remaining product sales represented 9%. In house and third party copper sales provided an income of US\$ 11.40 billion. This amount corresponds to a quantity of 1.98 million metric tons of fine copper sold. 2019 sales of molybdenum and other byproducts (primarily metals and sulfuric acid) reached US\$ 1.11 billion (US\$ 596 million in molybdenum sales and US\$ 520 million for the remaining products).

Total revenue

US \$ 12.52 billion

Sales volume\*

1.98 million (fmt)

\*: Internal and third party copper, including subsidiaries.

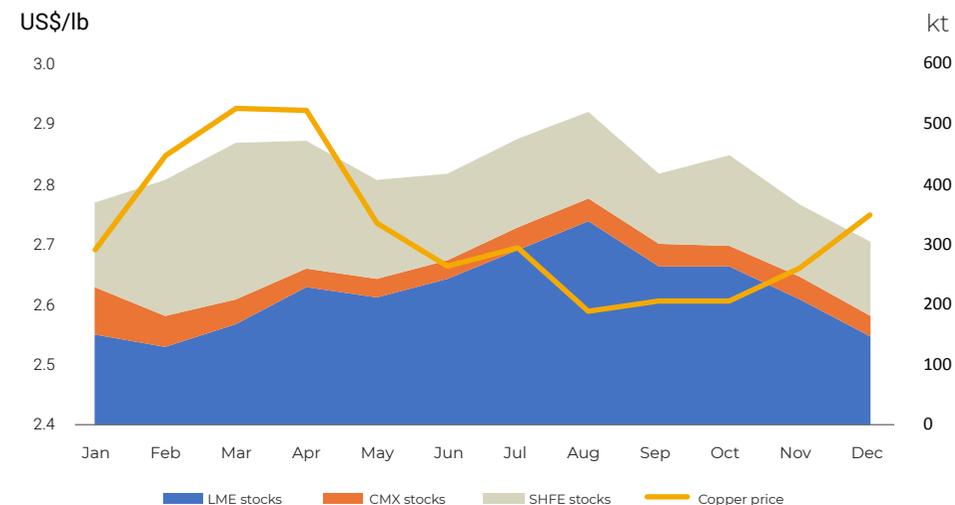
DISTRIBUTION

The physical sale of copper (internal and third party) was down 12% compared to last year; going from 2.13 million to 1.98 million metric tons in 2019, as per the following detail by product type: 56% refined copper, 40% concentrate and 4% blister and anodes.

The primary market for our copper sales was Asia (49%), followed by South America (21%), North America (16%), Europe (13%) and other markets (1%).



LME COPPER PRICE AND EVOLUTION OF INVENTORIES ON METAL EXCHANGES



2019 SALES VOLUME PER PRODUCT\*

	FMT	%
Refined copper	1,105	56 %
Concentrate	788	40 %
Blister copper and anodes	83	4 %
<b>TOTAL</b>	<b>1,976</b>	<b>100 %</b>

\* Internal and third party copper, including subsidiaries.



## THIRD PARTY TRADE

Codelco conducted business with 2,813 suppliers during 2019, 2,607 nationals and 206 Foreigners. The total amount awarded reached US \$ 5,750 million, a figure that includes The signing of long-term contracts for energy and fuel supply.

During 2019 we focused on strengthening the integrity of the contracting processes for goods and services, for which we strengthened and gave corporate character to the establishment of the Single Procurement Process and to the compliance and risk systems in business management.

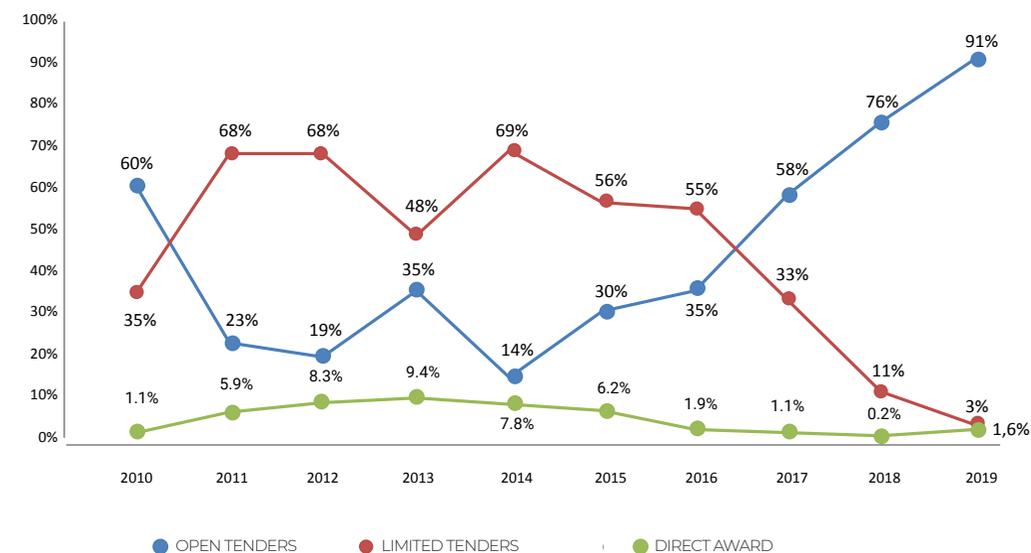
We consolidated the implementation of the new corporate system for recording and evaluating supplier performance, which provides us with

data and indicators on the capacities of the market provider. Furthermore, we have advanced in the segmentation of suppliers, according to a methodology that considers several aspects .

We also hit a new record number of open tenders (91%), while we maintained very low direct awards (1.6%), which has provided for unprecedented levels of competitiveness at Codelco.

During 2019 we began the implementation of the digital payment status, mounted on the SAP SUS Platform, which allows supplier companies to directly enter their payment statements in the system. This solution seeks to provide a more modern, efficient, traceable and auditable payment process.

### EVOLUTION OF BUSINESS OPEN TENDER, LIMITED TENDER AND DIRECT AWARD



### GOODS AND SERVICES CONSUMPTION (MILLIONS OF US\$)

	Goods			Services			Total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Operation	1,773	2,468	1,498	3,639	3,959	3,659	5,413	6,428	5,157
Investment	173	315	297	2,362	2,248	2,015	2,535	2,564	2,312
<b>Total</b>	<b>1,946</b>	<b>2,784</b>	<b>1,795</b>	<b>6,001</b>	<b>6,208</b>	<b>5,673</b>	<b>7,947</b>	<b>8,991</b>	<b>7,468</b>



# BUSINESS PER **AWARD TYPE**

TIPO DE ASIGNACION		2019			2018			2017		
		NUMBER OF BIDDERS	AMOUNT (IN THOUSANDS US\$)	%	NUMBER OF BIDDERS	AMOUNT (IN THOUSANDS US\$)	%	NUMBER OF BIDDERS	AMOUNT (IN THOUSANDS US\$)	%
Open tender	INVESTMENT	369	2,244,557	39.0%	419	1,735,926	24.8%	198	464,645	10.1%
	OPERATION	22,813	2,967,129	51.6%	25,836	3,546,595	50.7%	26,728	2,204,004	47.9%
<b>Total open tenders</b>		<b>23,182</b>	<b>5,211,686</b>	<b>90.6%</b>	<b>26,255</b>	<b>5,282,521</b>	<b>75.5%</b>	<b>26,926</b>	<b>2,668,649</b>	<b>58.0%</b>
Limited supplier tender (panel)	INVESTMENT	116	30,079	0.5%	236	590,179	8.4%	499	1,116,611	24.3%
	OPERATION	632	140,006	2.4%	1,179	157,155	2.2%	3,045	398,603	8.7%
<b>Total Limited supplier tender</b>		<b>748</b>	<b>170,084</b>	<b>3.0%</b>	<b>1,415</b>	<b>747,334</b>	<b>10.7%</b>	<b>3,544</b>	<b>1,515,213</b>	<b>32.9%</b>
Direct award	INVESTMENT	58	76,833	1.3%	31	3,047	0.0%	52	8,711	0.2%
	OPERATION	86	17,102	0.3%	80	12,507	0.2%	197	41,397	0.9%
<b>Total direct awards</b>		<b>144</b>	<b>93,935</b>	<b>1.6%</b>	<b>111</b>	<b>15,553</b>	<b>0.2%</b>	<b>249</b>	<b>50,108</b>	<b>1.1%</b>
Other awards	INVESTMENT	260	39,513	0.7%	104	448,360	6.4%	82	63,005	1.4%
	OPERATION	1,604	234,792	4.1%	2,107	499,335	7.1%	1,695	304,719	6.6%
<b>Total other awards</b>		<b>1,864</b>	<b>274,305</b>	<b>4.8%</b>	<b>2,211</b>	<b>947,694</b>	<b>13.6%</b>	<b>1,777</b>	<b>367,725</b>	<b>8.0%</b>
	INVESTMENT	803	2,390,982	41.6%	790	2,777,512	39.7%	831	1,652,972	35.9%
	OPERATION	25,135	3,359,028	58.4%	29,202	4,215,591	60.3%	31,665	2,948,723	64.1%
<b>Total</b>		<b>25,938</b>	<b>5,750,010</b>	<b>100.0%</b>	<b>29,992</b>	<b>6,993,103</b>	<b>100.0%</b>	<b>32,496</b>	<b>4,601,695</b>	<b>100.0%</b>



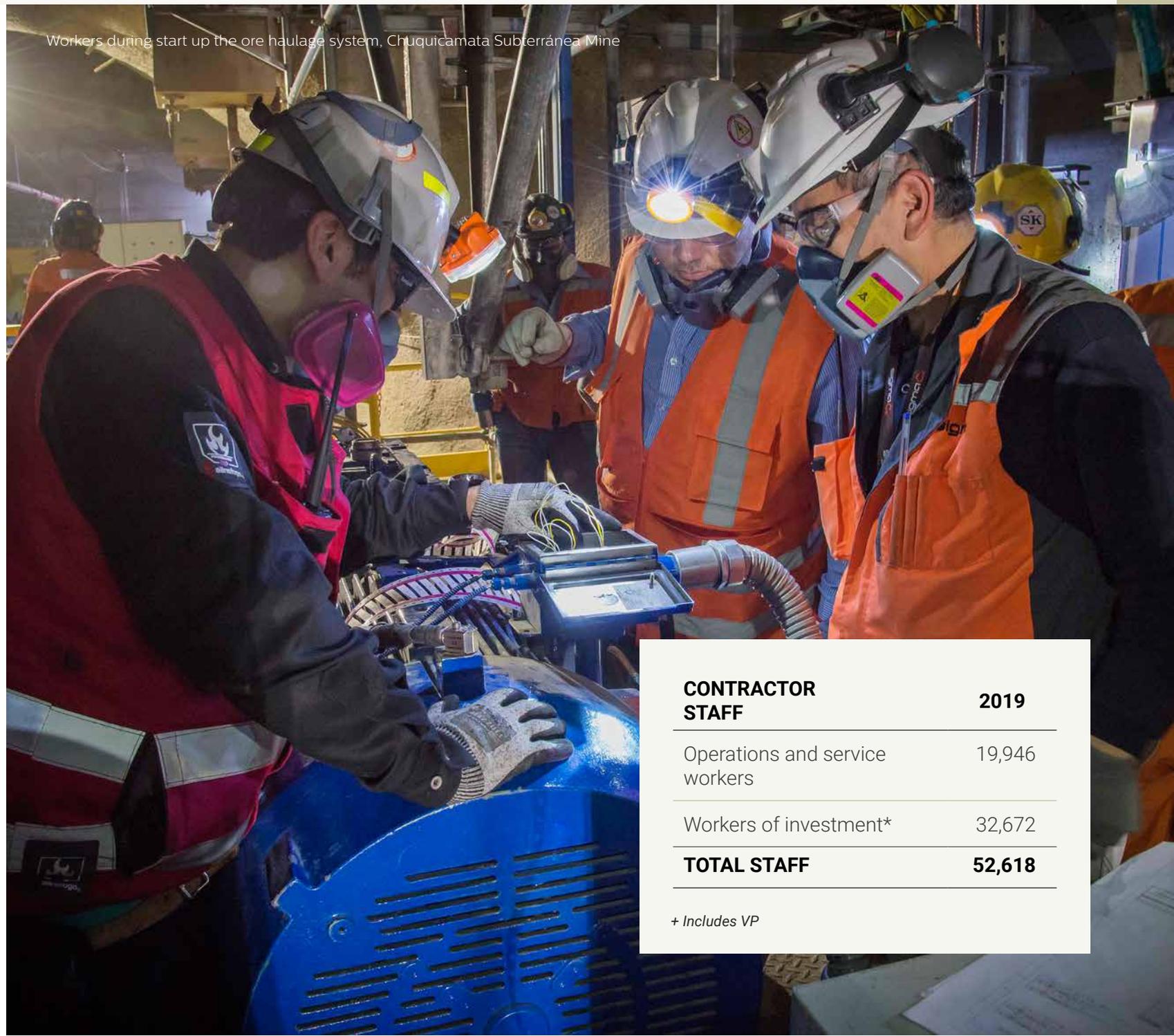
**EMERGING MARKETS: SUPPLIER PORTFOLIO ASIANS SUPPLIERS ROSE TO 401 COMPANIES**

Through our Emerging Markets Department based in Shanghai, China, our company positions its presence on the international markets and strengthens the offer of products available on the Asian - Pacific market. This helps us incorporate new suppliers, products and technologies for our operations and projects.

New services were provided to other areas of Codelco such as the support provided to the Vice Presidency of Projects, Rajo Inca, Desarrollo Futuro Andina, Nuevo Nivel Mina and Sulfuros Radomiro Tomic. Likewise, thanks to our presence in China, we were able to coordinate studies and analyzes of new technologies. Some of the technological advances reviewed included copper foil production, advances in electromobility, the installation of long-term evolution (LTE) communication networks inside our mines and smelter benchmarking.

Therefore, during 2019 Codelco's portfolio of Asian suppliers rose to 401 companies across more than 65 product categories, which enabled purchases of more than US\$ 200 million to be managed. As with every year, in November, we again participated in the Asian Copper Week. This event brings together the largest copper mining companies around the globe and was attended by Codelco executives. Such efforts contribute to maintaining Codelco's global presence and leadership.

Workers during start up the ore haulage system, Chuquicamata Subterránea Mine



<b>CONTRACTOR STAFF</b>	<b>2019</b>
Operations and service workers	19,946
Workers of investment*	32,672
<b>TOTAL STAFF</b>	<b>52,618</b>

*+ Includes VP*



# TECHNOLOGY AND AUTOMATION IN BUSINESS PROCESSES, A CORNERSTONE OF CODELCO TRANSFORMATION

In March 2019, we at Codelco created the new Vice Presidency for Technology and Automation in Business Processes as a key influencer on our path of transformation.

The goal is to capture global advances in digitization, automation, robotics and data processing and analysis, to impact all mining processes and administrative

areas. The objective is to improve productivity, safety and reliability of our processes and to ensuring IT / OT (Information technology / operation technology) cybersecurity in our systems.

During the year we made great strides forward in several areas.

## DIGITAL AND ADVANCED ANALYTICS

At Codelco, we believe that advanced analytics is key to our digital transformation given that it will allow us to identify optimal ways to operate our valuable assets and processes.

Today we have large volumes of data, with a lot of information to administer, organize and classify to obtain the optimal benefits.

Subsequently, after incorporating analytical models, algorithms, rules and process restrictions, we will be able to optimize the production of fine copper, lower operating costs, increase safety or reduce operations risk.

We firmly believe that we can meet challenging goals with concrete results and significant leaps, given that analytics allows us to calibrate, set parameters and



Tunnel construction, Chuquicamata Subterránea Mine



evaluate thousands of possible scenarios to finally recommend the best operation option in the context of the moment.

With this in mind and given the enormous challenges to face in the future, in October 2019 we began forming the Corporate Digital and Advanced Analytics Department in which we focus on four pillars and drivers:

- **Human value:** define the necessary organizational structure and incorporate and develop talents.
- **Enable technology and methodology:** explore options to define and implement a corporate data lake. We have approved the Agile methodology for project development and consolidated the operation of three Agile "cells", one already in operation.
- **Data value and quality:** analysis of current data and systems to define technological tools necessary to store, distribute and exploit data.
- **Value contribution:** we started the advanced analytics implementation process for SAG mills and for the primary flotation circuit at Chuquibambilla.

We have countless challenges ahead, but to achieve a solid foundation for our transformation, the most important challenges are as follows:

- Implement SAG analytics models at other divisions.
- Develop and implement the Corporate Data Governance strategy.

- Determine the value of individual data, the only source of truth.
- Implement a new Demand Management process for Advanced Analytics, a process that prioritizes and maximizes the value capture process.
- Design the roadmap for future architecture, among other aspects.

### OPERATIONAL CONTINUITY

During 2019, all KPIs for services were established in service-level agreements (SLA) for end users, some of the main ones provided 100% availability, such as email and the Internet. Likewise, the primary platforms such as SAP, Portal, PI SYSTEM, Sharepoint and SGDOC also had high availability.

As part of Codelco's IT service continuous improvement strategy, we implemented an emergency backup site for the SAP platform (DRP). DRP consists of a secondary configured and enabled backup site to provide SAP service continuity should a major disaster affect the main datacenter. Moreover, the DRP allows for greater data protection, integrity and consistency given the ongoing synchronization between the two centers.

In order to guarantee proper function and availability, activities were regularly monitored by different areas of the office of the Vice Presidency involved in this solution.

In the field of digital transformation, in October 2019 we kicked off a project to migrate data from servers at corporate sites towards the cloud. With this, we expect to reduce the complexity of the data centers in the divisions, provide growth on demand and

maximize the use of the platforms, while avoiding technological obsolescence.

Furthermore, in order to establish a video conferencing platform capable of providing quality and timeliness to the current challenges of the Corporation, we enabled 40 HD-quality video conferencing rooms at the corporate level. The objective is to improve the overall user experience, with a highly collaborative work culture that, in turn, involves a decrease and / or containment of costs for travel concepts associated with these issues.

As part of the digital transformation process, we rolled out the mass implementation of the Office 365 Platform for the entire Corporation, which will allow access to, among other applications, Outlook, OneDrive and Teams, from anywhere and from any mobile device. As of December 2019 we have migrated more than 13,000 users to Office 365 and plan to have the entire Corporation on this new platform in May 2020.

We have accompanied this process with training activities that allow users to learn about the new possibilities offered by these new technologies, mainly those aimed at promoting collaboration, teamwork and greater data storage space availability.

During the year, we also supported Codelco's printing savings plan, moving towards a paperless company with the dissemination of the containment plan at the corporate level. We sounded the call for a culture of austerity, minimizing color printing, which allowed to save on the consumption of supplies and freeze the fleet of printers.





## BUSINESS PROCESS TECHNOLOGY AND AUTOMATION PROJECTS

In this area, there are two critical focal points for adding value to the Corporation.

The first is related to technology and automation projects in areas of production, with an emphasis on mines and plants. Leading in these efforts is the Concentrator Plant Automation Program; specifically - the advanced control systems at both Ministro Hales and El Teniente, and changes and improvements to the automation infrastructure at Chuquicamata.

Another key milestone was the definition and formalization of the strategy for Codelco's Integrated Operations Center (IOC), wherein we conceptualized and defined guidelines for a Strategic IOC located at our head office, and three Tactical IOCs located in the cities of Calama, Los Andes and Rancagua. In this context, in 2019 we consolidated the Tactical IOCs at Chuquicamata and El Teniente, and transferred the IOC from the Ministro Hales operation to Calama's Tactical IOC.

The second critical focal point of is in the support areas; namely supply chain, human resources and finance, among others. In 2019, Codelco kicked off the Improved Supply Management Project (known for its acronym in Spanish «GEMA»). GEMA aims to implement a technological tool called Ariba to trigger transformation at the supply chain area. Also, certain efforts such as the migration of the management and reporting platform database to an updated version of SAP (called HANA), provides considerable

improvements in execution and data analysis times. Moreover, notable advances in the Employee Central project will provide Human Resources with centralized individual data and make self-service available to employees.

Another relevant milestone concerning applications in regulatory areas is the generation of electronic dispatch, a mandatory requirement since January 2020 under the new legislation.



## TECHNOLOGY

Within the organizational structure, we created the Technology Business Partner. This function which will play a fundamental role in how the Vice Presidency relates to different clients in operations, projects and functional area, while providing a single point of contact technology demand management. This provides for a robust, integrated and coordinated service to our clients.

Today we are seeking out technologies that enable the digital transformation of processes in our company. In this regard, we are defining standards and technological guidelines that will be used at several corporate operations.

The scope of this area will focus on communication networks, which are the channels through which flow all operations and administrative data, which is centralized in the direction of networking and telecommunications, while also concentrating the definition of wireless communications (trunking). During 2019, in addition to supporting all growth projects in our operations, we carried out an analysis that will allow us to launch a project in 2020 to technologically overhaul our communication networks and avoid technological obsolescence that exposes us to multiple types of network failures.

Also, the defense of our information assets and IT / OT cybersecurity is part of our role. Through a series of systems and applications we monitor and protect

the Corporation from cyber attacks. During 2019, we initiated joint efforts with operations to generate higher levels of security in operational networks, specifically for the Chuquicamata Subterránea project. Additionally, we carried out a series of activities in order to raise our baseline levels of security such as blocking USB ports, e-learning, information classification and phishing campaigns, among others.

Moreover, standard definitions, engineering reviews and project implementation related to equipment rooms, communication rooms, closed circuit television technology and access control were also part of the efforts we are promoting. We are establishing standardized levels of technological solutions to be implemented. This will provide us with an integrated solution ecosystem, which ultimately translates into optimized levels of support and lower levels of failure. During 2019, we rolled out technologies and commenced the specification of documented standards that will serve as a guide for the entire Corporation. We also reviewed possible points of failure at certain communications equipment rooms, which will be improved upon with projects to be carried out during 2020.

For the future, we plan to implement two new work areas, a technological architecture division and a project management office (PMO) for this vice presidency. These areas are key to developing the advanced digitization of our corporation.



# CORPORATE INNOVATION, VALUE CREATION

At Codelco, we understand innovation as the process of transforming knowledge into economic value and in that sense we are working in two areas:

- a. Disruptive innovation - through a portfolio of innovation projects, addressing the Corporation's strategic challenges in sustainability and increasing mining reserves, through the development of new technologies.
- b. Incremental innovation - with projects focused on improving the competitiveness of operations over the short and medium term.

To ensure compliance with both objectives, Codelco measures the value generated by innovative projects implemented year after year.

## DISRUPTIVE INNOVATION

Given our company's commitment to climate change and sustainability, Codelco has been establishing itself as a leader in electromobility. In 2018 we deployed electric pickup trucks within the divisions, while in 2019 we tested electric buses at Chuquicamata and división El Teniente.

In addition, we began operating the first hybrid load-haul-dump (LHD) equipment in El Teniente, with significant reductions

in diesel consumption. We also reached an agreement to carry out tests with a fully electric LHD equipment.

At this same workplace, the new "block caver" equipment (which uses a telescopic arm and a patented adhesive for the handling and placement of explosives) has been successfully implemented to execute more than 100 cave drops in the second semester. This allowed us to advance on the mechanization of a task that has historically been manual, which carries a positive impact on worker safety. Later this year we also started testing a detector of non-crushable material. The "uncrushable detector" is Codelco's own innovation that will allow us to detect and extract elements that may jeopardize the operational continuity of crushing circuit (reduction of solid materials from an average particle size to a smaller one, through crushing, grinding, reduction, screening processes or others).

With the aim of automating the largest number of underground mining tasks, at the end of 2019 three automated trucks arrived in Chile to begin testing. Such equipment will enable significant productivity gains at the deepest levels of división El Teniente, while the two tested semi-automated LHDs were put into regular operation. Meanwhile, Chuquicamata Subterránea acquired eight automated LHD units with the same technical specification, with a scheduled operation startup for the first quarter of 2020.



Air extraction system, Chuquicamata Subterránea Mine



In addition, the following important advances were made in the strategic disruptive innovation focal points:

- **Sulfide leaching:** Codelco has conducted extensive testing of several national and international technologies and our own innovations, with positive results. The success of this development will enable us to process sulfides in a more profitable and sustainable manner.
- **High stress underground mining:** Given the current depth of the new El Teniente levels and the start of underground operations at división Chuquicamata, in 2019 we developed a roadmap to address geomechanical challenges and increase the productivity of our extraction methods, through the improvement of Codelco's

own innovations; i.e. the application of hydraulic fracturing for rock breaking and collaborative efforts with specialists from around the world.

- **On-site leaching:** We have determined the need to develop a less invasive mining method to process minerals that are not currently feasible to exploit. To do this, we are working to adapt this technique used in uranium mining to copper mining.
- **Preconcentration:** With the decrease in head grades over recent years, it is imperative to introduce new innovations that improve the selectivity of the processed ore, thus reducing specific water and energy consumption. Accordingly, we are working on exploring and testing a set of technologies to meet this challenge.

● **Smelter development:**

In order to improve the productive and sustainable performance of our smelters, we are following three lines of action that complement the Chinese technologies with our own innovations. Therefore, at the Caletones smelter we commenced a technical-economic review to implement high-pressure blast furnace nozzles; at the Potrerillos smelter we continue the industrial trials of the Teniente converter sensors; and successfully completed the fundamental studies that provide raw data for the industrial test design of continuous conversion technology.

- **Impurities processing:** EWe at Codelco are world leaders at processing concentrate with a high arsenic content using the roaster in operation at the división Ministro Hales. We are also experts at

processing smelter flue dust, also high in arsenic, and in the stabilization of this residue as ferric arsenate (scorodite) through the Antimony Arsenic Supply Plant. In this sense, our company is striving to further improve these technologies, both with respect to productive performance as well as sustainability.

● **Water and tailings:**

In accordance with Codelco's sustainability strategy, we are driving important developments with the aim of reducing our water consumption and making physical and chemical stabilization techniques of our produced tailings even more efficient.





## INCREMENTAL INNOVATION

The Corporate Innovation Department has deployed a series of incremental project initiatives at all divisions with the aim of capturing short-term benefits. Over the last four years we have implemented 57 projects that have generated significant economic, environmental and safety benefits.

Our aim is to develop and implement new technologies and capabilities to create value for the operation and increase the competitiveness of the company. In order to streamline project objectives, in 2019 we established six strategic focuses for incremental innovation:

- Processing
- Cu and by-product metallurgical recovery
- Reliability of conveyors and pipelines
- Mobile equipment performance
- Water consumption, critical supplies and dust mitigation
- Profitability of mining liabilities

Some examples of implemented projects are as follows:

### Concentrate enrichment:

Obtaining a better quality copper concentrate and cathode increases competitiveness and helps reduce direct costs of the company. This year's developments at división Ministro Hales allowed us to automate lime batching in the flotation process according to the iron-copper ratio of the feed. This will provide for an increase in the copper grade present in the concentrate.

### Use of water resources:

The efficient use of critical supplies is of vital importance to us. Also at división Ministro Hales this year we implemented a project that allows the reallocation of water in the crushing process, in response to water shortage events.

### Operations continuity:

A historic operational challenge for Codelco's mine pits is the interruption of the crushing processes due to shovel bucket teeth breaking off into the ore. Over time we have developed different types of sensors or cameras to alert the shovel operator; however, none of these solutions accomplished its purpose. The Andean Division implemented rugged technology that triggers alerts when detecting the presence of such non-crushable materials, a technological solution transferred from división Gabriela Mistral.

In parallel, we administered 12 technological solution transfers at the corporate level between divisions to accelerate implementation, capture lessons learned and establish technological standardization.

## OPEN INNOVATION

We encourage engagement with the innovation ecosystem, to combine capabilities and internal and external knowledge, which in turn, translates into innovative solutions that are generated in less time, cost and risk. Therefore, we maintain agreements with universities, study centers, suppliers and pilot centers.

We also participate in the Invación Abierta Expande platform from Fundación Chile, where we are able



interact with several technology suppliers that provide solutions to the challenges presented by our divisions.

During the year we conducted nine supplier surveys and five face-to-face workshops ("Demodays"), with the participation of the operations managers and selected suppliers. This allowed us to know and evaluate the potential of each of technological solution.

### Technological monitoring

We regularly monitor technological advances to have a systematic and global view of areas of interest, new technology, competitors, potential partners or associates and suppliers, with the ultimate goal of making informed decisions aimed at technological intelligence.

Two other objectives are to be aware of new patent applications in Chile related to mining and metallurgy, and to define the course of action

regarding the industrial protection of our own developments. During the year we developed more than 25 technological reviews to make visible the supplier market associated with a operational challenge. We made this information available to the production areas to ensure best decision when incorporating technologies.

### Technological prospecting

Prospecting allows us to have valuable and updated information for technological development, since it helps us identify new technologies and suppliers locally and globally. Prospecting also allows us to generate collaborative models that encourage the ecosystem to participate and engage with our challenges, always concerned with properly protecting our investment.

The results of our intellectual property approach has positioned us as a benchmark in the industry, maintaining a significant portfolio of industrial property rights.



**DURING 2019 WE CARRIED OUT 28 PROSPECTING STUDIES OF TECHNOLOGICAL SOLUTIONS WITH THE FOLLOWING DISTRIBUTION BY SUBJECT:**



**CONTESTS**

**Think Mining "Piensa Minería":** this initiative aims to help finance thesis programs that contribute to advancement of new technologies and knowledge in the mining industry.

The 2019 version saw student participation from seven universities. Winners received financial support for their enrollment, tuition, and other regular

expenses for 3 doctorates and 5 masters degrees. The topics covered ranged from exploration to sustainability, including mines, plants and smelters, with applicants of four nationalities.

In 2019 as part of their training internships, 11 interns studying different engineering disciplines participated in training processes associated with search and analysis of functional information to the technological monitoring process.

**INTELLECTUAL PROPERTY**

**NATIONAL PATENTS 1975-2019:**

Total patents requested: 282  
● Granted: 181

**DISTRIBUTION ACCORDING TO APPLICANTS:**

- 100% Codelco: 127 (45%)
- Codelco and subsidiaries (IM2, Biosigma, Codelco Tech): 124 (44%)
- Collaborative: 31 (with universities: 13, with companies: 15 and with universities + company: 3) (11%)

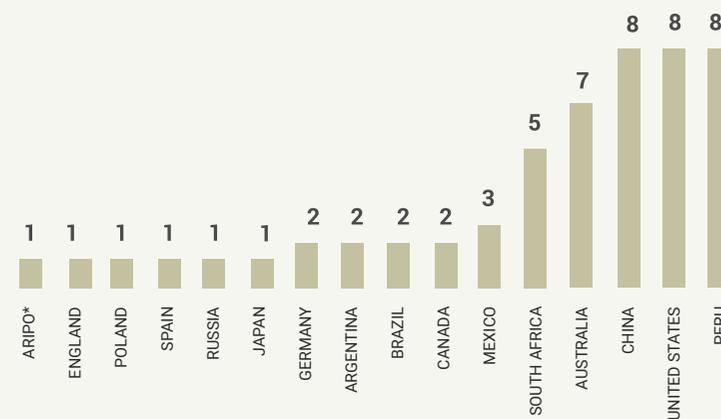
**NATIONAL PATENTS 2019:**

- Requested 2019: 5
- Granted 2019: 6

**International Patents:**

- Total patents requested: 127
- Requests filed 2019: 5
- Total in force or pending: 54

**CURRENT PATENTS - DISTRIBUTED BY COUNTRY**



\*ARIPO: African Regional Property Organization



# HUMAN RESOURCES

The new human resource strategy plays a key role as an enabler for Codelco transformation.

To achieve success and ensure the competitiveness and future sustainability of our company, through this historic transformation, in 2019 Human Resources designed and rolled out a new strategy that seeks to innovate and incorporate new dynamics and ways of working that guarantee the generation of value through people. The 2019-2022 Human Resources strategy is based on four strategic pillars and three enablers, and aims to transform Codelco's culture and skills with a focus on operations and projects to maximize the economic value of our company and long-term sustainability. During 2019 we achieved results with the aforementioned pillars and enablers:

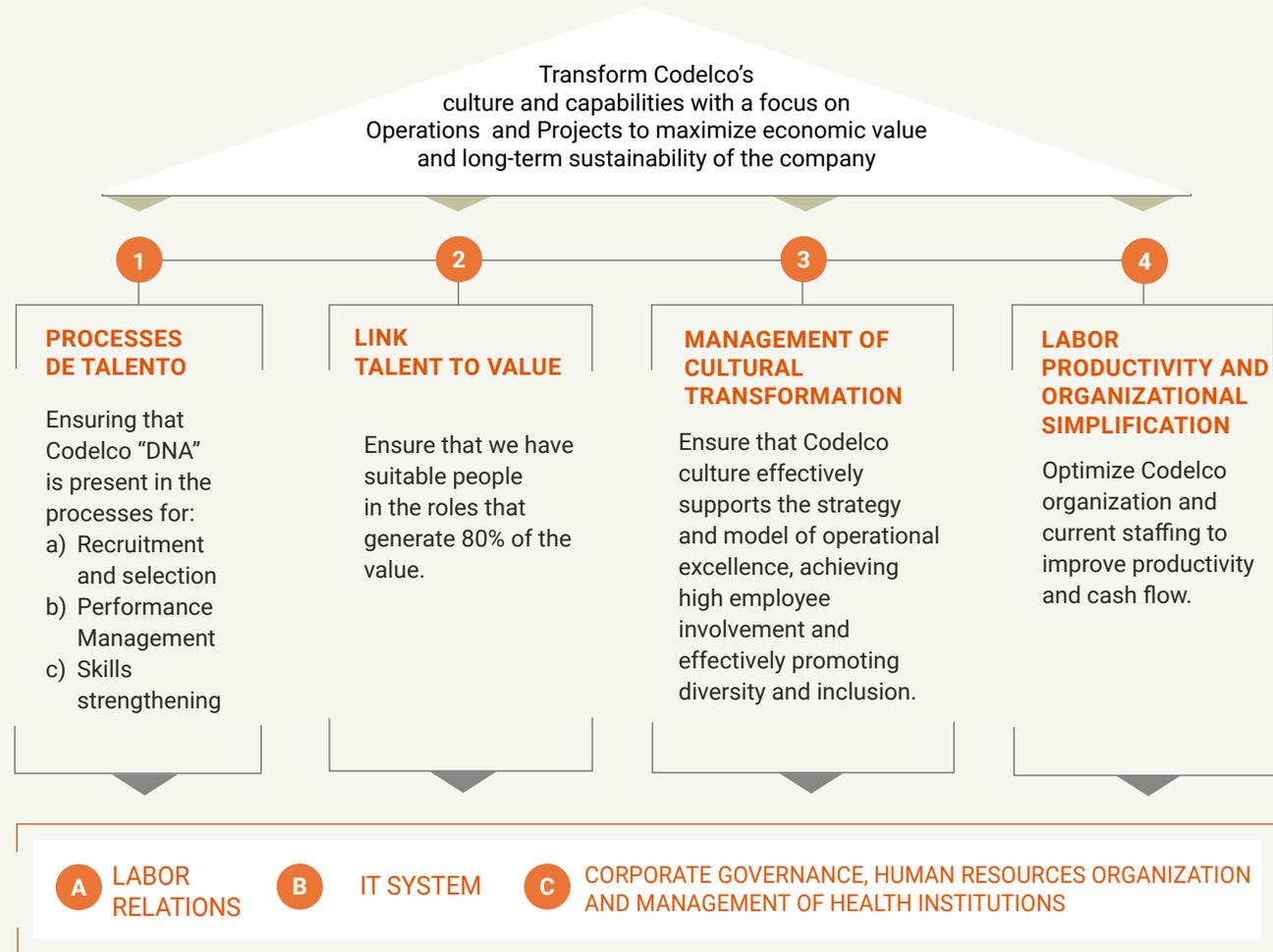
### • Culture and strategic talent

The recruitment and development of strategic talent is a key aspect for the transformation of our company. Accordingly, in 2019 we

## THE HR STRATEGY CONSISTS OF 4 PILLARS AND 3 DRIVERS

### CODELCO HUMAN RESOURCES STRATEGY

**COMPETITIVELY AND SUSTAINABLY MAXIMIZE THE ECONOMIC VALUE OF CODELCO AND ITS CONTRIBUTION TO THE STATE OVER THE LONG TERM, THROUGH COPPER EXTRACTION**





strengthened our long-term approach through the Succession System, together with a graduate program, with the initiative “Talent to value” that seeks to leverage short-term challenges in this area, and have the right talent in the positions that capture the greatest value for our business.

● **Succession system**

Our succession system is a strategic process that seeks to identify, develop and preserve talent within Codelco. Its objective is to attract and engage professionals with high potential, in accordance with our corporate strategy, to develop the required hallmark leadership that enables us to move professionals up to critical strategic positions.

After five years of its initial implementation, the Succession System has been strengthened and the following progress has been made:

- 316 critical positions identified and validated.
- 610 executives and professionals at the corporate level made up the base of successors at the end of the year, which represent 15% of the

professional and executive staff. From the base of successors, 21% are women, which is a 5% increase over recent years.

- 77% of the vacant critical positions were filled via succession.

For successor development we have deployed a Mentoring Program seeking to develop talent through the transmission of experiences and knowledge from executives to high potential professionals. At the end of 2019, 129 professionals and executives have participated in different versions of this program during the last three years. This year there were 72 professionals and executives that participated from different Work Centers.

**WE ARE LOOKING FOR HIGH POTENTIAL GRADUATES WITH A MARK OF LEADERSHIP**

This program seeks to recruit and develop talent early and is aimed at the challenges inherent in productivity, sustainability and innovation for future mining. The objective is to provide a tool that drives the transformation process in which we find



ourselves as a corporation, with a focus on long-term productivity and business sustainability. Therefore, this program seeks to ensure that Codelco captures young professionals with high potential who present a mark of Codelco leadership.

During 2019, we established a strategic alliance with the Operational Excellence and Innovation area, to promote professional learning through internships in the field and the development of innovation projects, which seek to add value to the Work Centers. Accordingly, and with the aim of promoting a more comprehensive perspective among professionals, we carried out the first version of the “Diploma in Business, Innovation and Leadership in Mining” with the Pontificia Universidad Católica de Chile, which included the participation of Codelco executives.

This program captured 71 graduates for 2019, 45% of which are women. For the first time the selection of professionals incorporated the measurement of potential to link candidates with the company’s Succession System.

At the end of 2019, we had 439 active postgraduates in Codelco (11% with respect to executive and professional staff), with an average seniority of seven years. It should be noted that 27% of graduates form part of the successor roster.

● **Talent to value**

During 2019 we started a new initiative called “Talent to value”, which will allow us to identify the key areas and positions that add economic value to our Work Centers, ensuring that the people



who perform in these positions have the required skills, knowledge and experience. This initiative allows us to maintain a direct relationship with the business, so that talent is linked to the primary value addition areas.

Specifically, we seek to identify which initiatives have the greatest impact for our business, either from the increase in production or from decreased costs. In this way, knowing which activities to execute is key for the deployment of this initiative and to better understand the positions of value for each activity.

- **Diversity and inclusion**

En At Codelco we have consistently paved the path to strengthen the inclusion of women into the company and their development. As a result of these actions, in 2019 we became the first highly staffed state company in the mining industry with all its Work Centers certified in Chilean Standard 3262. With this achievement, we guarantee the inclusion of positive, concrete and immediate actions to advance gender equality and balance. Moreover, we obtained the Equality distinction by the Ministry of Women and Gender Equality in seven of our divisions and continue to carry out training programs that focus on empowering female leadership.

The number of women at the corporate level reached 10.2%, which allowed us to meet the proposed gender equality objective for 2019. This figure is 2.1% above the industry average.

During this year we launched Inspira Codelco, a networking program between professional Codelco men and women and engineering students from different universities, in order for them to connect, meet and build effective networks. With this, we seek to generate an impact on the delivery of models to follow and the subsequent increase in women in our company and the mining industry. We also expect to motivate young women to be the protagonists of the mining of the future.

- **Cultural transformation and the mark of leadership**

One of the priorities of our strategy at Codelco is “the development of people and the organization” and to be one of the main driver of cultural transformation and leadership development.

In this context, we have established the company’s seal of leadership, characterized by connecting with a common purpose and objective, aspiring to better and continuous improvement, developing people, working as a team and aspiring to a cultural transformation that drives corporate strategy through the coming years. Therefore, we will develop different initiatives to ensure the deployment of these required capabilities in our leaders and, in turn, the cross-cutting approach to the cultural elements that we want to achieve.



# HUMAN RESOURCE DEVELOPMENT



## RECRUITMENT, SELECTION AND MOBILITY

During 2019, as part of the new Human Resources strategy, we formed the Center of Integrated Recruitment and Selection, which will respond to the need to create a unique recruitment model of high standards that includes new technologies and secures talent at the right times.

50% of the work centers were involved in this process: At our headquarters and división Salvador, Gabriela Mistral, Radomiro Tomic and El Teniente. During 2020 we will consolidate the operation of the integrated center, through the escalation of processes at Andina, the Vice Presidency of Projects, Ventanas, Ministro Hales and Chuquicamata.

In 2019 we received 95,334 applications for 300 processes that opened to the external market. As a

result, 717 people were incorporated into Codelco. Likewise, we carried out 261 processes that allowed the internal ascension of 429 people; that is, 37% of our vacancies were filled with internal talent.

These initiatives reflect the strong corporate commitment to continuous improvement, ensuring that transparency, traceability and equal opportunity are present through all of Codelco processes. Likewise, we are having an impact on current productivity and preparing the workforce of the future for the challenges of corporate transformation, through the incorporation of the best technicians, professionals, executives and operators who possess the characteristics required.

## PERFORMANCE

In 2019, within the framework of transformation, we have worked to strengthen how we conduct our



Electrowinning plant, Gabriela Mistral Division



activities. This aspect has the ability to achieve high performance levels of our work teams, maintaining the importance of getting results, but also understanding we must undertake our tasks under the leadership guidance on procedure, while acting in compliance with global industry best practices.

To do this, Codelco developed and tested new evaluation tools and methods such as 360° surveys and validation committees, which addressed key skills and behaviors we need for our transformation. We applied these new performance management methods as a “pilot” to all executives at three work centers (DRT, DET and VRH). Later, we extended the 360° feedback application to all vice presidents and general managers of our work centers, in which 38 evaluated and 128 evaluators took part, representing a 59% participation of the executive branch.

The incorporation of the “New Codelco leadership seal” was key in this process. This initiative seeks to enhance key areas of focus such as “personal development, working as a team, connecting with a common purpose and aspiring to more and continuous improvement”, in addition to responding to current and future business challenges. This seal was built in its entirety by the expanded Executive Committee of the Corporation (executive president, vice presidents and general managers) and lays the foundation for building a new culture that is modeled on the organization’s top leaders. This will be the new way of evaluating performance at the executive level during 2020.

### TRAINING

During 2019, we carried out 578,555 hours of training, reaching 16,053 people; that is, 91% of Codelco’s staff. Total investment in training reached US\$ 11.5 million. Of the total number of people trained, 11% were female.

This year we established the first foundations for a new training management model that facilitates transformation. The model aims to provide focus, strategic alignment and impact productivity. The first milestone was established through a Strategic Pact agreed between Codelco role B workers, in which training was defined in three key elements: diversity, values and technology, for which 31% of the total training hours were dedicated to these issues.

Likewise, we measure performance gaps in one of our most critical positions in two divisions (DET-RT), to subsequently design a training path that allows us to measure the impact on the business, associated with the change in behaviors acquired in training. All this, together with the improvements on systems and platforms that facilitated 2019 training and the basis for a new centralized model in 2020.

### LABOUR RELATIONS

#### Labor management

In 2019, labor relations had as a priority to make our transformation strategy viable, in accordance with the strategic pillars of Human Resources based on:

- Promoting and fostering dialogue and agreements that enable business transformation processes and long-term sustainability.
- Stimulating personal and labor development of workers and the competitiveness of our company, based on the contribution to employability and quality of life of workers, creating a greater employment bond.
- Deploy initiatives to strengthen the direct relationship with supervisors and workers that allow increased commitment to the strategy and, with this, the capture of value for the organization.

- Ensure that labor relations teams generate collaborative development links to facilitate alignment with business priorities.
- Systematize and incorporate technologies for management in labor relations processes.

#### Unionization

77% of supervisors and 99% of the workers are union members.

## 2019 TRAINING

1,5%

TRAINING INDEX



36

AVERAGE HOURS TRAINING PER PERSON



386 (US\$)

AVERAGE INVESTMENT PER PERSON (US\$)



11.5 (US \$ million)

TOTAL INVESTMENT IN TRAINING





## COLLECTIVE BARGAINING FINISHED 2019

This year we conducted collective bargaining with eight unions, two of which were anticipated and six regulated.

The agreements reached were adjusted to the maximum possible effort that our company can make in collective bargaining and consider the challenges of transformation and competitiveness that the work centers have. In this sense it is important to highlight:

1. The collective instruments included a 36-month term, base salary readjustments between 1% and 1.2%, term completion bonuses and loans,

in accordance with our business reality of each workplace, and agreements to renew working hours.

2. We incorporated new models of health coverage benefits, in line with market competitiveness

3. As a Corporation, we began to administer 100% of the life and accident insurance policies contemplated in the collective instruments.

4. We extended the benefits to supervisors and workers all of the negotiations carried out during the period.

División	Union	Rol
Chuquicamata	Workers Union 1	B
Chuquicamata	Workers Union 2	B
Chuquicamata	Workers Union 3	B
Chuquicamata	Miner's Union	B
Chuquicamata	Union No. 5	B
Chuquicamata	Union No. 1 Antofagasta	B
Salvador	Professionals and Supervisors Union	A
Gabriela Mistral	Professionals and Analysts Union	A

## LABOR INDICATORS

### INTERNAL STAFF PER LEVEL

Staff up to December

	2018	2019	% Variation
Executives and executives	226	214	-5.6%
Professionals / supervisors	4,010	3,626	-10.6%
Operators / administrative staff	13,165	12,354	-6.6%
Indefinite staff	17,401	16,194	-7.5%
Temporary staff	635	532	-19.4%
	<b>18,036</b>	<b>16,726</b>	<b>-7.8%</b>

### INTERNAL STAFF BY DIVISION

	2018	2019	% Variation
Chuquicamata	5,494	4,899	-12.1%
Radomiro Tomic	1,216	1,252	2.9%
Ministro Hales	810	791	-2.4%
Gabriela Mistral	564	449	-25.6%
Salvador	1,652	1,437	-15.0%
Andina	1,671	1,597	-4.6%
El Teniente	4,248	4,058	-4.7%
Ventanas	858	852	-0.7%
Casa Matriz	490	468	-4.7%
Vice Proyectos	997	879	-13.4%
Auditoria General	36	44	18.2%
	<b>18,036</b>	<b>16,726</b>	<b>-7.8%</b>





# SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

## BOARD DIVERSITY

During 2019 our board was composed of nine members, all Chilean nationals.

Age range	People
Less than 30 years old	0
30-40 years	0
41-50 years	2
51-60 years	0
61 to 70 years	5
70 and above	2
<b>Total</b>	<b>9</b>

Seniority range	People
Less than 3 years	5
Between 3 and 6 years More than	2
6 years and less than 9 years	1
Between 9 and 12 years	0
Over 12 years	1
<b>Total</b>	<b>9</b>

## SENIOR MANAGEMENT DIVERSITY (CEO, VICE PRESIDENTS, GENERAL MANAGERS AND MANAGERS)

In 2019, senior management consisted of 147 people, ten of them female. The following tables show 2019 figures for nationality, age range and the number of years in the company for senior management.



## SENIOR MANAGEMENT DIVERSITY

Employee Nationality	People
Chilean	145
Peruvian	1
Argentinian	1
<b>Total</b>	<b>147</b>

Age range	People
Less than 30	0
30-40 years	24
41-50 years	56
51-60 years	44
61 to 70 years	22
70 and above	1
<b>Total</b>	<b>147</b>

Seniority range	People
Less than 3 years	67
Between 3 and 6 years	44
More than 6 years and less than 9 years	12
Between 9 and 12 years	10
Over 12 years	14
<b>Total</b>	<b>147</b>



Construction of the interior transfer station of the mine, Chuquicamata Subterránea Mine

## ORGANIZATION DIVERSITY

Internal staff with indefinite term contracts reached 16,194 as of December 31, 2019..

The following tables specify figures for nationality, age range and the number of years in the company of internal staff with an indefinite contract as of December 31, 2019.

Employee Nationality	People
Chilean	<b>16,118</b>
-	9
Belgian	1
-	10
Brazilian	2
-	1
Colombian	8
-	1
Ecuadorian	7
Spanish	5
French	2
Italian	2
Peruvian	13
Venezuelan	15
<b>Total</b>	<b>16,194</b>

Age Range	2018	2019
<30 years	982	783
between 30 and 40	4,812	4,537
between 41 and 50	5,099	4,951
between 51 and 60	4,885	4,496
between 61 and 70	1,593	1,402
more than 70	30	25
	<b>17,401</b>	<b>16,194</b>

Seniority range	2018	2019
<3 years	1,822	1,773
between 3 and 6	3,447	2,460
between 6 and 9	1,439	1,998
between 9 and 12	3,360	2,947
more than 12	7,303	7,016
	<b>17,371</b>	<b>16,194</b>

## WAGE GAP BY GENDER



The following table represents the proportion of the average gross salary by position, responsibility and function for Codelco executives during 2019.

POSITION, ROLE OR RESPONSIBILITY	PROPORTION OF THE AVERAGE GROSS SALARY OF FEMALE EXECUTIVES AND WORKERS VERSUS MALE EXECUTIVES AND WORKERS
Vice Presidents	No females
General Managers	No females
Managers	82.8%
Area directors	87.7%



# SUSTAINABILITY

We seek to strengthen a culture of sustainability that allows us to face the growing challenges of our society, workers, regulations and the environment, adapting our processes to climate change and encouraging and promoting proactive risk management.

Our transformation process started in 2019 and aims to shape Codelco into a more productive, profitable and sustainable company. Under the framework of this process a new sustainability strategy was defined with the aim of creating value for the business and stakeholders, anticipating future regulations and mitigating risks associated with our projects and operations.

We redoubled our efforts to improve sustainability in excellence and productivity within our operations and

projects. For this purpose we initiated a process of modernization of our primary strategic tools such as policies, standards and the Master Sustainability Plan.

In the area of Human Rights, we continue to improve and administer policies, risks and impacts on issues related to health and safety of employees, non-discrimination, diversity and inclusion, labor agreements and complaint mechanisms within the company. We plan to continue our due diligence process gradually throughout the corporation.

# INVESTMENTS IN SUSTAINABILITY





## SEGURIDAD Y SALUD OCUPACIONAL

*Within the framework of the principles established in our Charter of Values, occupational health and safety constitute one of the fundamental pillars of Codelco's corporate management approach.*

*Accordingly, our health and safety values are embodied in the "Policy on Health and Safety in the Workplace and Operational Risks", and are materialized through Health and Safety in the Workplace and Operational Risk Management System (known internally as "SIGO") that takes us forward as one of the key drivers of the transformation process that we are undergoing. In this context, we began the process for international SIGO certification in 2020.*

Thus the protection of the life and dignity of our workers, whether their own or of third parties, forms the basis of each decision made, in both the planning and in the execution of each task, in accordance with the guidelines and the activity plan established in the Management Program SIGO's 2019 results are summarized in the following preventive management indicators:

- **Leadership:** during the period from January-December 2019 we fulfilled 95% of the executive safety leadership program and 97% of the supervisors plan. These activities included the continuity of executive night walks, inspections of work areas, meetings of the Senior Council with contractor companies and dialogue with workers in the field. Among these activities corporate

deliberations of the CEO, which as of November were conducted as discussion groups with the participation of Codelco's vice presidents. The VPs were sent out across different work centers to collect the concerns, suggestions and proposals of staff.

- **Behavioral observations:** These have been a key tool that allows us to identify risky behaviors, provide timely feedback, and take corrective action. The objective of behavioral observation is to move toward the goal of zero fatalities and zero occupational illness. Observations are carried out both by supervision and by behavioral observers trained among the workers themselves, who manage information through the digital platform Preventive Tools Management System (SGHP) which provides assessments of different behaviors.

During 2019, we carried out over 500 thousand observations in which we detected over four million behaviors; 98.8% of which correspond to the "safe" category and 1.2% to the "risky" category. A detail of this information is reported quarterly by the Corporate Office of Occupational Health and Safety to the work centers.

- **Technical work groups:** Codelco continues working closely with 15 technical work groups. These work groups gather the multi-disciplinary





know-how of the different work centers, generate synergies and standardize regulations on specific matters within their area of expertise are transversal to the divisions and to the Vice Presidency of Projects. Work groups operate on the basis of a schedule that is reviewed every six months through SIGO evaluations. In 2019 we formed a technical group for transport conveyors and ergonomics.

- **Training:** In 2019 we continued our supervisor workshop program initiated in 2018, with an emphasis on incident investigation. We developed two courses, one for each Vice Presidency of Operations (North and South Central).

In this same area, we structured a new corporate 8-hour induction course in occupational health and safety. This activity included a process of preparation and training for reporting personnel and uploading of content to the corporate e-learning platform.

Furthermore, the training program for workers with little work experience reached 90% completion according to the results of the SIGO 2019 corporate evaluation process.

- **Corrective actions and learning of incidents:** during the year, 101 high-potential incidents were registered in the SGHP Preventive Tools Management System, which were fully investigated. With this, we generate 3,880

corrective action plans that were uploaded to the corporate learning system.

In April we sent instructions to the divisions and the Vice Presidency of Projects on the "Management and learning of high potential incidents". We also updated the SGHP module in accordance with the guidelines of the corporate incident investigation procedure.

- **Use of the green card and occupational health and safety reports:** the green card is a participation tool that allows workers to refuse to start or stop a specific task if the controls established in the procedures are not implemented. Such action has been widely endorsed by the executives of the Corporation and valued as active participation in the prevention of accidents. During the year, almost 13,500 green cards rectified. This amount evolved positively throughout the year (826 rectified in January and exceeding 1,600 in December).

Moreover, occupational health and safety reports became a source of information and learning so we could focus controls related to fatality control standards, occupational health standards and critical risks.

During 2019, at the corporate level, we filed a total of 14,183 reports, mainly associated with fatality control standards, level 1 (N-1) findings and critical risks - 95% of which are closed.



### CONTRACTOR AND SUBCONTRACTOR MANAGEMENT

Contractor management is carried out with the active participation of professionals from the respective administrative bodies pursuant to Law 16.744. These professionals advise on and oversee specific activities associated with legal compliance and the obligations established in the Special Occupational Health and Safety Regulation ("RESSO").

According to the 2019 SIGO Activity Plan, we conduct monthly audits (with a quarterly consolidated audit) health and safety performance of contractor companies developing activities in the divisions and the Vice President of Projects.

With respect to the activities planned for the year, during the first semester we developed a workshop with RESSO leads of the divisions and VP, for the vice presidencies of North and Central South Operations, where the 2019 working guidelines were disseminated.

In accordance with the Codelco transformation process, we reviewed and updated the occupational health and safety regulations and began a study to evaluate the impact of safety activities on productivity of contractor companies, the results of which will be issued in the first semester of 2020.

Additionally, we included the preventive management of contractors within the 2019 SIGO semi-annual audit process, with an overall compliance rate of 95%.



**JOINT HEALTH AND SAFETY COMMITTEES**

According to the established plan, on October 9 and 10 we organized the annual meeting of the Joint Committees on Health and Safety (“ECOPAR”) in Calama. The event was hosted by the Vice Presidency of Projects in charge of Chuquicamata Subterránea. The meeting included the participation of our CEO, who highlighted the role and importance of the participation of the committees in the transformation of Codelco.

During this period, the certification process of divisional committees and the VP began, both with respect to the delegated administration (in the implementation process of the divisions) and other organizations, Law 16.744 (now certified across all respective levels). In relation to the scheduled activities of the joint corporate health and safety committees 97% compliance was recorded, according to the 2019 SIGO evaluations.

**OCCUPATIONAL HEALTH AND SAFETY**

In terms of occupational hygiene, we reinforced controls on health risk factors and agents, adding to the annual plans for implementation and maintenance of controls on emission or sources of emissions, the definition of five-year plans 2020-2025 to optimize the reduction exposure to silica, noise and arsenic in internal workers and for contractor workers. In this context we formally issued standard NCC-44 “Requirements for the eradication of silicosis”.

Regarding noise exposure, we updated the previous studies according to the occupational noise exposure protocol (“Prexor”) and carried out an internal benchmarking study of existing sources and control systems, in order to start an optimization process.

Regarding arsenic exposure, we update the internal regulations for oversight and control of this agent, defined control measures (including operational and health-sanitary measures) necessary to avoid internal exposure of this risk agent.

We deepened the management of hazardous substances, with two new audits conducted by an external entity on adaptation projects, Supreme Decree 43 on the “Storage of dangerous substances” and on radiation protection in our divisions and VP of Projects. To accomplish this we implemented two new modules in the existing computer platform; one for access control for these substances and the other for self-management by contractor companies at all job sites and projects of our Corporation. Likewise, we drafted a new version of the internal radiological protection regulations, which incorporates aspects related to emergencies.

In the field of occupational health, we signed a compatible health “standardization agreement” with the employers’ insurance companies and the Institute of Occupational Safety (“ISL”). This agreement helped us standardize common procedures and criteria in the evaluations of Codelco’s own workers and those of contractors. Another outstanding fact is the optimization (by inter-mutual agreement) of medical care

for internal and contractor workers at the jobsite polyclinics.

In terms of ergonomics, we updated the regulatory compliance status regarding work-related upper limb musculoskeletal disorders and manual load management, with the aim of optimizing detection with adequate planning for closing observations.

As for the delegated administration of Codelco (“SATEP”), the Qualifying Commission for Professional Illness, defined by instructions from the Superintendence of Social Security, meets on a monthly basis, rating the cases that were submitte.



**COMPLIANCE VERIFICATION FOR OUR HEALTH MANAGEMENT AND OPERATIONAL RISK SYSTEM**

In 2019, we developed two El Teniente Development processes. Compliance validation with the global program compliance with the commitments established in the SIGO Plan was 95%. These results support the 2019 management. The verifications were

conducted in June-July and November-December in Codelco, adding value through our work centers, plus three others for the protection of workers and structural projects and Chuquicamata process continuity.



# ACCIDENT RATE INDICATORS, **THE LOWEST IN OUR HISTORY**

During 2019 we regret the occurrence of a fatal accident which occurred in June at the división El Teniente. Regarding the accident rate indicators, we recorded a global frequency rate (internal and contractor staff) of 0.70, while the global severity rate (internal and contractor staff) reached 128. Both rates are the lowest on record in the history of our company, so we met our goals for this period.

**128**

Severity rate



**0.70**

Incident frequency rate

## ENVIRONMENTAL **PERFORMANCE**

Our Environmental Risk Management System ("SGRA") allows us to identify critical risks within Codelco's comprehensive risk management model, establishing control measures and management plans, the progress of which is presented on a bi-monthly basis to the Board's Sustainability Committee.

In 2019 Codelco began the implementation of measures to certify environmental management at the corporate level under ISO 14.001. Of fundamental importance with respect to this matter is the regulatory compliance of our operations and projects, in addition to the combination of present and future

projections, from the beginning of an operation to the closure of the site, for all aspects of sustainability.

Environmental management has a corporate-led structure through the Vice Presidency for Corporate Affairs and Sustainability, which coordinates, supports and looks to the future of our operations on matters concerning the environment, communities, occupational health and safety, in addition to acting collaboratively with the Innovation, Strategic Supplies, Divisional Projects, Water and Tailings, and Smelting and Refinery areas for compliance with environmental standards and the objectives of the Master Sustainability Plan.





## GESTIÓN DE FUNDICIONES Y REFINERÍAS

During the 2019 fiscal year, the efforts of the Chuquicamata, Potrerillos and Caletones smelters focused on the completion of the construction, start of operation and consolidation of investment projects to comply with the emissions regulations under Supreme Decree 28 of the Ministry of the Environment, which entered into force on December 12, 2018. The Ventanas smelter is now in full compliance with the regulations of said decree for the third consecutive year, since December 2016.

This new environmental regulation establishes greater restrictions on sulfur and arsenic emissions, while increasing the capture of such elements. To comply with this environmental regulation, large-scale investment projects were carried out at each of our smelters for an amount that exceeded US \$ 2.2 billion at the corporate level. This considerable effort is in line with our concern and care for the environment, embodied in Codelco's Sustainability Policy.

It is worth mentioning that the most significant projects were the construction of two new double-contact sulfuric acid plants and the optimized capacity of the flash furnace in Chuquicamata. We also executed modifications to the gas system, a changeover to double contact / absorption at the Potrerillos acid plant, the construction of a new slag flotation plant and a treatment plant for tail gases at Caletones, in addition to the treatment of black smoke at all smelters.

In terms of 2019 results at the corporate level, the average sulfur and arsenic emission capture at Codelco smelters reached 96.4% and 97.4%, respectively, indicators exceeding the 95% required under Supreme Decree 28.

	Emissions (%)	
	As	Sulphur
Chuquicamata	97.7%	97.4%
Potrerillos	96.0%	96.1%
Caletones	98.8%	96.5%
Ventanas	95.5%	95.8%
<b>Codelco Total</b>	<b>97.4%</b>	<b>96.4%</b>
<b>DS</b>	<b>95.0%</b>	<b>95.0%</b>

At Ventanas, management focused on modifying its operational practices to comply with the Atmospheric Prevention and Decontamination Plan for the communities of Concón, Quintero and Puchuncaví, issued by the environmental authority in December 2018.

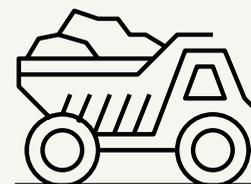
In 2019 this work center has been heavily supervised and has strictly complied with both the smelter regulation that governs it, and the operational plan approved by the government authority, thereby demonstrating strict adherence to all regulations.

## TOTAL INVESTMENTS DS 28

### CHUQUICAMATA SMELTER

# US\$ 1.08

BILLION



### POTRERILLOS SMELTER

# US\$ 460

MILLION

### CALETONES SMELTER

# US\$ 703

MILLION



### VENTANAS SMELTER

# US\$ 113

MILLION



## LIQUID INDUSTRIAL WASTE

Our main focuses for the management of liquid waste is to reduce discharge quantities and increase the recirculation of water. We identify our liquid waste and report the monitoring results of our nine authorized discharge points on a monthly basis to the competent authorities: four in Andina, three in Salvador, one in Ventanas and one in El Teniente. At all said location we comply with the established regulations. It is important to note that at the Radomiro Tomic, Chuquicamata, Ministro Hales, and Gabriela Mistral divisions, there is discharge of liquid industrial waste into water courses.

## SOLID INDUSTRIAL WASTE

Our efforts in the area of solid industrial waste management focus on aligning ourselves with the law on extended liability of the producer, taking measures towards maintaining and increasing value through reuse, recycling or energy recovery. To this end, we are advancing on the implementation of a corporate monitoring and control platform for each stage of management, standardizing the classification, recording and quantification standards for all waste generated in our divisions.

## WATER RESOURCES

Codelco carried out a tender process for the desalination plant project at división Radomiro Tomic, Chuquicamata and Ministro Hales, as scheduled for 2019. However, as a result of several considerations the process was canceled and the project development strategy had to be adapted. Regardless, this project continues to be part of the supply strategy for the Northern District divisions.

Moreover, with respect to water resource environmental approvals, the Environmental Assessment Service approved the Environmental Qualification Resolution for the "Adaptation of mining works" project that enables the operational continuity of división Andean, thereby providing for the continual protection of the Blanco and Aconcagua river water quality.

With respect to the drought underway in the central zone of the country (exacerbated during 2019) the división Andina and El Teniente were faced with its effects, which were reflected in lower availability of water sources in hydrological basins. Over recent years at Codelco we have been developing marked efforts in all divisions in terms of water efficiency and reduction of water consumption, with positive results.

This has allowed our operations to better confront these risks and reduce possible impact on copper production.

In the area of management, we continue to monitor water consumption through quarterly committees, both corporate and divisional. To facilitate water resource monitoring and control, we developed and implemented a Corporate Platform for Water Resource Reporting, and improve consumption indicators at the corporate level compared to what was planned, following the trend over recent years.

Therefore, we maintain our commitment to improve consumption indicators in our operations, implement efficient water use initiatives and standardize our reporting procedure.

## TAILINGS MANAGEMENT

We prepared and formalized a Corporate Tailings Policy, as well as a Codelco Corporate Standard for Tailings Management System (NCC 45) and other standardization documents, which provide for the consolidation of visible management at the highest level. We incorporated the participation of companies and professionals with high levels

of experience and prestige in the field of tailings, through the services of a panel of independent experts to review our systems (independent tailings review board), engineer of record, and safety reviews of tailings dams.

We continued our commitment to implement the best industry practices and advance the search for the most outstanding technologies available for the sustainable management of our tailings systems.

Codelco remains committed to achieving maximum risk control at our tailings storage facilities (TSF) with an emphasis on catastrophic failure and unrestricted respect for current regulations.

We are working as active members of the International Council on Mining and Metals (ICMM) to develop a system that ensures effective management throughout the life cycle of TSFs for the mining industry.



### SUSTAINABLE ENERGY

During 2019, the roles of Divisional Responsible Parties for Sustainable Energy were restored and Divisional Sustainable Energy Management Committees were established at almost all divisions. These divisions in turn developed initiatives such as the establishment of specific energy consumption indicators for the main processes. These indicators are then reported every month and objectives for each indicator were proposed for 2020.

Beginning in 2017, Codelco began a process of renegotiating its electrical supply contracts with the aim of achieving a reduction in energy rates, incorporating flexibility in the contracts and obtaining supplies from more environmentally friendly sources. Along these lines, in 2018 a modification was signed to the supply contract for división Chuquicamata. This modification provides for, as of 2021, 80% of Chuquicamata's supply to come from non-conventional renewable energy (NCRE) sources. During 2018 and 2019 we continued to negotiate the remainder of the electrical supply portfolio, with the goal of having at least 80% of Codelco's total consumption coming from clean and flexible sources at the onset of 2025.

### ENVIRONMENTAL EVALUATION OF PROJECTS

Not one Codelco project was rejected by the Environmental Impact Assessment System (EIAS) in 2019. During this period, the authorities approved 16 initiatives, among which include:

- The environmental impact study "Adaptation of Andina mining works for current operational continuity".
- The environmental impact statement "Gaby Project Operational Continuity".

Additionally, we are processing three projects with the Environmental Assessment Service (EAS) that seek to maintain operations at the Northern District: an upgrade of the Radomiro Tomic mining project, operational adjustments to the Chuquicamata Subterránea project and an ore movement increase at the división Ministro Hales mine.

### CLOSURE OF MINE SITES AND FACILITIES

In compliance with Law No. 20.551 that regulates the closure of mining operations and facilities, Codelco has eight closure plans approved by the competent authority (Sernageomin) under the transitional framework of the law, corresponding to each of the eight operational divisions.

During 2019, the closure plans for división Chuquicamata and Ventanas were approved under the general framework of the law. In addition, the authority began the evaluation of the closure plan of división El Teniente, while we continued updating the closure plans for the remaining five divisions, with the aim of moving them from the transitory regime of the law to full regularization, whose deadline is November 2020.



## 16 Codelco

initiatives were approved by the Environmental Impact Assessment Service



Inauguration of the Kinesiology Center, Olivar, El Teniente.

Up to December 31, 2019, we have bank guarantees constituted for 27,892,919 Unidades de Fomento (UF) in favor of the Chilean state, to ensure full compliance of with facility closures when this occurs.

### OPERATIONAL INCIDENTS WITH ENVIRONMENTAL CONSEQUENCES

Codelco has had a corporate standard in place for the management of operational incidents with environmental consequences since 2012. This standard such incidents into categories ranging from "minor" to "very serious" with a focus on control, impact prevention and continuous improvement.

In 2019 we recorded two significant incidents:

- A very serious incident at división Andina corresponding to a tailings spill due to a ruptured

pipeline, with a specific impact on the Blanco river. Planned tasks for control, monitoring, immediate communication to the community and authorities, and cleaning of the affected sectors were expedited. After a corporate investigation, we took preventive measures, we applied process changes and strengthened the systems associated with the controls for this type of spill.

- A serious incident at división El Teniente Division, in which a power failure, caused localized tailings spills that at certain points reached the La Paula ravine. We applied the established protocols (zone isolation, soil inspection, water monitoring and sector cleanup) and we informed the community oversight committee and the competent authorities, taking preventive and corrective measures after their investigation.

## COMMUNITY DEVELOPMENT

This year was marked by the implementation of the Community Relations Strategy, where we mainly focused on risk management and new community tools for Codelco, which allowed us to update and optimize our community management approach.

### COMMUNITY INVESTMENT

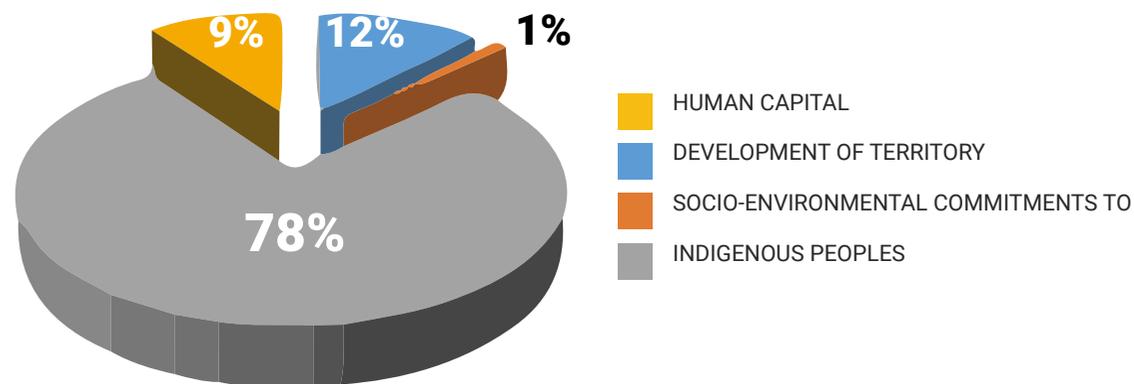
As established by Codelco Corporate Standard No. 39, community investment agreements are the instruments with which our company enters into agreements with institutions with legal standing

(public or private), in order to formalize the delivery of contributions for the execution of projects. All of which must have an agreement with these characteristics..

Community investments during 2019 focused on these four areas:

- Human capital.
- Territory development.
- Socio-environmental commitments.
- Indigenous peoples..

### AGREEMENTS SIGNED IN 2019 ACCORDING TO INVESTMENT STRATEGY



During 2019, we signed 95 social investment agreements with social organizations or institutions, with a total budget of \$ 2,820,247,527

	TOTAL SIGNED AGREEMENTS 2019	TOTAL BUDGET AGREEMENTS 2019
DISTRITO NORTE	49	1,371,549,817
SALVADOR	1	90,000,000
ANDINA	30	1,067,859,756
VENTANAS	12	244,541,656
EL TENIENTE	3	46,296,298
<b>TOTAL</b>	<b>92</b>	<b>2,820,247,527</b>

100% of the agreements include compliance certifications and a sworn statement, according to Law No. 20.393.



## KEY PROJECTS

### CODELCO SOCIAL INVESTMENT FUND (FIS)

The Social Investment Fund is one of our mechanisms for allocating resources that allows the co-financing of community projects with division, home office - Codelco and social organization resources.

The FIS is aimed at civil partnership associations within our zones of influence and at each of our operations. Investment focus is placed on projects related to human capital, territorial development and indigenous peoples. The primary objective of each of these lines of action seeks to develop project that solve socio-environmental impacts generated by our operations, encourage citizen participation and improve the quality of life of the people.

DIVISIÓN	PROJECT NAME	TOTAL AMOUNT OF THE PROJECT	AMOUNT FIS FINANCING
VENTANAS	Sustainable and safe beautification of Ventanas	\$ 20,044,035	\$ 10,933,110
	Sustainable community process room	\$ 31,567,268	\$ 11,853,829
EL TENIENTE	Solar energy for the Alto Cachapoal community.	\$ 26,616,000	\$ 14,169,600
	Our science room	\$ 36,955,193	\$ 15,618,252
	Educating on environmental care in the Dintrans sector	\$ 7,265,878	\$ 3,159,527

### ASSESSMENT AND FOLLOW UP OF COMMUNITY MANAGEMENT

Work continued on the consolidation of online computer platforms, which will allow us to provide traceability of information; in addition to control

and monitor social investment agreements, engagement plans, commitments with communities, management of interest groups and the identification of early warnings and monitoring of possible socio-environmental conflict.



### INDIGENOUS PEOPLES

Five of our eight divisions are located in areas close to indigenous communities. Based on the regulatory framework and the management of socio-environmental risk, Codelco has maintained relations with the indigenous communities (Aymara, Atacameñas, Quechuas and Collas), recognizing their forms of organization, respecting their interests and needs, their customs, worldview and lifestyle.

Based on the community engagement plans, we defined specific actions for indigenous communities within the zone of influence of each division. Such plans involved maintaining a presence in the territory through periodic visits to the communities and conducting work meetings, workshops, training and participatory and associative community projects.



agreements with communities and indigenous organizations were signed this year

DIVISIÓN	AREA OF INDIGENOUS DEVELOPMENT	INDIGENOUS COMMUNITIES
NORTH DISTRICT	ALTO EL LOA	Taira Community Conchi Viejo Community Caspana Community Toconce Community Lasana Valley Community Estación San Pedro Station Community Chiu-Chiu Community Ollagüe Community Cupo Community Asociación Indígena de Agricultores y Regantes de Chiu-Chiu (ASACHI)
	ATACAMA LA GRANDE	Neighborhood Council No. 24 Village of Chiu-Chiu San Pedro de Atacama Community and its ayllus Community of Río Grande Toconao Community Peine Community Socaire Community Camar Community Talabre Community
NORTH DISTRICT - SALVADOR		Colla Community Diego de Almagro Colla Geoxcultuxial Community Coya de Chiyagua Community



NAME OF PROJECT	START DATE	FINISH DATE	TOTAL BUDGET
FFCC 2018 "Lickanantay Papur"	03-21-2019	03-21-2020	\$ 2,582,300
Implementation of renewable energy: indigenous community of Chunchuri	01-17-2019	01-17-2020	\$ 43,194,757
Chunchuri, a self-sustaining agricultural community	05-14-2019	07-14-2020	\$ 60,000,000
Non-Conventional Renewable Energy Project (NCRE) to support the best quality of life for the inhabitants of Chiu-Chiu	11-19-2019	11-19-2020	\$ 20,500,000
FC 2019. Caspana hostel implementation	11-18-2019	11-18-2020	\$ 10,500,000
FC 2019-2020 implementation of the radio-recording studio for the enhancement and dissemination of the cultural, artistic and sports heritage of Toconao and its surroundings	12-23-2019	12-23-2020	\$ 20,500,000
FC 2019-2020 "Improve my Turi"	12-23-2019	12-23-2020	\$ 20,500,000
Improvement of water channelling for the inhabitants of Vega Chela	11-25-2019	11-25-2020	\$ 20,410,750
Activation of commercial agriculture in Chiu-Chiu through the acquisition of agricultural equipment	11-25-2019	11-25-2020	\$ 20,059,602





### CIO-ENVIRONMENTAL GRIEVANCES AND SUGGESTION SYSTEM (“SRSS”)

At Codelco we have a permanent communication platform open to communities in the different territories where we operate. This channel seeks to respond in a timely manner to the neighboring community concerns and issues, grievances and suggestions that we receive and that may arise as a result of production processes or investment projects. The system operates by means of a toll-free hotline (800222600) and email (contactosocioambiental@codelco.cl).

During 2019, we updated the corporate SRSS based on a diagnosis made by KPMG and in accordance

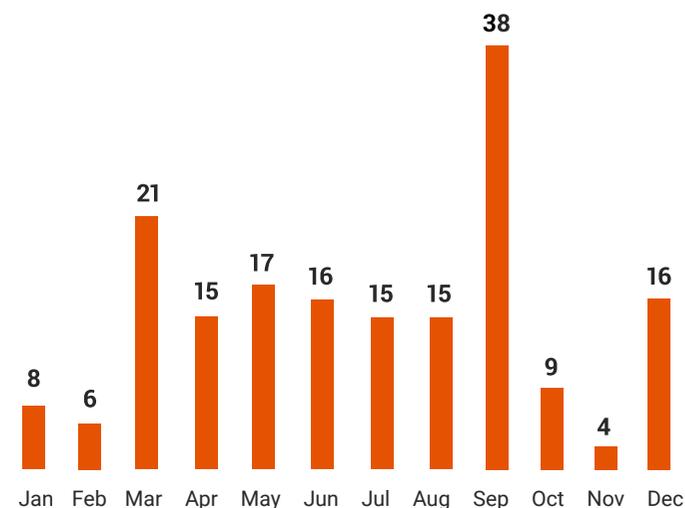
with the standards established by ISO 19600 and ICMC on such matters, and the identification of best practices in the industry.

During 2019, we received 180 requests through the SRSS.

Of the total number of requests we received, 149 were claims; 15 were inquiries and 16 were suggestions. Regarding claims, the Chuquicamata Division received the most (53).

Of the total requests received, 97 correspond to issues of a social nature; 73 of an environmental nature and 10 to other issues. No Human Rights issues were recorded.

### REQUESTS REGISTERED PER MONTH



### REQUESTS FILED BY DIVISIÓN (2019)



### NUMBER OF CLAIMS





**TRACEABLE COPPER**

With the traceable copper initiative at Codelco we set out to map production across the entire corporation, beyond the guidelines of set for previous years for 5% traceable production by 2020 (we reached this goal in 2018). Therefore, in 2019 we carried out an exhaustive review, analysis and development of a life cycle inventory , together with the Directorate of Scientific and Technological Research (“Dictuc”), for the división Gabriela Mistral, Ministro Hales, Radomiro Tomic and Andina, with which we trace 49.5% of Codelco’s total production. We expect to reach 100% during the first semester of 2020.

**CLIMATE CHANGE**

The impacts of climate change are becoming more palpable each year, causing variations not only in weather patterns, but also in the regulations and expectations of our different stakeholders. At Codelco, we recognize the importance of this phenomenon both in our industry and worldwide. Therefore, we approach the subject in an integral way, with concrete mitigation and adaptation plans. We have deployed action guidelines in each of our divisions along three main focal points: emissions, water and the circular economy.

Codelco will incorporate further analysis and continue to address the challenges that climate change imposes on us, as part of our corporate culture.





TRANSPARENCY, INTEGRITY AND GOOD CORPORATE GOVERNANCE

# KEY INFLUENCES ON TRANSFORMATION

We at Codelco are constantly working to find more robust mechanisms to eradicate corruption, prevent conflicts of interest, ensure due diligence, raise our standards and ensure the administration of suitable consequences.

Ore transport tunnel, Chuquicamata Subterránea



Corporate Profile



Key Indicators



Our management



Transparency, integrity and good corporate governance



Transformation and future



Subsidiaries and affiliated companies



2019 Consolidated financial statements



Offices and representatives

# COMPREHENSIVE RISK MANAGEMENT AND CONTROL MODEL: A POWERFUL TOOL FOR MEETING BUSINESS OBJECTIVES

We at Codelco strive to mitigate the uncertainty inherent in the business sector in which we operate, strengthening the control environment and managing the risks to which we are exposed. Therefore, we have defined roles and responsibilities and implemented a uniform method for identifying and managing events that could impact the achievement of our objectives

Codelco launched a new Integrated Corporate Risk Management Policy in December 2019, as a necessary tool for ensuring the continuity and sustainability of our business activities.

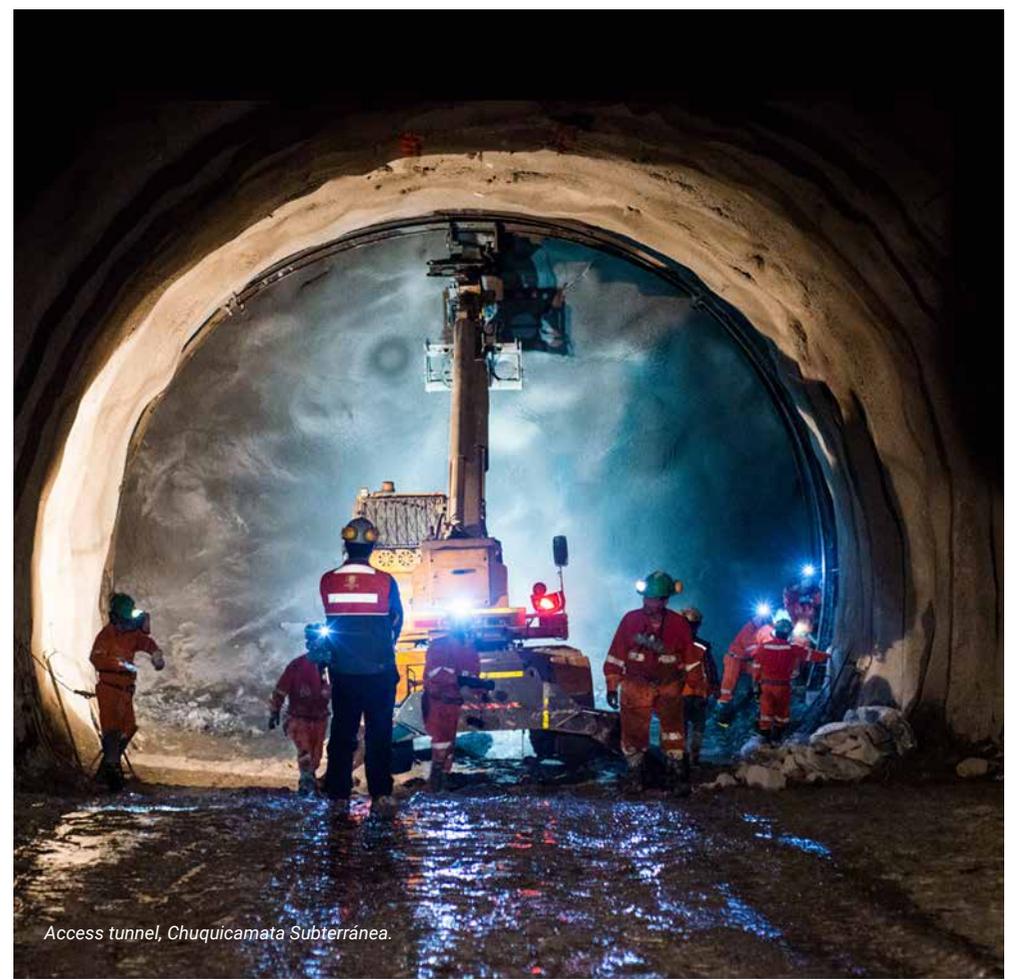
We thus strive to ensure that risk management and control form part of Codelco’s culture and identity. This will help us engage in our activities in proactive and preventive manner and bolster the continuous improvement of our operations.

The foregoing involves a duty to oversee the functioning of processes, safeguard the value of assets, and meet the expectations and interests of the owner: the Chilean State. Within the same frame

work, we must certify compliance with corporate standards in areas involving the environment, occupational health and safety, legal requirements and the provision of value to the owner.

Furthermore, the permanent search for best practices must anticipate what factors could affect the viability of our business activities or our objectives.

This issue is so relevant to the current administration that from February 2020 the Corporate Department of Risks and Control has been positioned to directly report to the CEO.



Access tunnel, Chuquicamata Subterránea.

**UNIFORM MODEL THROUGHOUT THE CORPORATION**

One of the principles defined under our new policy – and promoted by the Compensation, Auditing, and Ethics Committee (“CACE”) of the board of directors – is that our company must manage risks using a uniform corporate model that has been under development since 2017. This model draws together and consolidates specialized risk management systems for areas such as safety, occupational health and the environment, and safeguards reportability to the Board.

Indeed, as CEO Octavio Araneda has explained, the model forms part of the organization’s transformation, and is imbued with a sense of urgency. As Mr. Araneda stated, “it is designed to manage and mitigate the uncertainty inherent in the mining sector and strengthen the control environment.

Therefore we have defined roles and responsibilities and a uniform method for identifying and managing events that could negatively impact the achievement of our objectives.”

The implementation of this model provides:

- A shared language and methodology for risk management in all areas of the Codelco.
- Criteria to prioritize and scale relevant risks for the business in which we are engaged.
- A protocol for planning, action, verification and improvement of processes at all times, in line with the risks that affect the Codelco.

- An instrument that allows all of our company’s personnel, at all levels, to manage all risks associated with processes within their areas of responsibility in an integrated way.
- A cross-disciplinary perspective on corporate risk, supported by specialized risk management systems.

The CEO has called on all general managers and vice-presidents to incorporate or strengthen this management tool throughout all processes, so that decisions are made and prioritized only after analyzing the applicable exposure to risk. “This is the only way to advance towards our cost and productivity goals in a safe and sustainable way, with faultless execution of our projects, thereby generating competitive advantages,” explained Araneda.

**THREE LINES OF DEFENSE**

Finally, the policy establishes three lines of defense, each with its own roles and responsibilities.

**The first line**

Areas responsible for each process which must: a) identify all risks that could affect the achievement of the goals and objectives of the area, process or project in question; b) analyze the applicable causes, consequences and control mechanisms; c) evaluate the impact, probability or frequency with which the risk can arise (and the effectiveness of control mechanisms); and d) manage their own risks in a sustained manner with the application of strategies to reduce, eliminate, transfer or accept the respective risks.



Ore transport overland conveyor, Chuquicamata Subterránea

Roasting plant. División Ministro Hales



This implies defining action plans to reduce exposure to an acceptable level, whenever necessary.

Therefore, risk management must become a part of our identity, because it is a responsibility for all areas of the company and for all people. Everyone must understand that they have responsibilities in this area, inherently linked to the position they hold in the organization.

**The second line**

Formed by the Corporate Risk and Control Department and its divisional directors, who manage and oversee the integrated control and risk management model. This second line of defense includes areas specialized in specific topics such as occupational health and safety, environment, communities, water resources, tailings and projects, together with all areas that provide an advisory role to the first line of defense.

The executives and professionals who make up these areas must provide guidelines and directives for the first line of defense, to ensure the application of risk management and to oversee the administration of the system as a whole, by reviewing evidence with the objective of detecting any degradation in control mechanisms and systems.

They must also conduct monitoring of action plans and variations in levels of risk exposure.

The second line must also engage in oversight and prepare periodic consolidated reports to:

- **The board of directors** via the CACE, regarding critical risks.
- **The senior administration** at each work center, ensuring the delivery of risk management information to vice-presidents and general managers, via general or specific Committees.

The second line is also tasked with conducting activities centered on coordination and monitoring amongst risk management personnel, to generate decision-making and discussion forums linked to the model at both conceptual (design) and operational (implementation) levels.

**The third line**

The third line of defense comprises the Internal Audit Body and external auditing groups (such as those for financial statements and reporting by other oversight bodies). Its role, based on objectivity, is to verify the applicability of the model and compliance with operational effectiveness of control mechanisms, standards, and procedures.



# TRANSPARENCY AND INTEGRITY: A KEY INFLUENCE ON GOOD CORPORATE GOVERNANCE

## KEY ENABLING MECHANISMS FOR CODELCO'S TRANSFORMATION PROCESS

In a changing society and a setting that is becoming increasingly more complex, regulated, globalized and dynamic for the copper industry, it is becoming more and more important to possess corporate governance and management systems that are Committed to strategic business planning and to raising standards for integrity, management oversight and transparency, with the objective of ensuring the company's future sustainability. This is the only way we can be capable of meeting the challenge of contributing to the country's development and projecting our organization into the future.

We are convinced that our business must develop under the guidance of these principles, as key factors in the transformation process that our company is undertaking. During the past five years we have implemented a portfolio of initiatives to strengthen compliance practices and to reinforce business rules. Now more than ever, facing the challenge of this transformation,

we believe that these efforts must be enhanced to contribute to the formation of a culture of integrity, as a key element for an organization that seeks to maximize its efficiency and productivity.

Only by being efficient with the resources that we manage, and by competitively and sustainably maximizing the economic value of the company and its contribution to the state over the long term, can we then provide irrefutable proof of our commitment to Chile's development. Moreover, we must build this transformation on a cornerstone of transparency and integrity.

We at Codelco are Committed to "doing things right". Therefore, we are constantly working to find more robust mechanisms to eradicate corruption, prevent conflicts of interest, ensure due accountability, raise our standards and ensure the administration of suitable consequences.

Therefore, this year has seen considerable efforts towards finding new and better ways of performing our tasks, as a commitment and ongoing action that goes above and beyond mere compliance

with the law. Promoting this culture of integrity is therefore an essential element of Codelco's major change process, in which our staff take the lead.

## WE ARE CONTINUING TO STRENGTHEN OUR CONFLICT OF INTEREST MANAGEMENT SYSTEM

Conflicts of interest are one of the areas that we manage under a demanding prevention standard and a zero-tolerance approach.

In our daily tasks, putting personal interests above the interests of Codelco is considered unacceptable behavior. In this regard, we act on the basis of prevention and with certainty of the importance of protecting the integrity and credibility of the organization. This is why we have developed internal regulations that specifically cover what to do and what not to do in situations of this kind.





Our objective is to operate systems, control mechanisms, and procedures that allow us to identify and manage conflicts of interest, including real, potential, and apparent conflicts.

### **WE CONTINUE TO ENHANCE CONTROL MECHANISMS IN OUR RELATIONS WITH SUPPLIERS, SERVICE PROVIDERS AND CONTRACTORS**

Our Corporation's operations and investments require constant and efficient flows of goods and services from external sources. Therefore, a number of suppliers, service providers and contractors take part in the different phases of our business activities.

Suitable management of the risks inherent in relations with third parties means that it is vital for us to properly identify all factors that are involved. This helps us apply tools to ensure that Codelco makes business decisions under conditions of impartiality and with the highest standards of commercial ethics, transparency and integrity, to guarantee objectivity, free participation and equality between bidders, together with traceability for all processes and absolute adherence to internal regulations and legal requirements.

We at Codelco aim to maintain solid, transparent, and trusting relationships that build value and to generate business strategies that are guided by the principle of continuous improvement.

This means that Codelco take pains to understand, plan, specify, verify, review, and adjust all aspects relating to our supply chain, safeguarding transparency and compliance with regulations in all transactions with our suppliers, service providers and contractors.

For these purposes, we have established a uniform format for a range of forms used for background information declarations for suppliers, service providers and contractors; this, in an effort to apply simpler and more efficient control strategies for information management, allowing us to prevent conflicts of interest more efficiently.

These modifications include the option to declare the existence of any factor that could exert any influence, reduce the impartiality of business activities, or give the appearance of such issues (such as the existence of private business ties with any Codelco executive) . Similarly, a section on "Ethical Performance" has been included, whereby we require information linked to domestic legal regulations like Law 20.393, the Crime Prevention Law, and similar international requirements. These measures have been introduced to enhance the transparency of these operations as a mechanism for combating corruption and helping to enhance trust, which translates into value for the Corporation and, in turn, for Chile.



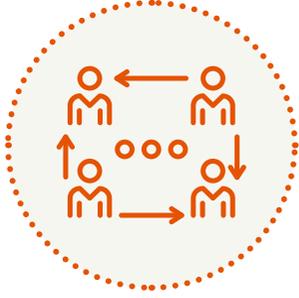
### **CERTIFICATION OF VICE-PRESIDENCY OF TRADE UNDER INTERNATIONAL BRIBERY PREVENTION STANDARD**

With the goal of strengthening our culture of integrity, transparency, openness, and compliance, our Vice-Presidency of Trade (VCO) has certified process management under the standards specified in the ISO 37,001 standard, for Anti-Bribery Management Systems.

In our culture of integrity, the installation of this anti-bribery management system has constituted a further step towards the success of our transformation process. Strengthening control mechanisms and ensuring new measures has helped to enhance the robustness of the core nature of integrity when establishing commercial agreements with clients and contractors.

We have established new procedures that complement existing corporate control mechanisms, such as requiring at least two persons to attend all business meetings held outside our headquarters; requiring that all gifts must be declared, regardless of their value; strengthening control measures associated with logistics service providers and contracting services; and implementing a platform for analysis of clients' reputation and finances. All of these measures form part of the ISO certification, complemented by the approval of an anti-corruption policy that provides a framework of actions for the activities performed by the VCO team.

This has allowed Codelco to become the first company to obtain this certification for one of the key processes in the global mining industry, thus strengthening the measures designed by the organization to prevent, detect and punish bribery.



**WE CONTINUE TO DEVELOP OUR PEOPLE**

Training can enhance our knowledge, skills, behavior and attitudes. Managing a culture of integrity that involves everyone in the problem solving process depends on having access to relevant information in terms of transparency and integrity for our roles and responsibilities.

Therefore, our current challenge is to bring our transparency and integrity regulations to all Codelco workers. For this purpose we have designed an Integrated Training, Instruction and Dissemination Plan that sets out to deliver and share this information and to enhance employee awareness that this task is a core responsibility for everyone who works at Codelco. We understand that operational plans must go hand in hand with a cultural shift process, which must necessarily incorporate the development of technical skills, adaptive abilities and behaviors.



División Andina



## WE HAVE UPDATED OUR CRIME PREVENTION MODEL

We at Codelco operate a Crime Prevention Model (CPM) as specified under Law 20.393, the Criminal Liability for Legal Entities Law, to meet our business duty to administration and oversight.

The model features a range of control actions and tools for processes and activities exposed to risks of the violations indicated in the law.

The regulations were amended in 2018 and 2019, adding a further eight types of violations to the existing list, which formerly only covered four. This led to a significant increase in the risk catalog, the mitigation control mechanisms in place and the general control environment.

Over the course of the year we have worked to update the model, bringing it in line with the new requirements specified in the legal framework and to address the certification process, which requires demonstrating — to an external expert body registered with the Comisión para el Mercado Financiero (CMF) the adoption and implementation of suitable measures to prevent crimes from being committed within the company. Certification is a result of a process including review of the design, correct implementation, analysis of shortfalls and ongoing monitoring of the Crime Prevention Model and is valid for two years.

## WE STRENGTHENED DISSEMINATION OF OUR CODE OF CONDUCT

Governance provides the structure that is used to set corporate objectives and the means to achieve them, without setting aside sustainability. This includes customs, values, policies and regulations / standards that help mitigate risks of all types, building organizational reputation, greater capacity to attract and retain human talent and a favorable ethical climate for handling conflicts of interest.

In line with the foregoing, during recent years we have engaged in efforts to strengthen our Code of Conduct as a tool to ensure that everyone is aware of our values and puts them into practice in the day to day. We understand that awareness of this Code allows us to protect the company's reputation and to specify what actions are permitted and what actions are beyond the limits of the law.

As part of our ongoing quest for improvement, and to keep pace with modern society, in 2019 Codelco adopted a practice of annual personnel certification for personnel. The objective is to ensure that all persons engage with the content of the Code, by means of a formal activity conducted online, by means of an e-learning course or in-person training, with records kept to ensure the traceability of these activities. As of November 30, 2019, 56% (9298) of the all staff numbers (16,759) were certified: 7,540 by means of e-learning, and 1,758 at in-person training sessions.



**596**  
grievances / complaints  
recorded

## REPORTING LINE

Our complaints and grievances reporting line opened in August 2009 and allows both named and anonymous reporting of events that could constitute breaches of the Business Code of Conduct, legal regulations and policies, procedures or any other standards that apply to our workers and their relationships with contractors and/or with third parties.

A total of 596 complaints were received in 2019, representing a 21% increase compared to 2018. During the year, 507 investigations were concluded (70 stemming from reports made in 2018 and 437 from 2019); a further 232 remain under investigation. 22 of the completed cases ended in sanctions.

## RANKINGS AND REPUTATION

### CODELCO LEADS INDUSTRY REPUTATION RANKING

For the tenth consecutive year Codelco has held the leading ranking in mining sector as the most highly valued state-owned company in Chile, according to the Merco 2019 study performed by the Corporate Reputation Monitor group. It also placed ninth in the ranking of the 100 companies with the best reputation in the country.

### LAW ON TRANSPARENCY

2019 saw the tenth anniversary of Law 20,285, the Law on Transparency in Public Office and Access to Information on State Administration. This law includes provisions establishing that state-owned companies must update their corporate website section on "active transparency". Our company attained a compliance level of 98.13% this year, according to figures published by the Transparency Council.

Information on the following aspects can be found at [www.codelco.com](http://www.codelco.com):

- Regulatory framework
- Organizational structure
- Executive personnel functions and competencies
- Financial statements and annual reports
- Subsidiaries and related companies and holdings in other organizations and entities

- Composition of the board of directors and identification of persons responsible for company administration.
- Consolidated personnel information
- Salaries paid to Codelco personnel and the company's board of directors; including the CEO and managers responsible for decision-making and administration of the company.

We at Codelco have also implemented a wide range of initiatives to provide information beyond and above what is legally required, which is recognized as best practice.

Best practices:

- Minutes of shareholders' meetings
- Minutes of agreements made at monthly board meetings and annual board management report
- Reporting line statistics
- Communication channels for community engagement to resolve questions, grievances and information requests.
- Essential facts
- Key information for investors.
- Links to apply for jobs at Codelco
- Tender processes
- Sustainability reports
- Diversity reports.

### 71% POSITIVE NEWS

Our company is never far from the media spotlight both in Chile and internationally. In 2019, the most significant press coverage was devoted to the

opening of one of our main structural projects, Chuquicamata Subterránea. Indeed, 2,629 out of 3,723 unbiased media reports published on different areas of interest at Codelco during the year were positive, amounting to 70.6% of the total.

### OVER ONE MILLION FOLLOWERS ON OUR SOCIAL MEDIA PROFILES

Codelco has been using social networks as a core tool in its communications strategy for over ten years. Currently, the company's platforms reach a total audience of 1.1 million followers, with robust and active communities on forums such as Facebook, Twitter, LinkedIn and Instagram.

The number of followers in 2019 grew throughout all of our pages, with the largest increases on

Instagram (73.8%), LinkedIn (45.3%), and Facebook (22.3%). Meanwhile, our Youtube channel received 994,000 views, a 26% increase over the previous year.

### CODELCO.COM

Our website [www.codelco.com](http://www.codelco.com) received a total of 2,897,647 hits, with 5,866,778 page views in 2019. The section on questions and grievances draws together all of our electronic communication channels to engage the community. One of these is the [comunica.cl](mailto:comunica.cl) address, which received 16,306 emails in 2019 (equivalent to over 44 messages per day). Most of the questions related to information on suppliers, jobs and recruitment.



# ANNUAL MANAGEMENT REPORT DIRECTORS' COMMITTEE 2019

## ANNUAL MANAGEMENT REPORT

The chairman of the Directors' Committee, Blas Tomic Errázuriz, stated that in accordance with Article 50 of the Corporation Law (Law 18.046), the Codelco Directors' Committee, also referred to as the Ethics, Compensation, and Auditing

Committee, is tasked with submitting an annual report at the ordinary shareholders' meeting. This report must cover the activities conducted, its annual management report and the costs that it has incurred, including advisory service expenses, during the 2019 period. For these purposes, Mr. Errázuriz submitted the following text for Committee approval:

## ANNUAL DIRECTORS' COMMITTEE MANAGEMENT REPORT

In 2019, Codelco's Directors' Committee members consisted of Juan Enrique Morales Jaramillo, Isidoro Palma Penco, Paul Schiodtz Obilinovich and Blas Tomic Errázuriz.

During this period, the Committee set out to fulfill its duties and conducted the activities specified under Decree Law 1.350 of 1976 and Law 18.046the Corporation Law, . These activities included a review

of the external auditors' reports, quarterly financial statements, payroll systems and compensation plans for senior executives and management personnel, and information on operations as stipulated in Section XVI of Corporation Law 18.046. With regard to the latter point, it should be noted that the Committee analyzed the transactions specified in that section and verified that all operations were in accordance with market conditions.



The Rajo Inca Project - División Salvador

The main activities and issues covered by the Directors' Committee during the 2019 period are listed below.

1.- OVERVIEW

AUDITING TOPICS:

Throughout the 2019 reporting period, and at each of its ordinary sessions, the Directors' Committee met with the Auditor General to learn the results of work in that area; specifically, to analyze activities under the Internal Auditing Plan and any deficiencies that had been detected. In particular:

- **At the ordinary session held on January 31, 2019,** the Directors' Committee reviewed the results of the Internal and Cochilco 2018 Auditing Plan and action plans to be implemented. The Committee reaffirmed the need to draw up a work plan and plan for relations with that body, reflecting the importance of its oversight function.

- **At the ordinary session held on February 28, 2019,** Blas Tomic submitted the Directors' Committee Management Report for 2018. The Committee reviewed, approved, and authorized this report for publication in Codelco's Annual Report.
- **At the ordinary session held on May 30, 2019,** the Committee was informed of the monitoring of Cochilco agreements and audits.
- **At the ordinary session held on June 27, 2019,** the Committee was informed on the monitoring of Cochilco agreements and audits. The Directors' Committee fully analyzed the model for sanctions arising from Internal Auditing and related investigations.
- **At the ordinary session held on July 25, 2019,** the Directors' Committee met with the Auditor General. The purpose of this meeting was for the Committee to learn the results of quarterly activities in that area; specifically, to analyze

activities under the Internal Auditing Plan and the deficiencies that had been detected. The Committee was also informed on oversight of Cochilco agreements and audits.

- **At the ordinary session held on August 29, 2019,** the Directors' Committee analyzed and approved the 2019 Internal Auditing Budget and was informed on the monitoring of Cochilco agreements and audits.
- **At the ordinary session held on September 26, 2019,** the Directors' Committee was informed on the monitoring of Cochilco agreements and audits.
- **At the ordinary session held on October 24, 2019,** the Directors' Committee met with the General Auditor to learn the results of quarterly activities in that area; specifically, to analyze activities under the Internal Auditing Plan and the deficiencies that had been detected. It was also informed on monitoring of Cochilco agreements and audits.

- **At the ordinary session held on November 28, 2019,** the Directors' Committee was informed on monitoring of agreements and auditing at Cochilco.

The Directors' Committee fully analyzed and recommended the approval of the new model for sanctions arising from internal auditing and related investigations.

- **At the ordinary session held on December 19, 2019,** the Directors' Committee approved the 2020-2023 Internal Auditing Plan, and the amendment of the Internal Auditing Statute. It was also informed on monitoring of agreements and auditing at Cochilco.



## RELATED PARTIES AND PERSONS:



Throughout the 2019 period, and at each ordinary session, the Board Committee reviewed all transactions with related parties, parties with exposure to Codelco, and politically exposed parties. The Committee also reviewed all transactions in which any director, executive or manager of the company may have conflicts of interest, and advised the board to approve the contracts that had been reviewed and that adhered to market conditions.

The Directors' Committee prepared a report with an analysis and approvals agreed at each session, a copy of which was sent to the board of directors for their information.

- **At the ordinary session held on April 31, 2019**, the Directors' Committee reviewed the status of declarations of equity ownership and interest within Codelco.
- **At the ordinary session held on June 30, 2019**, the Committee was informed of the status of declarations of equity ownership and interest in accordance with NCC 18.
- **At the ordinary session held on October 24, 2019**, the Directors' Committee reviewed the status of audits on conflicts of interest within Codelco.
- **At the ordinary session held on December 19, 2019**, the Directors' Committee reviewed recommendations on conflict of interest regulations and the Code of Conduct. It was also informed of the status of claims before the Public Ministry.

## REMUNERATIONS TOPICS:

During 2019, the Directors' Committee reviewed and monitored Compensation Plans and Salary Systems (Performance Agreements) for the CEO, division general managers, vice-presidents, and other level-two executives, and was informed on Human Capital and Compensation Policies at the company, which it examined. In particular:

- **At the extraordinary session held on January 21, 2019**, the Directors' Committee conducted performance evaluations on the CEO and Auditor General for 2018, and unanimously approved the evaluations and corresponding bonus payments.
- **At the ordinary session held on January 31, 2019**, the Vice-Presidency of Administration and Finance gave a presentation and the Directors' Committee reviewed the results, indicators, and key focus points of the 2018 Performance Agreement.
- **At the ordinary session held on February 29, 2019**, the Committee conducted an exhaustive analysis before approving the 2019 Performance Agreement Proposal submitted by the Vice-Presidency of Administration and Finance, and requested the administration to take the Committees opinions and remarks into consideration.
- **At the ordinary session held on March 28, 2019**, the Directors' Committee reviewed and analyzed the details of the proposal for modification of incentives for executives at Codelco, before approving the administration's proposal.

- **At the ordinary session held on May 30, 2019**, the Committee was informed on the compensation plan for Role E corresponding to 2019.
- **At the ordinary session held on August 29, 2019**, the Directors' Committee analyzed and examined the Better Future Benefit for executives.
- **At the ordinary session held on September 26, 2019**, the Committee was informed on the status of the 2019 compensation plan for Role E and international mobility.
- **At the ordinary session held on December 19, 2019**, the Directors' Committee reviewed and analyzed the details of the presentation on mobility for Codelco executives.

## ETHICS AND CONTROL:

The Directors' Committee was informed on compliance with the Corporation's Business Code of Conduct and Ethics, particularly practices to prevent or manage conflicts of interest, transparency, corruption and fraud. It also reviewed compliance with regulations on criminal liability for legal entities.

During all ordinary sessions held in 2019, the Committee studied, analyzed and received reports prepared by management regarding contracts signed with related, linked, and subsidiary companies, and reports on all direct awards.

Además, revisó el resultado del seguimiento de las auditorías y la cultura de gestión y control de riesgos de la Vicepresidencia de Proyectos y a nivel corporativo. Se analizaron los riesgos y eventos críticos de 2019.

- **At the ordinary session held on January 31, 2019**, the Directors' Committee was informed on the results of investigations into complaints completed during 2018. It also reviewed the results of monitoring audits and the risk control and management culture at the Vice-Presidency of Projects and throughout the corporation as a whole. Critical risks and critical events from 2018 were analyzed.

The Directors' Committee was informed on updates to the Crime Prevention Model resulting from the amendment of Law 20.393, and relevant accounting issues.

The Committee conducted an in-depth analysis of procedures for tender processes, purchases, and contracts for more than US\$100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management area and Vice-Presidency of Projects, and advised the board to approve these procedures.

- **At the ordinary session held on February 28, 2019**, the Directors' Committee reviewed the 2018 External Auditors' Report. It also reviewed changes to critical events and risks in 2019.

The Directors' Committee was informed on the new suppliers' financial evaluation system.

- **At an ordinary session held on March 28, 2019**, the Committee reviewed the Codelco consolidated financial statements and external auditors' reports.

Following a number of questions and responses from those presenting this information, the Directors' Committee unanimously declared the company's financial statements to have been reviewed, together with corresponding notes, profit and loss statements and relevant facts, as well as the external auditors' reports.

The Directors' Committee conducted a full study into the various proposals and submitted its findings in the official newspaper for publications in 2019 and the risk classification agency for the same period.

The Directors' Committee studied and agreed to recommend that the board approve the proposed amendments to the Crime Prevention Manual, and received a presentation on the enforceability of the Code of Conduct with subsidiaries and contractors.

Finally, the Directors' Committee conducted an in-depth analysis of the procedures for negotiations, tender processes, purchases, and contracts for more than US\$100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the board to approve these procedures.

- **At the ordinary session held on April 25, 2019**, the Directors' Committee analyzed progress made in the accounting system for health subsidiaries. It also reviewed the results of monitoring audits at the Vice-Presidency of Projects and critical corporate risks.

The Directors' Committee reviewed the

amendments to the Scope of Faculties Manual. It was also informed on trading guidelines and progress in the supplier financial evaluation system.

Finally, it conducted an in-depth analysis of changes to direct awards.

- **At the ordinary session held on May 30, 2019**, the Directors' Committee was informed on and analyzed the external auditors' work plan, the report on the March 31 review, and the financial statements from the first quarter.

It was also informed on and analyzed the proposal for improvements to accounting control for subsidiaries.

It reviewed progress in cyber-security at Codelco.

The Directors' Committee conducted an in-depth analysis of procedures for tender processes, purchases and contracts for more than US\$100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects and advised the board to approve these procedures.

Finally, the Directors' Committee discussed the competitiveness report for tender processes.

- **At the ordinary session held on June 27, 2019**, the Committee agreed to amend NCC 18 in order to regulate conflicts of interest with former employers.



Nancy Rojas, Gabriela Mistral.



The Directors' Committee was informed on risks arising under Law 20.393 and the project to incorporate environmental violations.

It conducted an in-depth analysis of procedures for tender processes, purchases and contracts for more than US\$100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the board to approve these procedures.

- **At the ordinary session held on July 27, 2019,** the Directors' Committee received information on critical risk management and monitoring of agreements at Internal Auditing and the audit departments of Cochilco.

It reviewed the enforceability of the Code of Conduct with subsidiaries.

The Directors' Committee conducted an in-depth analysis of procedures for tender processes, purchases, and contracts for more than US\$100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the board to approve these procedures.

Finally, it analyzed the tender processes that had been awarded during the previous year.

- **At the ordinary session held on August 29, 2019** the Directors' Committee received and analyzed a presentation on an external and independent opinion regarding the insurance model.

The Directors' Committee was informed on progress in the suppliers' financial evaluation system.

It then analyzed the Codelco financial statements and external auditors' reports. Following a number of questions and responses from those presenting this information, the Directors' Committee unanimously declared the company's financial statements to have been reviewed, together with corresponding notes, profit and loss statements and relevant facts, as well as the external auditors' reports.

The Directors' Committee conducted an in-depth analysis of procedures for tender processes, purchases, and contracts for more than US\$100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the board to approve these procedures.

Finally, it analyzed the biannual report on the Crime Prevention Model.

- **At the ordinary session held on September 26, 2019,** the Committee received a presentation on the Compliance Model in use at Codelco.

The Directors' Committee was informed on progress in the suppliers' financial evaluation system and analyzed tender processes awarded in the past year.

The Directors' Committee conducted an in-depth analysis of procedures for tender processes, direct awards, purchases and contracts for more than US\$100 million and contract modifications amounting to more than 40%, submitted by the Internal Audit Division, the Corporate Supply

Management Division, and the Vice-Presidency of Projects and advised the board to approve these procedures.

It was also informed on and analyzed progress in accounting control for subsidiaries.

- **At the ordinary session held on October 24, 2019,** the Directors' Committee conducted an in-depth analysis of procedures for tender processes, direct awards, purchases and contracts for more than US\$100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and the Vice-Presidency of Projects, and advised the board to approve these procedures.

- **At the ordinary session held on November 28, 2019,** the Directors' Committee conducted an in-depth analysis of procedures for tender processes, direct awards, purchases and contracts for more than US\$100 million and contract modifications amounting to more than 40%, submitted by the Internal Audit Division, the Corporate Supply Management Division, and the Vice-Presidency of Projects, and advised the Board to approve these procedures.

It then analyzed the Codelco financial statements and external auditors' reports. Following a number of questions and responses from those presenting this information, the Directors' Committee unanimously declared the company's financial statements to have been reviewed, together with corresponding notes, profit and loss statements and relevant facts, as well as the external auditors' reports.

The Directors' Committee received information on critical risk management and monitoring of agreements at Internal Auditing and the audit departments of Cochilco. The Committee was also updated on the status of the Compliance Model and Crime Prevention Model in use within Codelco.

- **At the ordinary session held on December 19 2019**, the Committee analyzed the proposal for the Integrated Corporate Risk Management Policy, and advised the board to approve it.

The Directors' Committee conducted an in-depth analysis of procedures for tender processes, direct awards, purchases and contracts for more than US\$100 million and contract modifications amounting to more than 40%, submitted by the Internal Audit Division, the Corporate Supply Management Division, and the Vice-Presidency of Projects, and advised the Board to approve these procedures.



**2.- COCHILCO**

The Directors' Committee was informed on the Cochilco Annual Review Plan, which for the 2019 period comprised 35 activities, defined as:

- 14 audits
- 15 oversight actions
- 2 reviews (compliance with Law 13.196)
- 4 monitoring actions.

During 2019, Cochilco issued 39 reports, covering 32 projects that began in 2019 and 7 that began in 2018. The foregoing consisted of 14 audits, 19 oversight actions, 4 monitoring actions and 2 reviews.

The Auditor General gave a monthly presentation to the Ethics, Compensation, and Auditing Committee on progress in work completed by Cochilco relating to its oversight and audits of Codelco during 2019.

The Auditor General reported that all work completed by Cochilco had been duly reviewed. Similarly, he reported that there had been no delays in responding to requests for background information issued by the oversight body and therefore no sanctions proceedings had been launched for such issues.

Monitoring activities were conducted by a Coordination Committee, which met on a monthly basis. This Committee consists of executives at the Internal

Auditing Department, General Corporate Secretary's Office, Legal Service, Corporate Risk and Control Department, VP's Office for Project Oversight and Investments, and Corporate Department for Project Control and Investments.

The activities of the Coordination Committee during 2019 included biweekly meetings coordinated by the Corporate Risk and Control Department, with Codelco personnel appointed as counterparts to handle the requirements of the oversight body. Meetings were also held with the Cochilco Oversight Department whenever requested by the oversight body, coordinated by the Internal Auditing Department at Codelco.

This department's internal processes also include continuous monitoring of the status of oversight actions, as well as activities to ensure the provision of information and/or background data requested by the oversight body.

**3.- DIRECTORS' COMMITTEE EXPENDITURE ON ADVISORY SERVICES**

The Directors' Committee does not possess a budget for operating expenditure, so has not commissioned any advisory services.



## TRANSFORMATION AND FUTURE

# WE ARE CHANGING OUR ORGANIZATION, OPERATIONS, AND CULTURE TO BECOME A BETTER COMPANY

Codelco is currently engaged in a deep-seated organizational, operational and cultural transformation. We are preparing ourselves to continue contributing to Chile's development for another 50 years, through excellence in our operations and projects, development of resources in reserves, optimized talent management, streamlined adoption of technology and innovation and a vocation for sustainability in the broadest sense of the word.



Tailings treatment plant, División El Teniente



Corporate Profile



Key Indicators



Our Management



Transparency, integrity and good corporate governance



Transformation and future



Subsidiaries and affiliated companies



2019 Consolidated financial statements



Offices and representatives



# CHUQUICAMATA SUBTERRÁNEA, A CUTTING EDGE, SUSTAINABLE FLAGSHIP PROJECT FOR THE FUTURE OF CHILEAN MINING

The Corporation has entered into a new cycle, following over 100 years of open pit mining at the site. August 2019 saw the official opening of underground mining at the major ore deposit located at a depth of a little over a kilometer, with standards in place to successfully meet 21st-century safety and environmental standards.

After 104 years of continuous open pit mining at the Chuquicamata site, in August 2019 we kicked off the underground mining phase for the major ore deposit located at a depth of a little over a kilometer, underlying the current Chuquicamata deposit.

This project required an unprecedented engineering and technical effort by the Chilean mining industry, and a level of investment ascending to US\$ 5.5 billion (including early works).

Following the kickoff ceremony, production began with a seven-year ramp up that will reach an ore production rate of 140,000 tons per day (tpd) by

2026. This will mean annual production figures of over 320,000 fine metric tons of copper and more than 16,000 fine metric tons of molybdenum.

The deposit holds reserves amounting to 1.028 billion tons of ore, at a richer head grade of 0.82%. These figures show that Chuquicamata is set to carry on contributing to Chile's development for at least four more decades.

In parallel with this investment in capital and technologies to open underground mining, we have financed other crucial projects at the same work center to run alongside this modernization. These

include a refinery redesign, stabilization of material treatment in the concentrator plant, the opening of a smelter unit that complies with Supreme Decree 28, sustainable management of the tailings dump, an increase in water and energy efficiency, the opening of an Integrated Operation Center that will enhance workplace safety and the modernization and optimization of administrative and service processes.

In figures, this more sustainable production rate will result in a 97% reduction in emissions of particulate matter, with no increase in water consumption and a reduction in diesel consumption by





Air extraction system, Chuquicamata Subterránea

80% to 97% and reduce the current operating consumption of 75,000 cubic meters to between 2000 and 15,000. Chuquicamata Subterránea is therefore primed to take on the environmental and safety standards of the 21st century.

It is logical that these operational and technological innovations will lead us into a cultural transformation, with new ways of working and relating with our jobs. Our executives, professionals and workers at Chuquicamata are taking on the responsibility of leading the transformation, strengthening their talents, generating synergies with other areas and divisions, working with the latest information, playing an active role in management and dedicating themselves to being part of the improvement.

These changes are indispensable. To enhance the competitiveness of the operation, we need to go to extreme lengths to control costs, strive for operational excellence and increase productivity.

Indeed, our commitment is to achieve a 40% increase in job productivity, from 44 fine metric tons of metal per person (fmt/person) to 61 fmt/person in 2025.

This is vital in order to meet the commitment of all our structural projects: repositioning Codelco as one of the most sustainable, competitive and profitable copper producers in the world.

The opening of this flagship project was widely covered in the media. National news outlet Chilevisión broadcast extensive TV coverage of the milestone achievement, with some items lasting more than nine minutes in duration. The event was also covered in the top printed, online, radio and international media.

For a media summary, please follow this link: [Click here](#)

**OTHER STRUCTURAL PROJECTS AND PRINCIPAL ADVANCES IN SUSTAINABILITY AND ENVIRONMENTAL MANAGEMENT**

The extreme complexity involved in designing, building, and opening structural projects on this scale every one or two years constitutes a challenge that no other mining company in the world is facing today.

We at Codelco are not only engaged in the enterprise of turning Chuquicamata into an underground mine; we are also building major projects at El Teniente and the Traspaso Andina site. A further three projects are at varying stages of review or engineering: Rajo Inca, Desarrollo Futuro Andina and RT Sulfuros Fase II.

All of these major engineering projects are vital for our future, not only because they will allow our mineral reserves and resources to be transforme

into economic value, but also because they will help to maintain our capacity to generate earnings over the course of time.

Meanwhile, work on project evaluation in the Environmental Impact Assessment System (SEIA) this year bore fruit in the form of a favorable environmental classification for the project to renovate Andina mine works for the continuation of existing operations. This will ensure the operational continuity of División Andina until 2038.

An environmental assessment is also underway for the "Rajo Inca" project at División Salvador, which has successfully concluded its indigenous peoples consultation phase.

In line with commitments reached in the environmental assessment process for the Sulfuros II project, the Talabre Geoglyph was restored in 2019, with activities completed to improve the visibility of Talabre's three prehistoric figures.



# INVESTMENTS AND PROJECTS

During 2019 we achieved an investment level of US\$ 3.673 billion, allowing us to implement major advances in structural projects and launch and break ground on activities to attain compliance with the emissions law for copper smelters (DS 28) at the El Teniente, Chuquicamata, and El Salvador facilities.

In line with the Corporation's strategic core areas, investment associated with the implementation of structural projects at Chuquicamata Subterránea, El Teniente, and Traspaso Andina amounted to US\$ 1.435 billion in 2019, 39% of total investment. During the year, key achievements included the opening of underground mining at Chuquicamata Subterránea, the launch of principal mining contracts at Andes Norte Nuevo Nivel Mina (NNM) and progress in construction and assembly at Traspaso Andina.

With respect to the activities aligned with achieving compliance with Supreme Decree 28 (which establishes emissions standards for smelters),

we launched applicable project portfolios at the Chuquicamata, Caletones and Potrerillos smelters, with a consolidated corporate investment of US\$ 629 million in 2019. These projects are now operating in accordance with the regulatory requirements.

In accordance with the corporate strategic plan for prioritization and optimization of the project portfolio, we are engaged in a number of initiatives to achieve the goal of saving US\$ 8 billion in investments by 2028. These actions are focused on enhancing project alignment with the company's needs and optimizing business cases, project costs and designs, using productivity methods.

## INVESTMENTS 2019

IN MILLIONS OF US\$

Development projects	1,719
Equipment replacement and facility renovation	182
Sustainability	897
Research and Studies	161
Business	18
Mine development and deferred expenditure	650
Exploration	46
<b>TOTAL</b>	<b>3,673</b>

*Note: Data extracted from real costs as of December 2019 SAP/R3, nominal currency, subject to accounting adjustments.*

### VICE-PRESIDENCY OF PROJECTS

Within the framework of our corporate transformation, the Vice-Presidency of Projects has set the challenging goal of achieving a 20% CAPEX reduction for the next 10 years, during which time the body's investment budget amounts to US\$ 20 billion (approximately 50% of the Codelco total for the period). This will be achieved by changing the ways in which we design, manage, and implement our projects. Given this major challenge and the specific goals that have been set, which are necessary for the company's viability, in 2019 the Vice-Presidency was reorganized to become a center of excellence for projects.

Achievements at the Vice-Presidency during 2019 included zero fatal incidents and the lowest incident frequency index that we have ever attained (0.58). We achieved 98% budgetary compliance and hit a number of key project milestones, keeping us on track with the development and sustainability of our operations.

We worked a total of 43 million person-hours (16% more than in 2018), equivalent to 18,000 people working each day at our projects.



### DIVISIÓN CHUQUICAMATA

#### Chuquicamata Subterránea

The structural project to transform Chuquicamata from an open pit operation to an underground mine is now a reality. An innovative productivity management model allowed us to implement this project, with all key productivity milestones achieved ahead of schedule. Production began in May and the material management system went online in September, meeting the key milestones for 2019 and launching operations at the project.

Other key achievements included the consolidation of the productivity model applied to primary construction contracts, allowing a number of significant optimizations to be achieved in implementation costs for project phases. Projected savings on the project's authorized budget as of the close of 2019 amounted to US\$ 730 million (13% in savings).

We are currently engaged in the pre-feasibility study for operation of a second mining level at Chuquicamata Subterránea. This study was authorized in October 2019 and will allow us to define core aspects such as the optimum elevation level and pre-feasibility engineering, to build a business case and apply for funding to proceed with the feasibility study phase.

By December 2019 the project had achieved a physical progress level of 96% and 376,000 of ore had been extracted from the underground mine. In 2020 we plan to undertake the final completion activities and the definitive closure of all open contracts.

#### Chuquicamata Smelter Unit

In order to meet the requirements specified under Supreme Decree 28, in 2019 we launched and began operations at this entire project portfolio. Key activities included the construction of two new double-absorption acid plants, optimizations to the flash furnace, replacement of drier 5 and the installation of the refinery gas treatment system.

One key achievement is the new acid plants, now operating with automated systems and surpassing the gas quality parameters for which they were designed.

#### Other projects

Stage 8 construction at Talabre tailings dam aims to extend the dam wall height by six meters, topped out for all walls in 2019, and the water-recovery system and operations were activated. The foregoing met the operational milestones required for the reservoir fill plan.

Physical progress stood at 97% as of the end of December and the project is on track for completion in the fourth quarter of 2020.

Meanwhile, in 2019 the feasibility study for Stage 9 construction was authorized, as was the feasibility stage for the future tailings thickening plant.

## CHUQUICAMATA SUBTERRÁNEA IN FIGURES

US\$ 5.5 billion total investment (including early works)



149 km of tunnels completed, out of a total of 151

96% progress in all construction





## DIVISIÓN EL TENIENTE

### El Teniente Development Plan

The Andes Norte NNM project for a new mining level achieved 56% physical progress, including the award of the principle mining contracts at the start of the year, allowing continuation of mining activities and ore and personnel transport tunnels.

This project will extend operations at the division by 50 years, accessing Teniente 9, at a greater depth than current mining sectors. Together with the division's Andesita and Diamante projects, these activities form the El Teniente Alternative Development Plan and replace the original new mine level plan "Nuevo Nivel Mina".

During the year we kicked off key mining contracts for interior mine works, conveyor tunnel excavation of the crusher chamber. We have responded with sufficient flexibility with the construction methods used to address the geomechanical complexity of this project (high-stress zone), with pioneering work using hydraulic-fracturing to dig tunnels. One key point is that we have achieved enhanced maturity in cost management by the application of mechanisms such as the Agile methodology.

In late 2019 we also completed work on the supporting information report for the investment project, covering early phases (continuity of the previous Nuevo Nivel Mina project). Meanwhile, following the award in February of the contracts for access works and facilities construction activities, with early works at Andesita

and Diamante achieving physical progress of 32% and 22%, respectively. Investment projects are currently undergoing internal review and review by Cochilco and the Ministry of Social Development and Families (MDSF), for submission to the authorization process in the first half of 2020.

56% progress  
in mining  
developments  
for the  
Andes Norte  
sub-project



### Caletones Smelter Unit

Commissioning of the slag plant began in November.

### Other projects

One important project for continuity of operations at división El Teniente is the capacity expansion of the Carén reservoir, with Stage 7 construction consisting of extending the main wall height by nine meters, together with other related works.

During the year we developed the infrastructure necessary to implement the fill plan and operation of El Teniente: we have implemented the first five

meters of the wall height expansion, as well as principal water capture and drainage infrastructure. Overall physical progress stands at 29%.

## DIVISIÓN RADOMIRO TOMIC

### Sulfuros Radomiro Tomic II

The pre-feasibility study is underway, as authorized in June 2019, submitting as of the end of December, and physical progress at 90%.

Authorization for funding for the feasibility study is expected in the second half of 2020.

One essential aspect for the next phase of this mega-project is to apply what we have learned about lean design and implementation. Therefore, we expect significant savings in the construction phase compared to the current sections of the Business and Development Plan.

### Northern District desalination plant

The water desalination system for the Northern District, consisting of third party financing, execution and operation, is currently undergoing coordinations for a new tender process.

### Other projects

Also at División Radomiro Tomic, we are working on an infrastructure restoration and transfer project for operations in the northeastern zone of the mine pit, which will allow oxidized ore processing to continue through to 2027. During 2019 we submitted the feasibility study for review and authorization.

83% overall  
progress at  
Traspaso  
Andina



## DIVISIÓN SALVADOR

### Rajo Inca

Rajo Inca is a project that will allow operations at División Salvador to be extended from 2021 onwards, given that current resources in this sector have been exhausted.

In 2019 we achieved significant progress including the submittal of supporting information for the investment project and maintained 73% progress in early phases.

Rajo Inca is currently in the final stages of environmental assessment and undergoing internal review and review by Cochilco - MDSF, for submission to the authorization process during the first half of 2020.

### Potreros Smelter Unit

Within the framework of projects to attain compliance with Decree 28, in 2019 the projects to enhance gas and smoke processing and treatment were commissioned and launched, thus meeting the requirements under the new regulations.



## DIVISIÓN ANDINA

### Traspaso Andina

Traspaso Andina is a project to relocate the existing primary crusher unit, which will allow expansion of the mine pit. For these purposes we are building a new primary crusher unit and necessary infrastructure, in a zone known as Node 3,500.

The project includes an ore transport conveyor tunnel (4.8 km) connecting the new unit with the current concentrator plant.

In 2019 we completed underground excavation activities and assembly of the landslide prevention systems. At Node 3,500 we attained 75% progress for surface construction (maintenance workshop, mancamp, wastewater treatment plant, water storage ponds). Other key activities included mechanical assembly of the regenerative conveyor and principal components of the primary crusher.

We attained overall project progress at 83%, and plan to begin commissioning of the primary crusher and regenerative conveyor.

### Desarrollo Futuro Andina

Desarrollo Futuro Andina is a project that consists of expanding the current ore treatment capacity at división Andina to 150,000 tons per day.

Desarrollo Futuro Andina is currently in the feasibility study stage with physical progress at 56%. It is important to note that this project calls for use of

a technology that guarantees the project's social, environmental and economic sustainability, and ensures a balance between mining development and the communities that surround the site.

Another area of importance is to strive to achieve improvements with lean design techniques and to plan implementation with lessons learned in terms of productivity, thereby allowing us to cut the CAPEX by approximately 20%, compared to pre-feasibility estimates.

### Other projects

On November 8 an Environmental Qualification Resolution was issued, providing a favorable ruling on environmental assessment for the renovation of Andina mining works for the continuation of existing operations. This will permit the development of the Depósito de Lastres Norte Extendido project that will, in turn, provide operational continuity for División Andina.

During the year, the project for condition enhancement activities (mitigating risks pertaining to project overruns) was approved. We also submitted a review and authorization for the investment approval system for the main project.

At the division's Ovejería tailings pond, we achieved the project milestone for operational continuity of the water system on schedule and launched construction of the flood drainage tunnel. Overall total project progress stands at 81%.





# MINERAL RESOURCES AND RESERVES

With minerals resources consisting of total of 120 million fine metric tons of copper, we at Codelco are able to decidedly sustain our mining plans over the long term.

We at Codelco report our inventory of mineral assets in accordance with applicable regulations. We also report the geological resources that indicate the potential of deposits identified to date.

Geological resources are derived from the exploration process and are estimated using geo-scientific models. They are classified as measured, indicated, and inferred resources. When these geological resources show a reasonable perspective for economic extraction, they are referred to as mineral resources.

Our mining assets are categorized using a standard similar to the one in use throughout the industry. We conduct thorough and verifiable monitoring of the categorization process, as well as quality control on geological modeling and the resource estimation process.

Geological resources in the 2019 inventory for increased by 0.5% in fine copper, mainly due to progress in the surveying campaigns conducted at the southern sector of división Ministro Hales.



Construction of interior mine transfer station, Chuquicamata Subterránea



## INVENTORY OF TOTAL GEOLOGICAL RESOURCES

Category	Ore (Mt)		Grade (%CuT)		Fine Copper (Mt)	
	2019	2018	2019	2018	2019	2018
<b>Radomiro Tomic</b>	7,591	7,442	0.40	0.41	30.7	30.5
Measured	1,373	1,324	0.48	0.48	6.6	6.4
Indicated	1,674	1,701	0.43	0.43	7.2	7.3
Inferred	4,544	4,417	0.37	0.38	16.8	16.8
<b>Chuquicamata</b>	14,633	14,588	0.43	0.44	63.3	63.8
Measured	2,926	2,850	0.65	0.63	18.9	18.0
Indicated	1,564	1,843	0.49	0.50	7.6	9.2
Inferred	10,143	9,895	0.36	0.37	36.7	36.6
<b>Ministro Hales</b>	3,010	2,421	0.75	0.79	22.6	19.2
Measured	306	308	0.99	1.00	3.0	3.1
Indicated	688	522	0.84	0.84	5.7	4.4
Inferred	2,016	1,591	0.69	0.74	13.8	11.8
<b>Gabriela Mistral</b>	1,438	1,470	0.33	0.34	4.8	5.0
Measured	349	378	0.35	0.34	1.2	1.3
Indicated	65	68	0.32	0.34	0.2	0.2
Inferred	1,024	1,024	0.33	0.34	3.3	3.5
<b>Salvador</b>	3,475	3,485	0.41	0.41	14.1	14.2
Measured	606	616	0.47	0.47	2.8	2.9
Indicated	604	604	0.37	0.37	2.2	2.2
Inferred	2,265	2,265	0.40	0.40	9.1	9.1

Category	Ore (Mt)		Grade (%CuT)		Fine Copper (Mt)	
	2019	2018	2019	2018	2019	2018
<b>Andina</b>	22,063	22,097	0.61	0.61	135.3	135.3
Measured	2,790	2,812	0.72	0.72	20.1	20.2
Indicated	2,569	2,586	0.65	0.64	16.7	16.6
Inferred	16,704	16,699	0.59	0.59	98.6	98.5
<b>El Teniente</b>	16,418	16,367	0.57	0.58	93.9	94.8
Measured	2,533	2,904	0.85	0.82	21.6	23.9
Indicated	2,766	2,935	0.59	0.57	16.2	16.8
Inferred	11,119	10,529	0.50	0.51	56.1	54.2
<b>Other deposits</b>	3,035	3,035	0.34	0.34	10.5	10.5
Measured	149	149	0.26	0.26	0.4	0.4
Indicated	170	170	0.27	0.27	0.5	0.5
Inferred	2,716	2,716	0.35	0.35	9.6	9.6
<b>Artificial Resources</b>	5,333	5,385	0.36	0.37	19.1	19.9
Measured	182	116	0.86	0.60	1.6	0.7
Indicated	499	231	0.68	0.56	3.4	1.3
Inferred	4,652	5,038	0.30	0.36	14.2	17.9
<b>TOTAL RESOURCES</b>	76,996	76,290	0.51	0.51	394.2	392.1
Measured	11,214	11,457	0.68	0.67	76.2	77.0
Indicated	10,598	10,659	0.56	0.55	59.8	58.5
Inferred	55,184	54,175	0.47	0.48	258.2	256.6

Mt: Millions of tons - CuT%: Total copper grade



Each year we prepare our Business and Development Plan that contains short, medium and long-term business projections for exhausted resources at each deposit. This plan is based on a long-term strategic plan focusing on mineral resources with economic potential, including geological, metallurgical, geomechanical, economic, financial, environmental and community factors.

## MINERAL RESOURCES, INCREASE BY SIX MILLION FINE METRIC TONS OF COPPER IN 2019

Each year we undertake drilling campaigns that allow us to develop robust resource models that support progress in operations and the different stages of engineering at divisional projects.

This requires a number of activities that are identified in the corporate strategic agenda, which are characterized by monitoring as well as oversight to verify progress and budgeting over the course of time.

Our corporate resource inventory includes mineral reserves and consolidates information on oxide and sulfide ores at all divisions, by means of surveying the scale of economic deposits at open pit mines and volumes of ore to be extracted at underground mines.

Mineral resources show an increase of six million fine metric tons of copper compared to the values

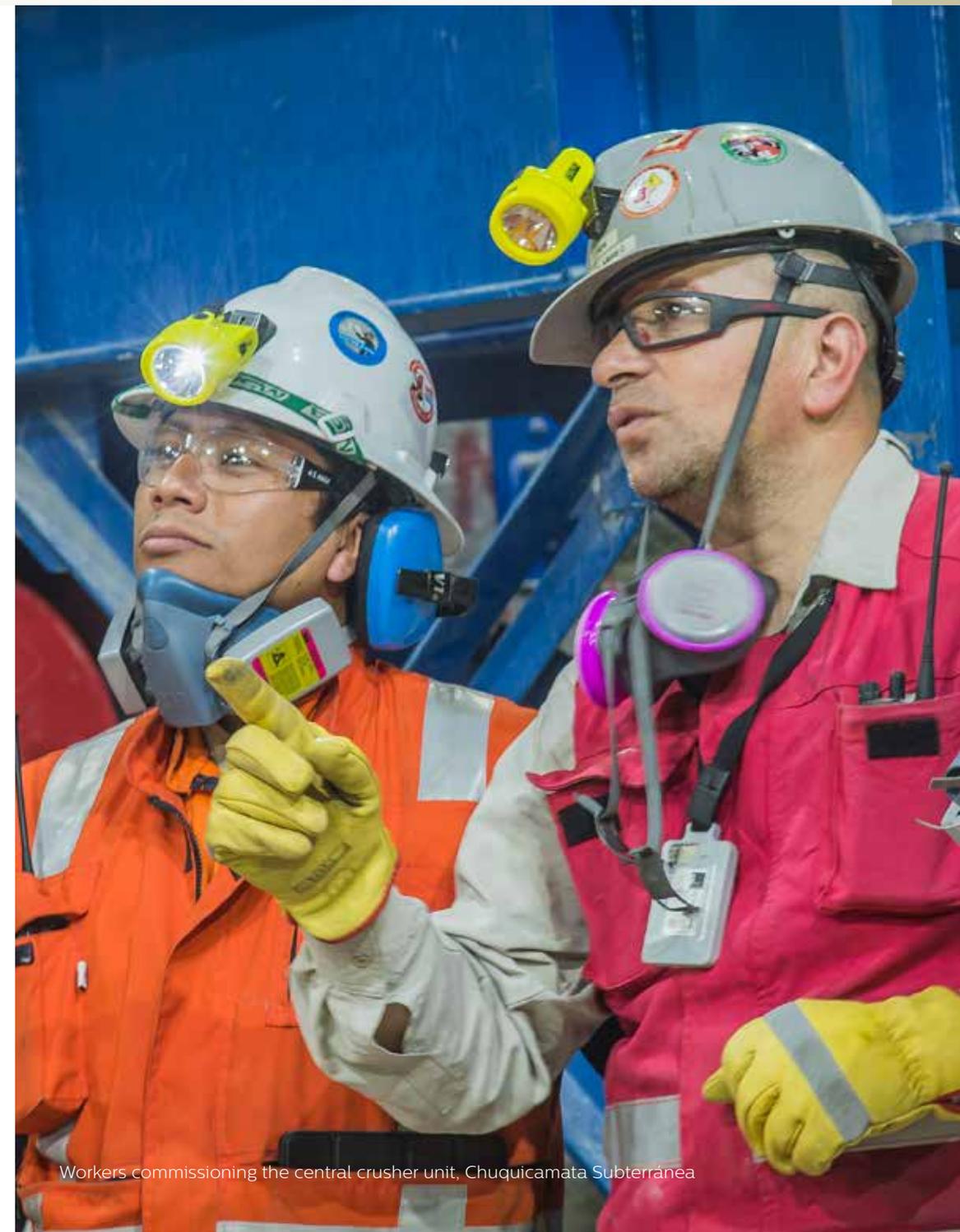
Artificial resources consist of fractured rock and other material remaining from mining at sectors that have already operated as underground mines and stock, which is the resource extracted from open pit mines and stockpiled in duly identified areas.

reported in 2018. This is mainly due to an increase in the resource model at división Ministro Hales and adjustments to mine designs at Radomiro Tomic, Andina, and El Teniente.

Including our holdings in the Anglo American Sur, Inca de Oro and El Abra deposits, inventory consists of 18.1 million fine metric tons of copper.

In total, Codelco's mineral resources amount to 140.2 million fine metric tons of copper.

Our mineral reserves are determined in accordance with the code prepared by the Comisión Calificadora de Competencias de Recursos y Reservas Mineras, which was created under Law 20.235.



Workers commissioning the central crusher unit, Chuquicamata Subterránea



## INVENTORY OF MINERAL RESOURCES BY DIVISION

Category	Ore (Mt)		Grade (%CuT)		Fine Copper (Mt)	
	2019	2018	2019	2018	2019	2018
<b>Radomiro Tomic</b>	4,282	3,972	0.44	0.45	18.9	17.8
Measured	1,214	1,183	0.48	0.49	5.9	5.7
Indicated	1,368	1,374	0.44	0.44	6.0	6.0
Inferred	1,700	1,415	0.41	0.43	7.0	6.1
<b>Chuquicamata</b>	1,889	1,934	0.69	0.69	13.1	13.3
Measured	679	713	0.85	0.84	5.8	6.0
Indicated	588	590	0.73	0.72	4.3	4.3
Inferred	622	632	0.49	0.49	3.0	3.1
<b>Ministro Hales</b>	1,328	1,233	0.87	0.87	11.5	10.7
Measured	212	216	1.00	1.03	2.1	2.2
Indicated	371	242	0.90	0.98	3.4	2.4
Inferred	745	774	0.81	0.79	6.1	6.1
<b>Gabriela Mistral</b>	374	414	0.35	0.35	1.3	1.4
Measured	254	304	0.35	0.35	0.9	1.1
Indicated	40	40	0.33	0.34	0.1	0.1
Inferred	81	70	0.34	0.35	0.3	0.2

Category	Ore (Mt)		Grade (%CuT)		Fine Copper (Mt)	
	2019	2018	2019	2018	2019	2018
<b>Salvador</b>	813	828	0.60	0.59	4.8	4.9
Measured	374	377	0.65	0.65	2.4	2.4
Indicated	262	265	0.61	0.61	1.6	1.6
Inferred	177	186	0.46	0.47	0.8	0.9
<b>Andina</b>	4,796	4,139	0.75	0.80	36.1	32.9
Measured	1,241	1,261	0.74	0.77	9.2	9.8
Indicated	893	894	0.72	0.77	6.5	6.9
Inferred	2,662	1,984	0.77	0.82	20.4	16.3
<b>El Teniente</b>	4,633	4,381	0.79	0.80	36.4	34.9
Measured	1,448	1,505	0.96	0.97	13.9	14.5
Indicated	1,139	954	0.79	0.80	9.0	7.6
Inferred	2,047	1,922	0.66	0.66	13.5	12.8
<b>TOTAL RESOURCES</b>	18,114	16,902	0.67	0.69	122.1	116.1

Mt: Millions of tons - CuT%: Total copper grade



## CORPORATE INVENTORY OF MINERAL RESOURCES BY ORE TYPE

Category	Ore (Mt)		Grade (%CuT)		Fine Copper (Mt)	
	2019	2018	2019	2018	2019	2018
<b>Sulfide</b>	16,822	15,491	0.70	0.71	117.1	110.6
Measured	4,816	4,899	0.78	0.80	37.7	39.1
Indicado	4,237	3,877	0.69	0.70	29.2	27.1
Inferred	7,770	6,715	0.65	0.66	50.2	44.5
<b>Oxide</b>	1,292	1,411	0.39	0.39	5.0	5.5
Measured	604	661	0.41	0.40	2.5	2.6
Indicado	424	483	0.40	0.40	1.7	1.9
Inferred	263	268	0.32	0.37	0.8	1.0
<b>TOTAL RESOURCES</b>	18,114	16,902	0.674	0.69	122.1	116.1
Measured	5,420	5,559	0.74	0.75	40.2	41.7
Indicado	4,661	4,360	0.66	0.66	30.9	29.0
Inferred	8,033	6,983	0.64	0.65	51.0	45.4

## CORPORATE INVENTORY OF IN SITU AND ARTIFICIAL MINERAL RESOURCES

Category	Ore (Mt)		Grade (%CuT)		Fine Copper (Mt)	
	2019	2018	2019	2018	2019	2018
<b>In Situ</b>	16,893	15,662	0.68	0.70	115.3	109.3
Measured	5,252	5,377	0.75	0.76	39.3	40.7
Indicado	4,400	4,091	0.66	0.67	29.2	27.3
Inferred	7,241	6,194	0.65	0.67	46.8	41.3
<b>Artificial</b>	1,221	1,240	0.56	0.55	6.8	6.8
Measured	168	182	0.55	0.55	0.9	1.0
Indicado	261	269	0.64	0.61	1.7	1.6
Inferred	792	789	0.53	0.53	4.2	4.2
<b>TOTAL RESOURCES</b>	18,114	16,902	0.67	0.69	122.1	116.1
Measured	5,420	5,559	0.74	0.75	40.2	41.7
Indicado	4,661	4,360	0.66	0.66	30.9	29.0
Inferred	8,033	6,983	0.64	0.65	51.0	45.4



## CONTRIBUTION OF MINERAL RESOURCES FROM RELATED COMPANIES

MINERAL RESOURCES	ORE (Mt)	GRADE (CuT%)	FINE COPPER (Mt)
Holdings in Related Companies			
Anglo American Sur (20%)	1,838	0.72	13.2
Inca de Oro (33,8%)	153	0.41	0.6
El Abra (49%)	1,108	0.39	4.3
Related Companies Subtotal	3,099	0.58	18.1
Divisions Subtotal	18,114	0.67	122.1
<b>TOTAL RESOURCES</b>	<b>21,213</b>	<b>0.66</b>	<b>140.2</b>

Reserves are the result of long-term min planning, including only measured and indicated resources at operational mines and projects that possess a completed pre-feasibility or feasibility study. Inferred resources within the economic ore bodies at open pit mines and underground mines are classed as overburden.

Our company's 2019 mineral reserves are published in public reports on resources and reserves issued by each division and certified by competent persons within and external to Codelco.

Mineral reserves show an increase of 1.6 million fine metric tons of copper, despite consumption during 2019 (which explains a reduction by some two million fine metric tons of copper). This increase is

the result of an increase in reserves at Ministro Hales and Andina, through design optimizations at open pit mines.

Considering Codelco's holdings in El Abra and Anglo American Sur, the inventory of mineral reserves incorporates 3.5 million fine metric tons of copper. This is in addition to a total of 50 million fine metric tons of copper in mineral reserves.

### COMPETENT PERSONS

The following competent persons have signed the public reports on resources and reserves, which constitute the key information used in the preparation of the inventory of resources and reserves for our company. These competent persons hold current



CDZ employees in the central crusher unit hall, Chuquicamata Subterránea



## INVENTORY OF MINERAL RESERVES BY DIVISION

	Category	Ore (Mt)		Grade (%CuT)		Fine Copper (Mt)	
		2019	2018	2019	2018	2019	2018
<b>Radomiro Tomic</b>							
	Sulfide	1,390	1,470	0.50	0.52	7.0	7.7
	Proven	440	477	0.52	0.55	2.3	2.6
	Probable	950	993	0.50	0.51	4.7	5.1
	Oxide	553	455	0.44	0.41	2.4	1.9
	Proven	216	236	0.49	0.43	1.1	1.0
	Probable	337	219	0.41	0.40	1.4	0.9
<b>Chuquicamata</b>							
	Sulfide	1,243	1,244	0.74	0.74	9.2	9.2
	Proven	625	646	0.88	0.86	5.5	5.6
	Probable	618	598	0.60	0.61	3.7	3.6
	Oxide	46	59	0.44	0.44	0.2	0.3
	Proven	24	32	0.44	0.45	0.1	0.1
	Probable	22	27	0.45	0.43	0.1	0.1
<b>Ministro Hales</b>							
	Sulfide	278	185	0.97	0.91	2.7	1.7
	Proven	167	150	1.05	0.95	1.8	1.4
	Probable	111	35	0.86	0.74	1.0	0.3

	Category	Ore (Mt)		Grade (%CuT)		Fine Copper (Mt)	
		2019	2018	2019	2018	2019	2018
<b>Gabriela Mistral</b>							
	Oxide	285	336	0.35	0.35	1.0	1.2
	Proven	250	298	0.35	0.35	0.9	1.1
	Probable	35	38	0.34	0.32	0.1	0.1
<b>Salvador</b>							
	Sulfide	423	428	0.67	0.68	2.9	2.9
	Proven	277	12	0.67	0.55	1.9	0.1
	Probable	147	416	0.68	0.68	1.0	2.8
	Oxide	159	154	0.57	0.56	0.9	0.9
	Proven	64	0	0.58	0.00	0.4	0.0
	Probable	95	154	0.56	0.56	0.5	0.9
<b>Andina</b>							
	Sulfide	1,213	1,163	0.76	0.69	9.2	8.0
	Proven	284	219	0.75	0.69	2.1	1.5
	Probable	929	943	0.76	0.69	7.1	6.5
<b>El Teniente</b>							
	Sulfide	1,338	1,348	0.83	0.85	11.2	11.4
	Proven	930	975	0.98	0.98	9.1	9.6
	Probable	409	373	0.49	0.50	2.0	1.9
<b>TOTAL RESERVES</b>		<b>6,929</b>	<b>6,842</b>	<b>0.67</b>	<b>0.66</b>	<b>46.6</b>	<b>4.0</b>



## CORPORATE INVENTORY OF MINERAL RESERVES BY ORE TYPE

Category	Ore (Mt)		Grade (%CuT)		Fine Copper (Mt)	
	2019	2018	2019	2018	2019	2018
<b>Sulfide</b>	<b>5,886</b>	5,838	<b>0.72</b>	0.70	<b>42.1</b>	40.9
Proven	2,723	2,480	0.83	0.84	22.6	2.8
Probable	3,163	3,358	0.62	0.60	19.5	20.1
<b>Sulfide</b>	<b>1,043</b>	1,004	<b>0.43</b>	0.41	<b>4.5</b>	4.2
Proven	554	566	0.44	0.39	2.4	2.2
Probable	489	437	0.43	0.45	2.1	2.0
<b>TOTAL RESERVES</b>	<b>6,929</b>	6,842	<b>0.67</b>	0.66	<b>46.6</b>	45.0
Proven	3,277	3,047	0.76	0.76	25.0	23.0
Probable	3,652	3,795	0.59	0.58	21.6	22.0

## MINERAL RESERVE CONTRIBUTION FROM RELATED COMPANIES

	ORE (Mt)	GRADE (CuT%)	FINE COPPER (Mt)
Anglo American Sur (20%)	424	0.47	2.0
El Abra (49%)	345	0.42	1.5
Related Companies Subtotal	770	0.45	3.5
Divisions Subtotal	6,929	0.67	46.6
<b>TOTAL</b>	<b>7,698</b>	<b>0.65</b>	<b>50.1</b>





registrations in the Comisión Calificadora de Competencias de Recursos y Reservas Mineras.

In accordance with best practices, the geological/mining/metallurgical information on which our divisional inventories are based is systematically audited and reviewed by independent auditors.

Each division's declaration of resources and reserves is certified each year by competent persons both at CODELCO and external to the company, as established under Chilean Law 20,235, which regulates the "competent person" classification and specifies the remit and composition of the Comisión Calificadora de Competencias de Recursos y Reservas Mineras.

REGISTRATION #	COMPETENT PERSON	DIVISION	AREA OF ORGANIZATION/COMPANY
99	Patricio Zúñiga Rojas	Headquarters	Mineral Resources Dept.
93	Manuel Mansilla Orellana	Headquarters	Mineral Resources Dept.
192	Raúl Cancino González	Radomiro Tomic	Mineral Resources & Development Dept.
206	Sebastian de la Fuente	Radomiro Tomic	Mineral Resources & Development Dept.
142	Christian Ardiles W.	Chuquicamata	Mineral Resources & Development Dept.
252	Juan Carlos Peña Pérez	Chuquicamata	Mineral Resources & Development Dept.
171	José Luis Fuenzalida	Ministro Hales	Tetra Tech
128	Raul Contreras	Ministro Hales	Tetra Tech
203	Claudio Nicolás Vargas	Gabriela Mistral	Mineral Resources & Development Dept.
128	Raúl Contreras G.	Gabriela Mistral	Tetra Tech
171	José Luis Fuenzalida	Salvador	Tetra Tech
128	Raúl Contreras G.	Salvador	Tetra Tech
254	Michel Galeb Nicolás	Andina	Mineral Resources & Development Dept.
128	Raúl Contreras G.	Andina	Tetra Tech
84	Felipe Celhay Schoelerman	El Teniente	Mineral Resources & Development Dept.
198	Daniel Bustamante Valdés	El Teniente	Mineral Resources & Development Dept.



Overland ore transporter conveyor, Mina Chuquicamata Subterránea



# MINERAL EXPLORATION IN CHILE AND ABROAD

Codelco spent US\$ 67.8 million on investments in exploration and other operating expenditures during 2019, representing a 6% increase over the previous year.

We at Codelco develop and implement the corporate copper exploration strategy, within Chile and abroad, through the work of the Exploration Department (GEX). The fundamental objective is to discover new ore bodies of economic interest that may contribute to the corporate Business and Development Plan over the medium and long term.

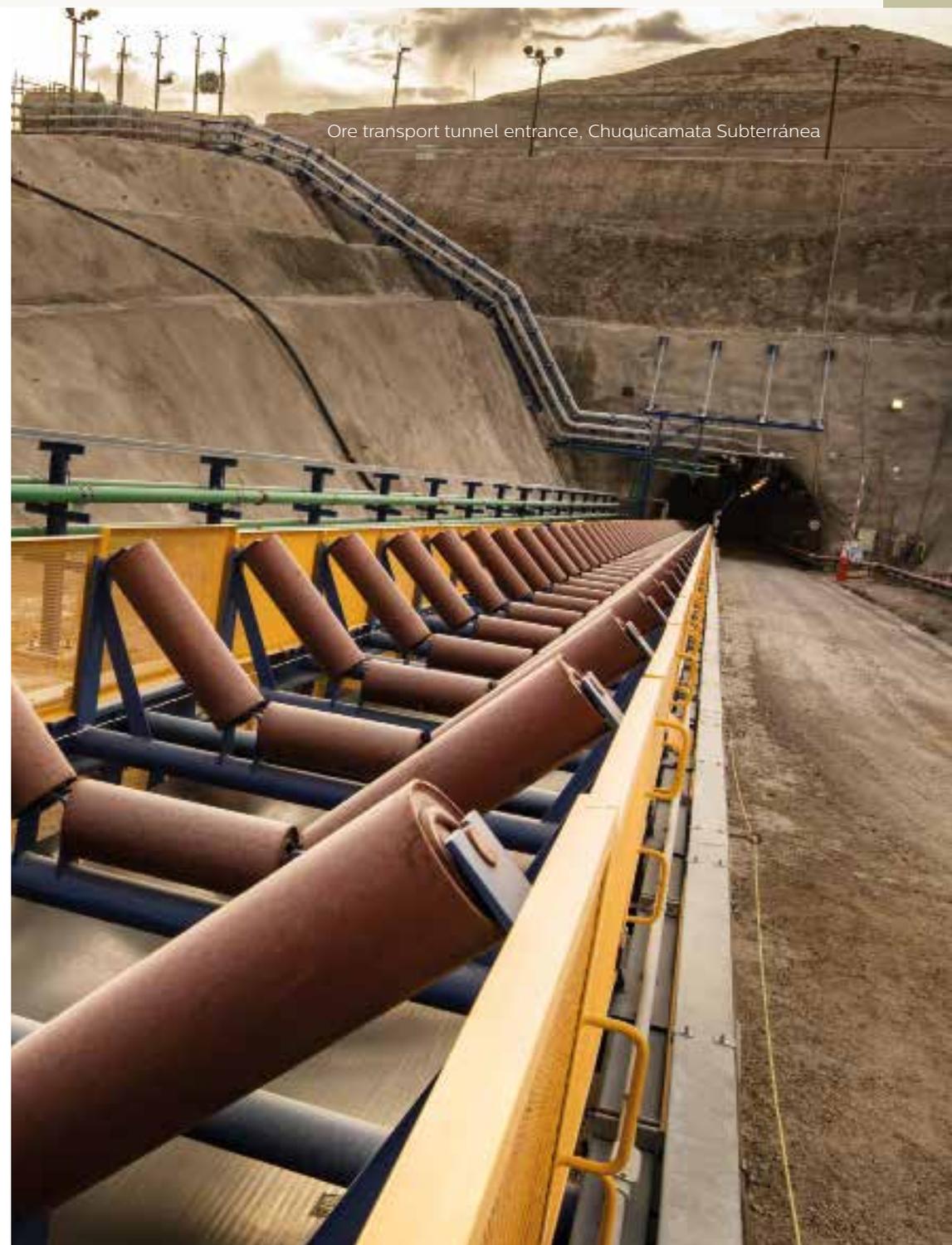
The purpose is to create attractive options using our know-how at competitive costs, with high standards of health, safety, environmental responsibility and respect for communities.

Exploration plans are implemented in Chile with regional (greenfield) and district (brownfield) projects, and with exploration offices in Ecuador and

Brazil. In the rest of the world we assess business opportunities in countries or ore zones with a balance between geological potential and risk that is acceptable to our company.

Together with these exploration plans, we maintain ongoing monitoring and application of new technologies, focusing on the detection of ore bodies, principally during the early phases of exploration.

This year we also completed an Environmental Impact Statement for exploratory drilling to acquire information on the lithium project at the Salar de Maricunga salt flat.



Ore transport tunnel entrance, Chuquicamata Subterránea



**EXPLORATION INVESTMENTS 2019**

During 2019, exploration companies around the world reduced their non-ferrous metal exploration budgets by 4%, from an estimated US\$ 9.6 billion in 2018 to US\$ 9.3 billion in 2019.(1)

Nonetheless, the number of active exploration companies increased for the second year running, with 1,708 companies, 3% more than in 2018. Major mining companies (those with powerful finances, with annual revenue over US\$ 500 million, allowing them to develop a mine without any need for partnerships) are continuing to spearhead exploration and represent 53% of the total.

Canada, Australia, and the United States remain the principal destinations for exploration investment worldwide, accounting for 41% of the total budget. Latin America accounts for 28%.

Six countries - Chile, Peru, Mexico, Brazil, Argentina and Ecuador – together account for the bulk of the region’s total budget (89%).

Chile once again took fourth place in the global ranking for exploration investment, with a total amount of US\$ 653.5 million. The main exploration target is copper (76%), with major companies accounting for 86% of the budget in the country.

Codelco invested US\$ 67.8 million in exploration during 2019, 6% more than in the previous year. US\$ 51.8 million of this investment was spent in Chile, with US\$ 8.5 million going to regional projects and US\$ 43.3 million to activities at the Corporation’s divisional areas.

International expenditure (2) amounted to US\$ 16 million.

**EXPLORATION IN CHILE**

During 2019 we enhanced our domestic exploration projects that are conducted at the district level; i.e., brownfield exploration, with the goal of extending the life of existing operations by renovating and / or improving the basis of mineral resources included in each division’s Business and Development Plan. This is reflected in the year’s exploration spending, 87% of which went to activities associated with Codelco’s districts.

1 S&P Global Market Intelligence (2019). Corporate Exploration Strategies.

2 Codelco-Chile. Exploration Department.

**2019 WORK AREAS. REGIONAL AND DISTRICT EXPLORATION IN CHILE**

	Anomalies*	Prospects**	Targets***	Total
# of study areas	69	30	15	114
# of areas drilled	Studies with no drilling	14	7	21
Meters Drilled	-	24,932	37,879	62,811

\* Anomalies: zones with specific geological characteristics.

\*\* Prospects: areas of preliminary mining geology interest.

\*\*\* Targets: geological objectives of mining interest.

The most significant brownfield findings came from work conducted at división Gabriela Mistral (DGM) at the Zeus Óxidos and Gaby Sur-Oeste areas, where two new mineralized bodies were identified (160-200 Mtons at 0.3-0.5% CuT), which will be included in advanced exploration during 2020, to accelerate their incorporation into the division’s plan.



Sector Zeus Óxidos DGM.



The most significant greenfield results were obtained at the Exploradora prospect, near División El Salvador, where we continued exploration of leachable ore bodies located in an area with other ore bodies, forming a cluster of economic interest.



Exploradora Project Encampment.



Exploration in the High Andes, Coquimbo Region.

On a regional scale, we completed the basic exploration program at the El Indio emergent ore belt, located in the High Andes of Coquimbo Region, with positive results at six prospects with potential copper-gold porphyry mineralization.

### INTERNATIONAL EXPLORATION

We continued our activities in Ecuador a an area featuring porphyry-type copper deposits, and in Brazil, targeting major IOCG-type copper lodes (massive iron ore, copper, and gold deposits). Elsewhere in the world, we have focused principally on generating and detecting business opportunities in regions with economic, social, environmental, and legal conditions that meet Codelco’s requirements, to provide early detection of high-potential copper prospects.

#### BRAZIL

The subsidiary “Codelco do Brasil” has continued with evaluation of its portfolio of prospects, including those relating to current partnerships. Its activity is concentrated mainly on geological evaluation of the exploration assets that make up our portfolio of prospects, both in the traditional mining district of Carajás, Pará State, and in emerging ore zones.



Tres Cerrillos Project



Llurimagua Project

#### ECUADOR

Exploration carried out by our subsidiary Emsaec, 100% owned by Codelco, covers a portfolio of 16 prospects on its 55,000 hectares (ha) of mining concessions. Initial exploration work during 2019 brought the identification of at least four prospects with attractive geological potential, with the most advanced to date at Tres Cerrillos, where a hydrothermal system was identified with geochemical anomalies consistent with a Cu-Au (Mo) porphyry deposit, with a total size of 8x2 km.

As part of the Mining Exploration Agreement signed with Ecuadorian state-owned mining company Empresa Nacional Minera del Ecuador (Enami EP), in 2019 the geological model for the Llurimagua project was updated. The new information indicates that Llurimagua has potential for a world-class Cu-Mo deposit that could be operated using ttraditional mining and metallurgy techniques for primary copper sulfide ores.



## APPLICATION OF TECHNOLOGIES FOR EXPLORATION

We have applied new vectorization tools for geological anomalies of economic interest, covering geochemistry, geophysics, and new areas such as the development of mathematical models for greenfield and brownfield exploration.

During the year, our Exploration Department has spearheaded geo-scientific projects with universities and other research centers in Chile and internationally, including:

- **Geochemical Vectorization (Amira/Australian research center):** use of a new exploration tool built on mineral chemistry (green and white halos), which can be used to guide projects to locate hidden copper-bearing porphyry units.
- **Mathematical vectorization (machine learning):** se consolidation of the use of algorithms for greenfield exploration, validated at Distrito Codelco Norte (DCN). In the area of brownfield exploration,

mathematical models were developed for the El Teniente and Gabriela Mistral sites.

- **Deep seismic tomography:** validation and usage of this technology for the identification of zones where copper porphyry is likely to be located.
- **Drilling deviation control project:** this technology will be applied in our exploration campaigns, allowing for increases in accuracy and precision while lowering costs and environmental impacts.

### EXPLORATION PARTNERSHIPS

Within the framework of Codelco's exploration strategy and Law 19.137, we focus on bolstering partnerships with third parties at non-priority mining tenures that we hold, with the objective of garnering geological information over the short term and developing projects that can leverage synergies, installed infrastructure and know-how, to operate and earn returns on these mining tenures.

Generating alliances with third parties allows us to increase the probability of new discoveries, join resources for existing exploration projects and capture value to support Codelco's long-term production plans.

In Chile, during 2019 we reached 12 confidentiality agreements with different mining companies to evaluate joint developments, as well as an options contract with Pucobre for the Puntillas-Galenosa project, located in Antofagasta Region.

Meanwhile, in Brazil, we are in partnership with Liberdade (Pan Brazilian) and Tancredo (Xstrata-Brasil), while in Ecuador we are working in partnership with Enami EP (Llurimagua).





## SUBSIDIARIES AND AFFILIATED COMPANIES

# THIS YEAR WE OPTIMIZED OUR CORPORATE STRUCTURE

In November we also created the Subsidiary Business Department, with the mission of spearheading and managing the portfolio of subsidiaries.

CAEX trucks, División Radomiro Tomic.



Corporate Profile



Key Indicators



Our Management



Transparency, integrity and good corporate governance



Transformation and future



Subsidiaries and affiliated companies



2019 Consolidated financial statements



Offices and representatives



# SUBSIDIARIES AND AFFILIATED COMPANIES

We hold majority or minority positions in 40 companies and also operate a specialized area engaged in developing new business activities with third parties.

Our network of subsidiaries and related companies engages in business areas that include mining, electricity, development of new uses for copper, research, technology, port operations and health organizations.

In 2019 we made capital contributions to these companies totaling US\$ 18 million, and received US\$ 8 million in dividends.

Our network of subsidiaries employed a total of 1,223 people as of December 31, 2019. Codelco executives and directors who sit on the boards of subsidiaries and related companies do not receive any additional compensation for these duties.

This period's key milestones were as follows:

- In June 2019, Codelco increased its holdings in Kairos S.A. from 5% to 40%.
- In July 2019, Codelco Technologies was absorbed by Codelco International
- In August 2019, Codelco sold its 37% holdings in the company GNL Mejillones S.A. to investment

fund Inversiones Ameris Capital AGF, at a price of US\$ 193.5 million.

- In November 2019, Codelco created the Subsidiary Business Department, which operates under the Vice-President of Administration and Finance, with the mission of "spearheading and managing the portfolio of subsidiary companies.
- In December 2019, Isapre Chuquicamata Ltda., Isapre Río Blanco Ltda, San Lorenzo Isapre Ltda., and Isapre Fusat Ltda. were merged into a single body: Isalud Isapre de Codelco Ltda.

## NEW BUSINESS

Codelco possesses a Business Development Department, with the principal objective of identifying opportunities and then evaluating, designing, and implementing projects that could add value to the Corporation, while assessing all risks and impacts. We undertake transactions that are linked to our core business, such as procurement and sales, as well as associations of mining, technology and exploration assets both in Chile and abroad.



Air extraction system, Chuquicamata Subterránea



# MINING COMPANIES

## AGUA DE LA FALDA S.A.

As of December 31, 2019

**RUT:** 96.801.450-1  
**Corporate ID:** Agua de la Falda S.A.  
**Type:** Sociedad anónima  
**Incorporated:** July 25, 1996  
**Partners:** Codelco 42.26% and Minera Meridian Limitada 57.74%

**Capital subscribed and paid up by Codelco**  
 US\$ 18.325 million.

**Business area**  
 Prospecting, exploring and operating mining tenures that contain gold, precious metals, and other metals, and trading the same in any form.

### Directors

Roberto Alarcón Bittner, chairman  
 | Jason Joseph LeBlanc | Gerardo Fernández Tobar | Denny Díaz Rodríguez (\*) | Diego Brieba Vial (\*)

### Deputy Directors

Sergio Orrego Flory | Andres Guzmán Bosque | Miguel Pérez Aspe | Santiago Núñez Lagos (\*) | Jaime San Martín (\*)

### CEO

Pending appointment.

### Codelco capital holdings and variations during the reporting period

Codelco directly holds 42.26% of the company's shares. During the reporting period, corporate capital increased from US\$ 42,913 to US\$ 43,363, fully subscribed and paid up by shareholder Codelco and by shareholder Minera Meridian Limitada.

### Commercial relationship with Codelco

There were no sales or purchases of goods and services, other than the contracts in place between the company and Codelco.

### Contracts in place with Codelco

The company holds contracts with Codelco for the following services: freshwater supply, industrial water supply, electricity supply, and leasing.

## ANGLO AMERICAN SUR S.A.

As of December 31, 2019

**RUT:** 77.762.940-9  
**Corporate ID:** Anglo American Sur S.A.  
**Type:** Sociedad anónima  
**Incorporated:** July 31, 2007  
**Partners:** Inversiones Anglo American Sur S.A. 50.05992%; Clarent SÀRL 0.00008%; Inversiones Mineras Becrux SpA 29.5% and MC Resource Development Ltd. 20.44%.

**Capital subscribed and paid up by Codelco**  
 US\$ 248.147 million.

**Business area**  
 The company's principal activity consists of exploration, extraction, exploitation, production, value-added activities and trade in minerals, concentrates, precipitates, copper bars and all metallic and non-metallic mineral substances and, in general, all liquid and gaseous hydrocarbons and fossil fuels, in any form in which they naturally occur. This includes exploration, extraction and use of all natural energy sources suitable for industrial use, and the products and byproducts obtained thereof, in general, any other related, connected or complementary activities as agreed by the shareholders.

### Directors

Ruben Fernandes | Aaron Puna Juan Carlos Román | Norihide Tsutsumi | Vacant (\*)

### Deputy Directors

Alejandro Mena Frau | Felipe Purcell Douds | Kazutaka Shiba | Masahiro Deguchi | Domenico Pelliccia

### CEO

Rodrigo Subiabre

### Codelco capital holdings and variations during the reporting period

Codelco indirectly holds 20% of the company's shares. There were no variations during the reporting period.

### Commercial relationship with Codelco

Sale of anodes, cathodes and concentrate.

### Contracts in place with Codelco

Contracts for sale of anodes, cathodes and concentrate, via Inversiones Mineras Nueva Acrux SpA.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.

**COBREX PROSPECÇÃO MINERAL S.A.**

As of December 31, 2019

**Corporate ID:** Cobrex Prospecção Mineral S.A.**Type:** Sociedad anónima (Brazil).**Incorporated:** Brazil, January 14, 2013. Repertorio N° 33.3.0030616-1. Junta Comercial R.J.**Partners:** Codelco do Brasil Mineração Ltda. 51% and Xstrata do Brasil Exploração Mineral Ltda. 49%.**Capital subscribed and paid up by Codelco**

Capital subscribed: US\$ 12.000 million. Capital paid up: US\$ 5.227 million as of December 2019. Codelco do Brasil Mineração Ltda.: 33.80% of capital subscribed and paid up and 17.20% of capital subscribed and not paid up as of December 2019. Xstrata do Brasil Exploração Mineral Ltda.: 49% of capital subscribed and paid up.

**Business area**

Mining company holdings of any kind in Brazil and/or abroad and administration of its own assets and those of third parties. Performing all activities relating to mining including, but not limited to, research, exploration and exploitation of economic resources and/or mineral deposits in Brazil. Performing, in general, any other civil or commercial activity directly or indirectly relating to research, exploration, economic exploitation, production, or trade in mineral products and derivatives thereof.

**Administration council**

Marcos André Gonçalves, chairman | Felisberto de Castro | Luiz Mauricio Ferraiolli

**CEO**

Marcos André Gonçalves

**Codelco capital holdings and variations during the reporting period**

Codelco indirectly holds 51% of the company's shares. There were no variations during the reporting period.

**Commercial relationship with Codelco**

No commercial relationships between the companies, except as a subsidiary of a subsidiary of Codelco..

**Contracts in place with Codelco**

No contracts or documents exist that substantially affect operations or financial results..

**CODELCO DO BRASIL MINERAÇÃO LTDA.**

As of December 31, 2019

**Corporate ID:** Codelco do Brasil Mineração Limitada.**Type:** Sociedad de responsabilidad limitada (Brazil).**Incorporated:** Brazil, September 14, de 2001. Repertorio N° 33.2.0708361-1. Junta Comercial R.J.**Partners:** Codelco Canada 99.99% and Inversiones Copperfield SPA 0.01%.**Capital subscribed and paid up by Codelco**

US\$ 76.022 million as of December 2019.

**Business area**

Holding shares in mining companies of any kind in Brazil and/or abroad, and administration of its own assets and those of third parties. Performing any activities relating to mining including, but not limited to, research, exploration and exploitation of economic resources and/or mineral deposits in Brazil. Performing, in general, all other civil or commercial activity, directly or indirectly related to research, exploration, economic exploitation, production or trade in mineral products and derivatives thereof.

**Directors**

Jaime San Martín (\*) | Alejandro Sanheza | Fabio Spina | Marcos Goncalves | Vacant (\*)

**Deputy Directors**

None

**CEO**

Marcos André Gonçalves

**Codelco capital holdings and variations during the reporting period**

Codelco directly and indirectly holds 100% of the company's shares. There were no variations during the reporting period.

**Commercial relationship with Codelco**

No commercial relationships between the companies, except as a subsidiary of a subsidiary of Codelco.

**Contracts in place with Codelco**

No contracts or documents exist that substantially affect operations or financial results of Codelco.

**Staffing**

Executive and managers: 2 | Professionals and technicians: 44 | Workers: 46

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.

**COMPAÑÍA CONTRACTUAL  
MINERA LOS ANDES - CCMLA**

As of December 31, 2019

**RUT:** 78.860.780-6  
**Corporate ID:** Compañía Contractual Minera Los Andes - CCMLA.  
**Type:** Sociedad contractual minera.  
**Incorporated:** May 16, 1996, File # 273. Notary M. Gloria Acharán Toledo. Registered on sheet 117 obverse, 1996, in Property Registry, and # 9550, in the Shareholders' Book at the Santiago Mining Records Office.  
**Partners:** Codelco 99.97% and Sociedad de Inversiones Copperfield SpA 0.03%.

**Capital subscribed and paid up by Codelco**  
 US\$ 17.655 million.

**Business area**

Geological and other exploration, with the aim of discovering and surveying mineral deposits in the country or abroad.

**Directors**

Guillermo Müller Masser, chairman (\*) |  
 Javiera Estrada Quezada (\*) | Patricio  
 Zúñiga Rojas (\*)

**Deputy Directors**

None

**CEO**

Denny Díaz Rodríguez (\*)

**Codelco capital holdings and variations during the reporting period**

Codelco indirectly holds 51% of the company's shares. There were no variations during the reporting period.

**Commercial relationship with Codelco**

Exploration activities are conducted by Codelco under contracts with other companies, with the option of forming a company. During the reporting period, Codelco made payments to maintain mining tenures on behalf of CCMLA, which expenditure was recorded in the account between the companies. No options contracts were formed in 2018 on mining tenures owned by CCMLA.

**Contracts in place with Codelco**

Framework exploration contract, in place since 2014. In September 2018, a service provision contract was signed with Codelco.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.



**EXPLORACIONES MINERAS ANDINAS S.A.**

As of December 31, 2019

**RUT:** 99.569.520-0  
**Corporate ID:** Exploraciones Mineras Andinas S.A.  
**Type:** Sociedad anónima  
**Incorporated:** July 29, 2004.  
**Partners:** Codelco 99.9% and Sociedad de Inversiones Copperfield SpA. 0.1%.

**Capital subscribed and paid up by Codelco**

US\$ 4.937 million.

**Business area**

Provides services for the planning, management and implementation of mining and water resource exploration programs, including exploratory drilling, chemical analysis, sampling, laboratory analysis, geological mapping, geophysics, measurement of physical properties, characterization of materials, support services and all other services necessary for the implementation of said programs. Also provides advisory services in the fields of geology, geophysics, geo-statistics, geotechnical science, geo-metallurgy, hydrogeology and all types of personnel training in areas related to mining exploration, publications, seminars, workshops and courses

**Directors**

Jaime San Martín Larenas (\*) | Jorge Lagos Rodríguez (\*)

**Deputy Directors**

No hay

**CEO**

Marcelo Santibáñez Aldana (I)

**Staffing**

Executive and managers: 6  
 Professionals and technicians: 56  
 Workers: 1

**Codelco capital holdings and variations during the reporting period**

Codelco directly and indirectly holds 100% of the company's shares. There were no variations during the reporting period.

**Commercial relationship with Codelco**

The company provides geological and mining exploration services.

**Contracts in place with Codelco**

Contract for mining exploration services. Since October 15, 2004 the company entered into a range of contracts with Codelco for implementation and performance of exploration programs for the Corporation in Chile and abroad. The current contract is titled 'Integrated Mining Exploration Services' for programs during the 2018-2021 period and covers procurement of geological data and preliminary resource evaluation.

**EXPLORACIONES MINERAS ANDINAS ECUADOR, EMSAEC S.A.**

As of December 31, 2019

**TAX ID/RUC:** 1792431565001  
**Corporate ID:** Sociedad anónima.  
**Type:** Sociedad contractual minera.  
**Incorporated:** December 19, 2012.  
**Partners:** Exploraciones Mineras Andinas S.A. 99% and Sociedad de Inversiones Copperfield SpA 1%.

**Capital subscribed and paid up by Codelco**

US\$ 5.008 million.

**Business area**

Provides mining-related and similar services. Accordingly, the company engages in services on its own behalf or for third parties for planning, management and implementation of mining and water resource exploration programs, including exploratory drilling, chemical analysis, sampling, laboratory analysis, geological or geophysical mapping, measurement of physical properties, characterization of materials, support services and all other services necessary for the implementation of said programs. It also provides advisory services in the fields of geology, geophysics, geo-statistics, geotechnical science, geochemistry, geo-metallurgy and hydrogeology.

**Directors**

María Susana Rioseco (\*) | Olivar Hernández Giugliano (\*) | Verónica Bilbao Solar (\*) | Guillermo Müller Masser (\*) | Ángelo Aguilar Catalano (\*)

**Deputy Directors**

None

**CEO**

Santiago Bustamante Sáenz

**Codelco capital holdings and variations during the reporting period**

Codelco indirectly holds 100% of the company's shares. An increase in capital by US\$ 2.2 million was enacted, pro-rated to the percentage holdings of each shareholder.

**Commercial relationship with Codelco**

Subsidiary of Exploraciones Mineras Andinas S.A.

**Contracts in place with Codelco**

None.

**Staffing**

Executive and managers: 1  
 Professionals and technicians: 32  
 Workers: 72

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.

**INCA DE ORO S.A.**

As of December 31, 2019

**RUT:** 76.063.022-5  
**Corporate ID:** Inca de Oro S.A.  
**Type:** Sociedad anónima  
**Incorporated:** June 11, 2009. Notary Osvaldo Pereira González File # 7,565.09, sheet 30101 item 20730 in the Commerce Registry of the Real Estate Registrar of Santiago.  
**Partners:** Codelco 33.19% and PanAust 66.81%.

**Capital subscribed and paid up by Codelco**

US\$ 33.587 million.

**Business area**

Operates mining and mineral processing facilities. Forms or forms part of other companies with similar, related, connected, or complementary purposes or acquires and disposes of rights or shareholdings thereof.  
 Procures, constitutes and sells mining rights, properties, deposits and concessions as well as real estate and movable property in general, including financial instruments and securities of any type. Undertakes all types of services for the mining sector in Chile and abroad.

**Directors**

Daling Zheng | George Piggott | Shaun Massey | Vacante (\*) | Diego Brieba Vial (\*)

**Deputy Directors**

Qun Yang | Scott Alexander Cowie Geoff Kernick | Jaime San Martín Larenas (\*) | Rodrigo Barrera Orellana (\*)

**CEO**

Daling Zheng

**Codelco capital holdings and variations during the reporting period**

Codelco directly holds 33.19% of the company's shares. There were no variations during the reporting period.

**Commercial relationship with Codelco**

The company did not engage in any commercial activity during 2019.

**Contracts in place with Codelco**

Service contract between Inca de Oro S.A. and Codelco for the provision of administration services for the mining property of Inca de Oro S.A.

**INVERSIONES MINERAS LOS LEONES SPA**

As of December 31, 2019

**RUT:** 76.237.866-3  
**Corporate ID:** Inversiones Mineras Los Leones SpA  
**Type:** Sociedad por acciones.  
**Incorporated:** August 20, 2012.  
**Partners:** Codelco 100%.

**Capital subscribed and paid up by Codelco**

US\$ 1.000 million.

**Business area**

Exploration of mineral resources at properties in the Andina-Los Bronces district.

**Directors**

None

**Deputy Directors**

None

**CEO**

None

**Codelco capital holdings and variations during the reporting period**

Codelco 100%. No variations during the reporting period.

**Commercial relationship with Codelco**

A contract exists under which Codelco conducts exploration at the mining tenures owned by this company.

**Contracts in place with Codelco**

In August 2018, a service provision contract was signed with Codelco.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.

**SOCIEDAD CONTRACTUAL MINERA EL ABRA**

As of December 31, 2019

**RUT:** 96.701.340-4  
**Corporate ID:** Sociedad Contractual Minera El Abra - SCM El Abra.  
**Type:** Sociedad contractual minera.  
**Incorporated:** June 28, 1994.  
 Notary of Santiago Víctor Manuel Correa Valenzuela Santiago Commerce Registry sheet 149 # 40, 1994 Register of Shareholders on sheet 9054 section 20, 1994  
**Partners:** Codelco 49% and Freeport-McMoRan Inc. 51%.

**Capital subscribed and paid up by Codelco**

US\$ 317.059 million.

**Business area**

Prospecting, exploring and mining the ore deposit known as El Abra located in Antofagasta Region. Includes expansion areas and adjacent or nearby zones. Extraction, purification, and processing of minerals obtained from mining operations at the tenure areas that cover this deposit and areas, and the transport and sale of products and byproducts derived from mineral processing and other operating activities at the deposit.

**Directors**

Harry M. Conger - Cyprus El Abra Corporation | Francisco J. Costabal - Cyprus El Abra Corporation | Steve Tanner, Cyprus El Abra Corporation | Alejandro Rivera (\*) | Mauricio Barraza (\*)

**Deputy Directors**

Josh Olmstead - Cyprus El Abra Corporation | Kathleen Quirk - Cyprus El Abra Corporation | Taylor Melvin - Cyprus El Abra Corporation | Maria Jimena Vargas Otte (\*) | Vacant (\*)

**Presidente**

Rubén Funes M.

**CEO**

Boris Medina K.

**Codelco capital holdings and variations during the reporting period**

Codelco directly holds 49% of the company's shares. During the reporting period there was an increase in capital by US\$ 4 million.

**Commercial relationship with Codelco**

The principal shared business activity relates to the sale of copper and cathodes by SCM El Abra to Codelco. Additionally, Codelco sells sulfuric acid to SCM El Abra, with quantities and prices that are negotiated each year.

**Contracts in place with Codelco**

The sale of copper is covered under a purchase agreement entered into on January 1, 2004 between SCM El Abra and Codelco, which is automatically renewed based on annual data. Contracts also exist for sales of sulfuric acid running through to December 31, 2022.

**SALAR DE MARICUNGA SPA**

As of December 31, 2019

**RUT:** 76.754.301-8  
**Corporate ID:** Salar de Maricunga SpA.  
**Type:** Sociedad por acciones.  
**Incorporated:** June 23, 2017  
**Partners:** Codelco 100%.

**Capital subscribed and paid up by Codelco**

Subscribed and paid up US\$ 286,000.

**Business area**

Exploration, research, evaluation, development, exploitation, extraction, treatment, processing, concentration, transport and sales on its own behalf or for third parties, of any metallic and/or non-metallic mineral substances containing lithium, potassium, boron, magnesium, including lithium salts, lithium brines and potassium salts or other minerals.

**Directors**

Alejandro Rivera Stambuk, presidente (\*) | Vacante (\*) | Francisca Estrada Quezada (\*)

**Deputy Directors**

None.

**CEO**

Jaime San Martín Larenas. (\*)

**Codelco capital holdings and variations during the reporting period**

Codelco directly holds 100% of the company's shares.

**Commercial relationship with Codelco**

No commercial relationships with Codelco.

**Contracts in place with Codelco**

In August 2018 a service provision contract was signed with Codelco.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.

**SOCIEDAD CONTRACTUAL MINERA PURÉN**

As of December 31, 2019

**RUT:** 76.028.880-2**Corporate ID:** Sociedad Contractual Minera Purén.**Type:** Sociedad contractual minera.**Incorporated:** September 23, 2003**Partners:** Codelco 35% and Minera Mantos de Oro (Kinross) 65%.**Capital subscribed and paid up by Codelco**

US\$ 9.913 million.

**Business area**

Exploring, assessing, prospecting, researching, developing and mining mineral deposits with the purpose of extracting, producing, and processing minerals, concentrates or other products derived from mineral substances, for which purpose it may install and operate mineral treatment and process plants. Constitute and acquire mineral rights of any nature; sell, transport, export and trade mineral products and substances, for which purpose it may perform all acts and enter into all contracts and conventions that directly and indirectly aid compliance with the purpose.

**Directors**

Rolando Cubillos Basaure, presidente  
| Ximena Matas Quilodrán | Guillermo Olivares Ardiles | Carlos Wulff Moreno (\*) | Diego Briebe Vial (\*)

**Deputy Directors**

Claudia Onetto | Fabiola Meza | Regulo Sanchez Troncoso | Vacante (\*) | Jorge Lagos Rodriguez (\*)

**CEO**

Rodrigo Moscoso

**Codelco capital holdings and variations during the reporting period**

Codelco holds 350 of the 1000 shares issued, for a holding of 35%. There were no variations during the reporting period.

**Commercial relationship with Codelco**

There were no sales or purchases of goods and services, other than the contracts in place between the company and Codelco.

**Contracts in place with Codelco**

No contracts or documents existed that substantially affect operations or financial results of Codelco.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.





# INVESTMENT COMPANIES

## CODELCO CANADA LIMITED

As of December 31, 2019

**Corporate ID:** Codelco Canada Ltd.  
**Type:** Limited liability company.  
**Incorporated:** March 3, 2016.  
**Partners:** Codelco International Ltd 99.99% and Inversiones Copperfield SpA 0.01%.

**Capital subscribed and paid up by Codelco**  
US\$ 195.344 million.

**Business area**  
Conducting necessary business and activities including ownership of debt securities or shares controlled by Codelco.

**Directors**  
None

**Deputy Directors**  
None

**CEO**  
None

**Codelco capital holdings and variations during the reporting period**

Codelco indirectly holds 100% of the company's shares. During the reporting period, capital was increased by US\$10,000 to US\$195,343,572

**Commercial relationship with Codelco**

There were no sales or purchases of goods and services with Codelco.

**Contracts in place with Codelco**

In August 2018 a service provision contract was signed with Codelco and remains in force.

## CODELCO INTERNATIONAL LIMITED

As of December 31, 2019

**RUT:** 59.156.920-1  
**Corporate ID:** Codelco International Limited.  
**Type:** Limited liability company (Bermudas).  
**Incorporated:** Bermudas, 2000.  
Registry # C-28890.  
**Partners:** Codelco 100%.

**Capital subscribed and paid up by Codelco**  
US\$ 145.251 million.

**Business area**  
Administering and controlling Codelco's interest in a range of international projects. Acting through subsidiary Codelco Technologies Limited, this company holds investments in the Ecometales Limited incorporated in Jersey, Channel Islands, and its operating agency Ecometales Limited-agencia en Chile, for the development and operation of biology-derived technologies for processing molybdenum and copper concentrates and materials. In partnership with Codelco Technologies Limited, it has formed the company Codelco do Brasil Mineração Limitada in Brazil, engaged in exploration, mining and market development.

**Directors**  
Mariela López Escobar,  
chairman (\*) | Diego Briebe Vial (\*) |  
Olivar Hernández Giugliano (\*)

**Deputy Directors**  
None

**CEO**  
Víctor Janer Pérez (\*)

**Codelco capital holdings and variations during the reporting period**

Codelco directly holds 100% of the company's shares. There were no variations during the reporting period.

**Commercial relationship with Codelco**

During the reporting period, Codelco International Limited received US\$ 147 million in dividends from Copper Partners Investment Company Limited.

**Contracts in place with Codelco**

In August 2018, a service provision contract was signed with Codelco.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.

**INVERSIONES GACRUX SPA**

As of December 31, 2019

**Rut:** 76.173.357-5  
**Corporate ID:** Inversiones Gacrux SpA  
**Type:** Sociedad por acciones.  
**Incorporated:** October 5, 2011.  
**Partners:** Codelco 100%.

**Capital subscribed and paid up by Codelco**

US\$ 167.789 million.

**Business area**

Making investments in shares, company securities, fund payments and securities in general, relating directly or indirectly to mining activities or the mining sector or issued by mining companies.

**Directors**

None

**Deputy Directors**

None

**CEO**

None

**Codelco capital holdings and variations during the reporting period**

Codelco 100%. No variations during the reporting period.

**Commercial relationship with Codelco**

Inversiones Gacrux SpA is a Codelco vehicle for maintaining investment in Becrux SpA, a joint venture between Codelco and Mitsui & Co., for a 29.5% investment in Anglo American Sur S.A.

**Contracts in place with Codelco**

In May 2018 a service provision contract was signed with Codelco.

**INVERSIONES MINERAS BECRUX SPA**

As of December 31, 2019

**RUT:** 76.173.783-K  
**Corporate ID:** Inversiones Mineras Becrux SpA.  
**Type:** Sociedad por acciones.  
**Incorporated:** October 6, 2011.  
**Partners:** Inversiones Gacrux SpA 67.80% and MMRD Gama Limitada 32.20%

**Capital subscribed and paid up by Codelco**

US\$ 1.541 billion.

**Business area**

The purpose of the company is to hold shares issued by Anglo American Sur S.A. or its legal successor, such as to hold and exercise rights and meet obligations arising from these shares, and may grant or undertake all actions and contracts pursuant to this purpose.

**Directors**

Vacant (\*) | Alejandro Rivera Stambuk (\*) | Vacant (\*) | Mauricio Barraza (\*) | Kazutaka Shiba

**Deputy Directors**

Vacant (\*) | Víctor Janer Pérez (\*) | Diego Briebe Vial (\*) | Manuel Mansilla (\*) | Ricardo Álvarez

**CEO**

Víctor Janer Pérez

**Codelco capital holdings and variations during the reporting period**

Codelco indirectly holds 67.80% of the company's shares. During 2019 the company's capital was reduced from US\$ 2.447 billion to US\$ 2.274 billion, without affecting the number of shares into which the capital is divided. Said reduction was pro-rated to the shareholders.

**Commercial relationship with Codelco**

Inversiones Mineras Becrux SpA is a joint venture between Codelco and Mitsui & Co., Ltd. comprising 29.5% holdings in Anglo American Sur S.A.

**Contracts in place with Codelco**

In May 2018 a service provision contract was signed with Codelco.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.



**SOCIEDAD DE INVERSIONES  
COPPERFIELD SPA**

As of December 31, 2019

**RUT:** 77.773.260-9  
**Corporate ID:** Sociedad de Inversiones Copperfield SpA.  
**Type:** Sociedad por acciones.  
**Incorporated:** Public deed of December 12, 2001. Notary Álvaro Bianchi Rosas Registered in the Commercial Register sheet 32430 # 26478 on December 14, 2001.  
**Partners:** Codelco 99.99% and Codelco International Limited 0.01%.

**Capital subscribed and paid up by Codelco**

US\$ 16.684 million.

**Business area**

Exploration and operation of mining resources and process plants; acquisition, formation, and operation of mining rights, deposits and tenures, and participation in companies of any kind, directly and indirectly holding rights such companies and participating in shareholding.

**Directors**

Alejandro Rivera Stambuk (\*) | María Francisca Domínguez Meza (\*) | Vacant (\*)

**Deputy Directors**

None

**CEO**

Víctor Janer Pérez (\*)

**Codelco capital holdings and variations during the reporting period**

Codelco directly holds 100% of the company's shares. There were no variations during the reporting period.

**Commercial relationship with Codelco**

No current commercial relations exist.

**Contracts in place with Codelco**

In August 2018, a service provision contract was signed with Codelco, and remains in force.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.





# ELECTRICCAL COMPANIES

## CENTRAL ELÉCTRICA LUZ MINERA SPA

As of December 31, 2019

**Rut:** 76.255.061-K  
**Corporate ID:** Central Eléctrica Luz Minera SpA  
**Type:** Sociedad por acciones.  
**Incorporated:** December 3, 2012.  
**Partners:** Codelco 100%

### Capital subscribed and paid up by Codelco

US\$ 4,627,789.

### Business area

Generating, transporting, distributing, supplying, purchasing, and selling electrical energy and providing all forms of energy services.

### Directors

Vacant (\*) | Francisco Danitz Miller, (\*) | Verónica Bilbao Solar (\*)

### Deputy Directors

None

### CEO

Francisco Danitz Miller (\*)

### Codelco capital holdings and variations during the reporting period

Codelco directly holds 100% of the company's shares. There were no variations during the reporting period.

### Commercial relationship with Codelco

None.

### Contracts in place with Codelco

In August 2018 a service contract contract was signed with Codelco..

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.





# PROCESS PLANTS

## ECOMETALES LIMITED

As of December 31, 2019

**Rut:** 59.087.530-9  
**Corporate ID:** EcoMetales Limited.  
**Type:** Limited liability company  
 Operates in Chile as an agency.  
**Incorporated:** August 22, 2000.  
 Registration number 78014,  
 in Jersey (UK). Notary:  
 Geoffrey St. Clair Cornwall.  
**Start of activities:** 2001  
**Partners:** Codelco Canada 100%.

### Capital subscribed and paid up by Codelco

US\$ 181.592 million.

### Business area

- Development of technological innovations for treatment of smelter dust and other waste materials derived from smelting and refining ores.
- Providing mining project management and operation services requiring the use of technological innovations for treatment of smelter dust and other waste materials derived from smelting and refining ores.
- Operating mining industry process plants requiring the use of technological innovations for treatment of impurities, smelter dust and other waste materials derived from smelting and refining ores.
- Trading, both in Chile and abroad, in mining industry products created in the plants that the company operates.

### Contracts in place with Codelco

Amendment 5 to the service provision contract for detailed engineering and support for environmental approval of the project to improve the generation, transport, and disposal of waste products containing arsenic at divisón El Teniente, signed on December 31, 2018.

Amendment 9 to the service provision and production contract for refinery waste and dust, signed on August 30, 2019.

DMH processing service provision contract, signed on October 01, 2019. HL+ supply service provision contract for industrial heap leach testing at DMH, signed on November 13, 2019.

### Directors

Christian Dummer Scheel,  
chairman (\*) | Francisca Domínguez  
Meza (\*) | Renato Fernández Baeza (\*) |  
Sebastián Carmona Caldera (\*) | Vacant

### Deputy Directors

None

### CEO

Iván Valenzuela Rabí

### Staffing

Executive and managers: 7

Professionals and technicians: 107

Workers: 41

### Codelco capital holdings and variations during the reporting period

Codelco indirectly holds 100% of the company's shares. There were no other variations.

### Commercial relationship with Codelco

- Smelter dust processing service contract signed on March 31, 2007 and its 9th amendment dated August 30, 2019.
- Inter-division dust transfer agreement (PEPA) dated June 1, 2008.
- Arsenic and antimony abatement and disposal service contract dated January 10, 2011, and amendment 2, of August 5, 2015.
- Service contract for research and assessment of the construction of a hazardous industrial waste deposit at División El Teniente dated March 7, 2012, and amendment 6 dated June 6, 2012.
- Service contract for environmental impact and community relations research for the project to build a hazardous industrial waste deposit at División El Teniente, of July 13, 2012.
- Service provision contract for detailed engineering and support for environmental approval of the project to improve the generation, transport, and disposal of waste products containing arsenic at División El Teniente dated April 1, 2014, and amendment 5 dated December 30, 2018.
- Memorandum of understanding with División El Teniente for the development of the project to increase copper production at an SX-EW plant, signed on December 20, 2017.
- Collaboration agreement for information technology and automation services ("ITCA" services) dated February 6, 2013.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.



**PLANTA RECUPERADORA DE METALES SPA**

As of December 31, 2019

**Rut:** 76.255.054-7  
**Corporate ID:** Planta Recuperadora de Metales SpA.  
**Type:** Sociedad por acciones.  
**Incorporated:** December 3, 2012.  
**Partners:** Codelco 34% and LS Nikko 66%.

**Capital subscribed and paid up by Codelco**

US\$ 12.376 million.

**Business area**

Processing of intermediate products derived from refining and processing copper and other metals, with the purpose of recovering copper, other metals and byproducts contained in these substances and transform them into commercial products. Also, trading and distributing all classes of goods or supplies relating to the aforementioned processing.

**Directors**

Choong Goo Kang, chairman | Sung Sil Park | Sung Jik Kim | José Robles (\*) | Diego Brieba Vial (\*)

**Deputy Directors**

Han Young Cho | Woochul Kang | Sang Yul Lee | Vacante (\*) | Germán Richter (\*)

**CEO**

Sung Jik Kim

**Codelco capital holdings and variations during the reporting period**

Codelco directly holds 34% of the company's shares. There were no other variations.

**Commercial relationship with Codelco**

Plant commissioning began in 2016, with the generation and return to Codelco of gold and silver ingots.

**Contracts in place with Codelco**

Process contract regulating treatment of anode bars produced at Codelco refineries for the recovery of precious metals, with a 20-years term.

**MOLYB LTDA.**

As of December 31, 2019

**Rut:** 76.148.338-2  
**Corporate ID:** Sociedad de Procesamiento de Molibdeno Limitada.  
**Type:** Sociedad de responsabilidad limitada.  
**Incorporated:** May 18, 2011.  
**Partners:** Codelco 99.95% and Inversiones Copperfield SpA. 0.05%.

**Capital subscribed and paid up by Codelco**

US\$ 217.343 million.

**Business area**

Processing molybdenum concentrates or concentrates of other elements that contain molybdenum and/or byproducts produced in said processing, on its own behalf or by means of third parties, with the purpose of transforming these into commercial products and recovering the byproducts that they contain.

**Staffing**

Executive and managers: 5  
 Professionals and technicians: 92  
 Workers: 185

**Directors**

Alejandro Rivera Stambuk, chairman (\*) | Carlos Wulff Moreno | Roberto Ecclefield Escobar (\*) | Francisco Ruiz Figueroa | Pauline de Vidts S.

**Deputy Directors**

None

**CEO**

Nicolás Espinosa Navarro

**Codelco capital holdings and variations during the reporting period**

Codelco directly and indirectly holds 100% of the company's shares. There were no variations during the reporting period.

**Commercial relationship with Codelco**

Subsidiary engaged in processing of molybdenum concentrates from Codelco divisions.

**Contracts in place with Codelco**

Molybdenum concentrate process service contract. Sale and purchase contract for molybdenum products and derivatives. Commercial trading account contract. Information technology service contract.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.



# RESEARCH AND TECHNOLOGY

## CODELCO TEC SPA

As of December 31, 2019

**Rut:** 96.991.180-9  
**Corporate ID:** CodelcoTec SpA.  
**Type:** Sociedad por acciones.  
**Incorporated:** May 31, 2002, Notary Nancy de la Fuente Hernández. Commercial Register of the Real Estate Registrar of Santiago, sheet 14,849 item 12,239 of 2002, amended to CodelcoTec SpA on November 21, 2016 Notary Roberto Cifuentes Allel Commercial Register of the Real Estate Registrar of Santiago, sheet 92,113 item 49,939 of 2016.  
**Partners:** Codelco 99.99% and Inversiones Copperfield SpA. 0.01%.

### Capital subscribed and paid up by Codelco

US\$ 53.908 million.

### Business area

Development of mining and metallurgy technological innovations, commercial development of processes and technology in the field of genomics, proteomics, and bioinformatics for the mining sector, and in general, application of systems based on microorganisms, analysis, research, invention and creation, development, and implementation of new applications, processes, and uses for copper, molybdenum, lithium, and other byproducts of mining processes, inasmuch as they are directly related to greater use of copper. Additionally, technological monitoring of copper substitutes, representation of domestic or foreign companies and individuals or legal entities, sale and purchase, distribution, trading, import and export of such substitutes and other activities relating to all of the foregoing.

### Directors

Lodewijk Verdeyen | Tina Christa Rosenfeld | Sebastian Carmona Caldera (\*) | Sergio Herbage Lundin (\*)

### Deputy Directors

None

### CEO

Felipe Merino Grau (i)

### Codelco capital holdings and variations during the reporting period

On November 21 2016, the company known until that date as BioSigma SpA (formerly BioSigma S.A.) changed its name to CodelcoTec SpA. Subsequently, on December 2 2016 it absorbed the Codelco subsidiary Instituto de Innovación en Minería y Metalurgia S.A.. Codelco increased its share in the company from 6.7% to 99.9% with the departure of JX Nippon Mining from the company on October 28, 2016. There were no variations during the reporting period.

### Commercial relationship with Codelco

- Technological innovation, research, and development service contract, of January 2019.
- Ore bio-leaching contract at División Radomiro Tomic, dated February 2015.
- ITCA collaboration service contract, of November 2016

### Staffing

Executive and managers: 3  
 Professionals and technicians: 78  
 Workers: 0

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.

**INNOVACIONES EN COBRE S.A.  
(CODELCO LAB)**

As of December 31, 2019

**TAX ID/RUT:** 76.043.396-9  
**Corporate ID:** Innovaciones en Cobre S.A.  
**Type:** Sociedad anónima.  
**Incorporated:** File number 20536/2008. Eighteenth Notary of Santiago.  
**Partners:** Codelco 0.05% and Sociedad de Inversiones Copperfield SpA 99.95%.

**Capital subscribed and paid up by Codelco**

US\$ 7 thousand

**Business area**

Analysis, research, invention, creation, development and implementation of new applications, processes and uses for copper and molybdenum. The company is in the process of being absorbed by Codelco Tec.

**Directors**

Vacant (\*) | Vacante (\*) | Sebastián Carmona Caldera (\*) | Alejandro Rivera Stambuk (\*) | Víctor Janer Pérez (\*)

**Deputy Directors**

None

**CEO**

Vacant (\*)

**Codelco capital holdings and variations during the reporting period**

Codelco directly and indirectly holds 100% of the company's shares. During the reporting period, capital increased from US\$ 12,426 to US\$ 13,397

**Commercial relationship with Codelco**

Affiliated company for investment in projects and business activities for innovation and entrepreneurship relating to new applications for copper, molybdenum, lithium and other minerals.

**Contracts in place with Codelco**

None

**KAIROS MINING S.A.**

As of December 31, 2019

**RUT:** 76.781.030-K  
**Corporate ID:** Kairos Mining S.A.  
**Type:** Sociedad anónima cerrada.  
**Incorporated:** December 12, 2006. Notary Eduardo Avello Concha. Commercial Register sheet 363, item 295 of 2007, publication in Official Gazette 38,671 of January 24, 2007.  
**Partners:** Codelco 40% and Honeywell Chile S.A. 60%.

**Capital subscribed and paid up by Codelco**

US\$ 57 thousand

**Business area**

Providing services for automation and control of mining and industrial activities; as well as supplying technology and software licenses.

**Codelco capital holdings and variations during the reporting period**

Codelco directly holds 40% of the company's shares. In June 2019, Codelco increased its holdings from 5% to 40%.

**Directors**

Claudio Zamora Larrebourg, presidente | José Simon | Claudia Karina Luján | Sebastián Carmona Caldera (\*) | César Márquez Márquez (\*)

**Deputy Directors**

Gustavo Galambos | John Lewis | Pedro Thena | Soledad Bastías Pérez (\*) | Alvaro Dumont Bustos (\*)

**CEO**

Luis Castelli Sandoval

**Commercial relationship with Codelco**

A long-term framework service agreement is in place between Kairos Mining S.A. and Codelco Chile.

**Contracts in place with Codelco**

- Framework service agreement to develop an automation program at Codelco's concentrator plants lasting five years (starting on April 3, 2007), which may be extended for subsequent consecutive five-year periods.
- On September 10 2010, amendment 1 to the framework service agreement was signed, explicitly incorporating the concentrator plants at Ministro Hales and Salvador within the scope of the program-initiative.
- On April 1, 2012, amendment 2 to the framework service agreement was signed, extending the term to April 3, 2017.
- On April 1, 2015, framework service agreement KMDS-01 was signed with División Salvador, valid for 18 months from the date of signing.
- On December 1, 2017, Codelco awarded Kairos contract 4600016095, consisting of a new framework service agreement. A letter of award was used to Kairos followed by the kickoff for contract KMAMS-02 to implement service orders during the 2017-2021 period.



# TRADERS

## CHILE COPPER LIMITED

As of December 31, 2019

**Corporate ID:** Chile Copper Limited.  
**Type:** Limited company (UK).  
**Incorporated:** England, March 29, 1971.  
**Partners:** Codelco 100%.

### Capital subscribed and paid up by Codelco

US\$ 1260

### Business area

Sales agent and representative of Codelco Chile for copper and molybdenum products in the European and Middle Eastern markets. Holds 80% ownership of subsidiary Codelco Services Ltd., the remaining 20% of which is owned by Codelco Kupferhandel GmbH.

### Directors

Roberto Ecclefield Escobar,  
chairman (\*) | Alejandro Sanhueza Díaz  
(\*) | Hernán Sepúlveda Astorga (\*)

### Deputy Directors

None

### CEO

Gonzalo Cuadra Lizana

### Codelco capital holdings and variations during the reporting period

Codelco directly and indirectly holds 100% of the company's shares. No variations.

### Commercial relationship with Codelco

Codelco sales agent. Uses its subsidiary Codelco Services Ltd. to conduct physical trading in copper and molybdenum, in compliance with the contracts of Codelco Chile. Also conducts physical hedge operations for Codelco Chile and its subsidiary Codelco Kupferhandel GmbH.

### Contracts in place with Codelco

Agency contract for trading in copper and molybdenum.

### Staffing

Executive and managers: 4  
Professionals and technicians: 3  
Workers: 0

## CODELCO SERVICES LIMITED

As of December 31, 2019

**Corporate ID:** Codelco Services Limited.  
**Type:** Limited Company (UK).  
**Incorporated:** England, August 16, 1988.  
**Partners:** Chile Copper Ltd. 80% and Codelco Kupferhandel GmbH 20%.

### Capital subscribed and paid up by Codelco

US\$ 628,000.

### Business area

Trading in copper and molybdenum products and copper futures, with the objective of providing services to Codelco Chile, Codelco Kupferhandel GmbH, and other group companies as the headquarters deems suitable.

### Directors

Roberto Ecclefield Escobar, presidente  
(\*) | Alejandro Sanhueza Díaz (\*) |  
Hernán Sepúlveda Astorga (\*)

### Deputy Directors

None

### CEO

Gonzalo Cuadra Lizana

### Codelco capital holdings and variations during the reporting period

Codelco indirectly holds 100% of the company's shares. No variations.

### Commercial relationship with Codelco

Codelco Services Limited conducts physical trading in copper and molybdenum, in compliance with the contracts of Codelco Chile. It also conducts physical hedge operations for Codelco Chile.

### Contracts in place with Codelco

Copper service contract and molybdenum service contract.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.

**CODELCO KUPFERHANDEL GMBH**

As of December 31, 2019

**Corporate ID:** Codelco Kupferhandel GmbH.  
**Type:** Limited Company (Germany).  
**Incorporated:** Hamburg, March 27, 1981.  
**Partners:** Codelco 100%.

**Capital subscribed and paid up by Codelco**

EUR 3.000 million.

**Business area**

Import, export, trade and transformation of metal in all forms, particularly copper, and trade in equipment for the copper production industry. Acquisition and administration of holdings in metal manufacturing industry companies, particularly copper, as well as research work in the fields of metal production and processing.

Until July 31, 2018 this company owned a 40% share in wire manufacturing plant Deutsche Giessdraht GmbH, where it undertook cathode supply management and sales of the wire manufactured at the plant.

It owns a 20% holding in Codelco Services (United Kingdom).

**Directors**

Roberto Ecclefield Escobar (\*), chairman | Susana Rioseco Zorn (\*) | Javier Tapia Avila (\*)

**Deputy Directors**

None

**CEO**

Alejandro Sanhueza Díaz

**Codelco capital holdings and variations during the reporting period**

Codelco directly holds 100% of the company's shares.

**Commercial relationship with Codelco**

The Codelco Kupferhandel GmbH trading office in Düsseldorf was closed on March 14 2019. It was able to act as a trading agent for Codelco Chile in the countries of Northern Europe (Codelco Chile sales of copper products in Germany, Austria, the Netherlands and Denmark). It also acted as a sales agent for Codelco Chile's molybdenum and other byproducts in Germany, Austria, the Netherlands, the Czech Republic, Slovakia and Poland.

**Contracts in place with Codelco**

Cathodes contract.

**Staffing**

Executive and managers: 0

Professionals and technicians: 0

Workers: 0

**CODELCO SHANGHAI CO. LTD**

As of December 31, 2019

**Corporate ID:** Codelco Shanghai Company Limited.  
**Type:** Limited Company (China).  
**Incorporated:** China, November, 2011.  
**Partners:** Codelco 100%.

**Capital subscribed and paid up by Codelco**

US\$ 2.000 million.

**Business area**

•Sales agency services for copper products, molybdenum products and other byproducts.

•Supply agency services for mining industry products and materials.

**Staffing**

Executive and managers: 4

Professionals and technicians: 19

Workers: 0

**Directors**

Roberto Ecclefield Escobar, presidente (\*) | José Robles Becerra (\*) | Susana Rioseco Zorn (\*) | Michael Gubbins Infante (\*) | Alejandro Sanhueza Diaz (\*)

**Deputy Directors**

None

**CEO**

Helmut Arbert Gebert

**Codelco capital holdings and variations during the reporting period**

Codelco directly holds 100% of the company's shares.

No variations.

**Commercial relationship with Codelco**

- Sales agency services for copper products, molybdenum products and other byproducts.
- Supply agency services for mining industry products and materials.

**Contracts in place with Codelco**

Trading agency service contract. Supply agency service contract.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.



**CODELCO GROUP (USA) INC.**

As of December 31, 2019

**Corporate ID:** Codelco Group (USA) Inc.  
**Type:** Incorporated company (USA).  
**Incorporated:** Delaware, December 18 1992, under section 108 (c) of the General Corporation Law.  
**Partners:** Codelco 100%.

**Capital subscribed and paid up by Codelco**

US\$ 1.706 million.

**Business area**

Aiding in meeting the objectives of the Codelco Group.

**Directors**

Roberto Ecclefield Escobar, chairman (\*) | Maria Susana Rioseco Zorn (\*) | Alejandro Sanhueza Díaz (\*)

**Deputy Directors**

None

**CEO**

George Howard Gavilán (\*)

**Codelco capital holdings and variations during the reporting period**

Codelco indirectly holds 100% of the company's shares. No variations.

**Commercial relationship with Codelco**

Relates to Codelco by acting as a physical trading company for copper and molybdenum on behalf of the Corporation, engaging in complementary work to that of Codelco Chile, from which it purchases products that it then sells to clients in the USA that require delivery to their plants.

**Contracts in place with Codelco**

Purchasing contracts for copper, molybdenum and rhenium.

**CODELCO METALS INC.**

As of December 31, 2019

**Corporate ID:** Codelco Metals Inc.  
**Type:** Incorporated company (USA).  
**Incorporated:** Delaware, December 18, 1992.  
**Partners:** Codelco Group (USA) Inc. 100%.

**Business area**

Any act or activity permitted under the General Corporation Law in the State of Delaware. As of December 31, 2017, this company has two subsidiaries: Codelco USA Inc., which exists to act as a sales agent and representative of Codelco Chile for the sale of copper products and byproducts in the NAFTA market, and Codelco Metals Inc., which exists to trade copper and copper byproducts internally in the NAFTA market, with corresponding logistics and conversion processes and similar.

**Directors**

Roberto Ecclefield Escobar, chairman (\*) | Maria Susana Rioseco Zorn (\*) | Alejandro Sanhueza Díaz (\*)

**Deputy Directors**

None

**CEO**

George Howard Gavilán (\*)

**Codelco capital holdings and variations during the reporting period**

Codelco directly holds 100% of the company's shares. No variations.

**Commercial relationship with Codelco**

Commercial relations with Codelco exist via the subsidiaries Codelco Group (USA) Inc. - Codelco USA Inc. and Codelco Metals Inc. - the former acting as a sales agent for Codelco and the latter as a physical trading company for copper and byproducts (including molybdenum, gold, and silver).

**Contracts in place with Codelco**

Agency contracts and copper and molybdenum purchasing contracts, via its subsidiaries.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.



**CODELCO USA INC.**  
As of December 31, 2019

---

**Corporate ID:** Codelco USA Inc.  
**Type:** Incorporated company (USA).  
**Incorporated:** New York, December 4, 1974.  
**Partners:** Codelco Group (USA) Inc. 100%.

**Business area**  
Aiding in meeting the objectives of the Codelco Group.

**Directors**  
Roberto Ecclefield Escobar, chairman (\*) | María Susana Rioseco Zorn (\*) | Alejandro Sanhueza Díaz (\*)

**Deputy Directors**  
None

**CEO**  
George Howard Gavilán (\*)

**Codelco capital holdings and variations during the reporting period**  
Codelco indirectly holds 100% of the company's shares. No variations.

**Commercial relationship with Codelco**  
Commercial relations with Codelco consist of acting as sales agent for Codelco's copper, molybdenum, gold, and silver, with the objective of supporting Codelco Chile's trading activities for sales in the NAFTA market.

**Contracts in place with Codelco**  
Agency contracts for copper and byproducts.

**Staffing**  
Executive and managers: 1  
Professionals and technicians: 2  
Workers: 0

**INVERSIONES MINERAS NUEVA ACRUX SPA**  
As of December 31, 2019

---

**Rut:** 76.231.838-5  
**Corporate ID:** Inversiones Mineras Nueva Acrux SpA.  
**Type:** Incorporated company (USA).  
**Incorporated:** August 16, 2012.  
**Partners:** Inversiones Mineras Becrux SpA 100%.

**Capital suscrito y pagado por los socios**  
US\$ 20,000

**Business area**  
Purchasing, sales, distribution, transport, brokerage and in general domestic and international trade in minerals, concentrates, precipitates and bars of copper; as well as all metallic minerals and in general all fossil substance, in whatever form they naturally occur, including products and byproducts thereof, derived directly or indirectly from Anglo American Sur S.A. or its legal successors, for which purpose the company may possess holdings in other companies complementary to its area or business or that provide services to it.

**Directors**  
None

**Deputy Directors**  
None

**CEO**  
None

**Codelco capital holdings and variations during the reporting period**  
Codelco indirectly holds 67.8% of the company's shares. No variations.

**Contracts in place with Codelco**  
Contract for sale and purchase of anodes, cathodes and concentrates.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.



# PORT OPERATIONS

## COMPLEJO PORTUARIO MEJILLONES S.A.

As of December 31, 2019

**Rut:** 96.819.040-7

**Corporate ID:** Complejo Portuario Mejillones S.A.

**Type:** Sociedad anónima cerrada.

**Incorporated:** March 18, 1997.  
Notary Hugo Leonardo Pérez Pousa. Santiago Commerce Registry sheet 7,188 # 5,679.

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

### Capital subscribed and paid up by Codelco

US\$ 17.59 million.

### Business area

Planning, building and operating a port complex in Mejillones Bay, Antofagasta Region. Complejo Portuario Mejillones (CPM) developed the project and awarded the construction and operation of Terminal 1, under a 30-year concession contract to Compañía Portuaria Mejillones S.A., a private consortium consisting of Grupo Ultramar, Inversiones y Construcciones Belfi Ltda., and Inversiones Portuarias Norte Grande S.A.

### Staffing

Executive and managers: 3

Professionals and technicians: 1

Workers: 3

### Directors

Juan Villarzá Rohde | Guido Sagues  
Lagos (\*) | Vacant (\*) | Pedro  
Jaramillo | Teodoro Wigodski  
Sirebrenik

### Deputy Directors

None.

### CEO

Álvaro Arroyo Albala

### Codelco capital holdings and variations during the reporting period

Codelco directly and indirectly holds 100% of the company's shares. Capital was reduced from US\$ 32.593 million to US\$ 17.59 million in September 2019.

### Commercial relationship with Codelco

Codelco provides IT services to Complejo Portuario Mejillones (CPM), which are charged to its cost center and subsequently invoiced.

Meanwhile, CPM leases offices to Codelco in the Terminal's administration building, as well as containers and support equipment for loading copper concentrates.

### Contracts in place with Codelco

- Guarantee contract between Codelco, Complejo Portuario Mejillones S.A., and Compañía Portuaria Mejillones S.A., whereby Codelco provides a guarantee to Compañía Portuaria Mejillones S.A. for the payment of any sums owed by CPM to Compañía Portuaria Mejillones, under the contract for the construction of port facilities and provision of port services at Terminal 1, Mejillones (BOT Contract), signed between the two parties in the event that CPM fails to do so.
- Leasing contract for offices in the administration building at Terminal 1 by CPM to Codelco, October 2003 (renewed in October 2011).
- Leasing contract for containers and additional equipment, for ground transport and ship loading of copper concentrate by CPM to Codelco, of March 2014 (amended in May 2015 to include additional containers and replacement parts).

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.



# HEALTH AND PENSIONS

## ASOCIACIÓN GARANTIZADORA DE PENSIONES

As of December 31, 2019

**TAX ID/RUT:** 81.767.200-0

**Corporate ID:** Asociación Garantizadora de Pensiones.

**Type:** Mutual previsional.

**Incorporated:** Under Decree 1625 of June 18, 1927.

**Partners:** Codelco 96.69% and Sociedad Química and Minera de Chile S.A. (SQM) 3.31%.

### Capital subscribed and paid up by Codelco

US\$ 1.131 million.

### Business area

Non-profit social security insurance entity under private law. Created for the sole purpose of acting in substitution of the associated companies for payment of pensions under Law 4,055, the Workplace Accidents Law.

### Directors

Diego Brieba Vial (\*) | Jaime Guzmán Echeverría (\*) | Lucila Siskind (\*)

### Deputy Directors

None.

### CEO

Álvaro Arroyo Albala

### Codelco capital holdings and variations during the reporting period

Codelco directly holds 96.69% of the company's shares. No variations.

### Commercial relationship with Codelco

None.

### Contracts in place with Codelco

No commercial links exist.

## CENTRO DE ESPECIALIDADES MÉDICAS RÍO BLANCO LTDA.

As of December 31, 2019

**Rut:** 76.064.682-2

**Corporate ID:** Centro de Especialidades Médicas Río Blanco Ltda.

**Type:** Sociedad de responsabilidad limitada.

**Incorporated:** June 30, 2009. Notary Nancy de la Fuente Hernández. Published in the Official Gazette, issue 39,410, of July 13, 2009. Registered on sheet 148 # 142 of the Real Estate Registrar of Los Andes.

**Partners:** Codelco 99% and ISalud Isapre de Codelco 1%.

### Capital subscribed and paid up by Codelco

US\$ 518,000 subscribed and paid up by Codelco.

US\$ 5,230 subscribed and paid up by Codelco's ISalud Isapre..

US\$ 523,230, total subscribed and paid up.

### Business area

Implementation of all classes of outpatient medical procedures and services, provision of administration services for members' health benefits and ISalud Isapre de Codelco's charges.

### Directors

Marcelo Álvarez Jara, chairman (\*) | Diego Ruidiaz Gómez (\*) | Olivar Hernández Giugliano (\*) | Marcelo Magofke G. | Eugenio Concha Vergara

### Deputy Directors

None.

### CEO

Alberto Altermatt Covarrubias

### Codelco capital holdings and variations during the reporting period

Codelco directly and indirectly holds 99% of the company's shares. No variations.

### Commercial relationship with Codelco

Provides outpatient, urgent care, paramedic, laboratory, pharmacology, radiology and other types of medical and nursing services for workers at división Andina, under the ISalud Isapre de Codelco agreement.

### Contracts in place with Codelco

None.

### Staffing

Executive and managers: 1

Professionals and technicians: 69

Workers: 13

**CLÍNICA RÍO BLANCO S.A.**

As of December 31, 2019

**Rut:** 99.573.600-4  
**Corporate ID:** Clínica Río Blanco S.A.  
**Type:** Sociedad anónima cerrada.  
**Incorporated:** September 30, 2004.  
**Partners:** Codelco 99% and ISalud Isapre de Codelco 1%.

**Capital subscribed and paid up by Codelco**

US\$ 4,898,520 subscribed and paid up by Codelco.  
 US\$ 49,480 subscribed and paid up by ISalud Isapre de Codelco.  
 US\$ 4.948 million total subscribed and paid up.

**Business area**

Providing health services by means of administering a clinic providing outpatient, urgent care and paramedic health services, performing laboratory testing, pharmacology, analysis, radiology. Also, in general, provides services in the field of medicine, in accordance with their level of complexity and professional services to health companies within the holding company.

**Directors**

Marcelo Álvarez Jara, chairman (\*) |  
 | Diego Ruidiaz Gómez (\*) | Olivar  
 Hernández Giugliano (\*) | Marcelo  
 Magofke G. | Eugenio Concha Vergara

**Deputy Directors**

None.

**CEO**

Alberto Altermatt Covarrubias

**Staffing**

Executive and managers: 1  
 Professionals and technicians: 65  
 Workers: 23

**Codelco capital holdings and variations during the reporting period**

Codelco directly and indirectly holds 99% of the company's shares. No variations.

**Commercial relationship with Codelco**

Provides outpatient, urgent care, paramedic, laboratory, pharmacology, radiology and other types of medical and nursing services for workers at Codelco división Andina, under the ISalud Isapre Codelco agreement.

**Contracts in place with Codelco**

- "Law 16,744 Service Provision" contract, for CLP 3,063,041,106, 3-year duration, with end date February 28, 2022.
- "Occupational Health" service contract, for CLP 1,271,950,750, 3-year term, with end date February 28, 2022.

**CENTRO DE ESPECIALIDADES MÉDICAS SAN LORENZO LTDA.**

As of December 31, 2019

**Rut:** 76.124.156-7  
**Corporate ID:** Centro de Especialidades Médicas San Lorenzo Limitada.  
**Type:** Sociedad de responsabilidad limitada.  
**Incorporated:** November 2, 2010.  
**Partners:** Clínica San Lorenzo Ltda. 99% and ISalud Isapre de Codelco 1%.

**Business area**

Providing outpatient medical services, in accordance with their level of complexity, regardless of responsibility or name of service.

**Staffing**

Executive and managers: 1  
 Professionals and technicians: 16  
 Workers: 3

**Directors**

Marcelo Álvarez Jara, chairman (\*) |  
 Olivar Hernández Giuliano (\*) | Diego  
 Ruidiaz Gómez (\*) | Marcelo Magofke  
 G. | Eugenio Concha Vergara

**Deputy Directors**

None.

**CEO**

Guillermo Figueroa B. (I)

**Codelco capital holdings and variations during the reporting period**

Codelco directly and indirectly holds 100% of the company's shares. No variations.

**Commercial relationship with Codelco**

Provides outpatient and other types of medical and nursing services for workers at Codelco División Salvador.

**Contracts in place with Codelco**

Medical service provision contract for workers at división Salvador in accordance with Law 16,744; Agreement 4501620654 (of April 25, 2016).

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.

**CLÍNICA SAN LORENZO LTDA.**

As of December 31, 2019

**Rut:** 88.497.100-4  
**Corporate ID:** Clínica San Lorenzo Limitada.  
**Type:** Sociedad de responsabilidad limitada.  
**Incorporated:** El Salvador, November 24, 1981. Notary Ricardo Olivares Pizarro.  
**Partners:** Codelco 99.99% and Sociedad de Inversiones Copperfield SpA. 0.01%.

**Capital subscribed and paid up by Codelco**

US\$ 19.998 million.

**Business area**

The company exists for the purpose of: a) directly providing all types of health services, for which purpose it may found, maintain, and manage clinics and other health establishments; provide outpatient, urgent care, and paramedic health services; perform laboratory testing, pharmacology, analysis, radiology, and in general undertake any medical and nursing activities; and b) providing professional services to other health companies within the same business group, such as management, human resources, administration, finances and accounting, sales and marketing, business, and customer service; and c) in general, entering into any class of contracts, conventions, and agreements relating to the purpose for which the company exists.

**Directors**

Marcelo Álvarez Jara, chairman (\*) |  
 Olivar Hernández Giuliano (\*) | Diego  
 Ruidiaz Gómez (\*) | Marcelo Magofke  
 G. | Eugenio Concha Vergara

**Deputy Directors**

None.

**CEO**

Guillermo Figueroa B. (I)

**Codelco capital holdings and variations during the reporting period**

Codelco directly and indirectly holds 100% of the company's shares. No variations.

**Commercial relationship with Codelco**

Provides outpatient, urgent care, laboratory, pharmacology, radiology, and other types of medical and nursing services in general for workers at Codelco división Salvador.

**Contracts in place with Codelco**

Health service agreement, División Salvador. Agreement 4400191883, April 04, 2018

**Staffing**

Executive and managers: 1  
 Professionals and technicians: 36  
 Workers: 6

**SOCIEDAD EJECUTORA PROYECTO HOSPITAL DEL COBRE CALAMA S.A.**

As of December 31, 2019

**Rut:** 96.817.780-K  
**Corporate ID:** Ejecutora Proyecto Hospital del Cobre-Calama S.A.  
**Type:** Sociedad anónima cerrada.  
**Incorporated:** Santiago, April 11, 1997.  
**Partners:** Codelco 99.99% and Clínica San Lorenzo Ltda. 0.01%.

**Capital subscribed and paid up by Codelco**

US\$ 358,000.

**Business area**

Providing outpatient, hospital, and other health services.

**Directors**

Olivar Hernández Giuliano,  
 chairman (\*) | Diego Ruidiaz Gómez  
 (\*) | Pablo Geisse Navarro (\*)

**Deputy Directors**

None.

**CEO**

Juan Pablo Duclos Cornejo

**Codelco capital holdings and variations during the reporting period**

Codelco directly and indirectly holds 100% of the company's shares. No variations.

**Commercial relationship with Codelco**

Framework agreement signed between Codelco-Chile, Ejecutora del Proyecto Hospital del Cobre-Calama S.A., and Las Américas Administradora Fondos de Inversión S.A. This is a framework regulating the relationship between the parties for a 20-year period (ending March 31, 2021).

**Contracts in place with Codelco**

- Subletting of Hospital del Cobre Dr. Salvador Allende G. through March 2021, in accordance with the framework agreement.
- Invoicing and accountancy service by Codelco for Sociedad Ejecutora, until March 31, 2021.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.

**ISALUD ISAPRE DE CODELCO LTDA.**

As of December 31, 2019

**Rut:** 76.334.370-7  
**Corporate ID:** ISalud Isapre de Codelco Limitada.  
**Type:** Sociedad de responsabilidad limitada.  
**Incorporated:** Santiago, December 2, 2019, Notary Alvaro Gonzalez Salinas. Created through the absorption by Isapre Fusat Ltda. RUT 76.334.370-7, of: Isapre Chuquicamata Ltda RUT 79.566.720-2, Isapre Rio Blanco Ltda. RUT 89.441.300-K, and San Lorenzo Isapre Ltda. RUT 76.521.250-2  
**Partners:** Codelco 59.255%, Fundación de Salud El Teniente 33.618%, Clínica San Lorenzo Ltda. 7.025%, Inmobiliaria Rio Cipreses Ltda. 0.102%

**Capital subscribed and paid up by Codelco**

CLP 1,895,348,840

**Business area**

Financing health benefits and services, as well as related and complementary activities, under the terms specified in Law 18,933 and subsequent amendments thereto.

**Staffing**

Executive and managers: 7  
 Professionals and technicians: 66  
 Workers: 97

**Directors**

Leonardo Whittle Ferrer | Pablo Geisse Navarro (\*) | Luis Cifuentes Miranda (\*) | María Francisca Domínguez Meza (\*) | Lucila Siskind (\*)

**Deputy Directors**

None.

**CEO**

José Gustavo Morales Hidalgo

**Codelco capital holdings and variations during the reporting period**

Codelco directly holds 59.255% of the company's shares.

**Commercial relationship with Codelco**

Provides medical services to all Codelco workers affiliated with the body, their dependents, and affiliated former employees of Codelco.

**Contracts in place with Codelco**

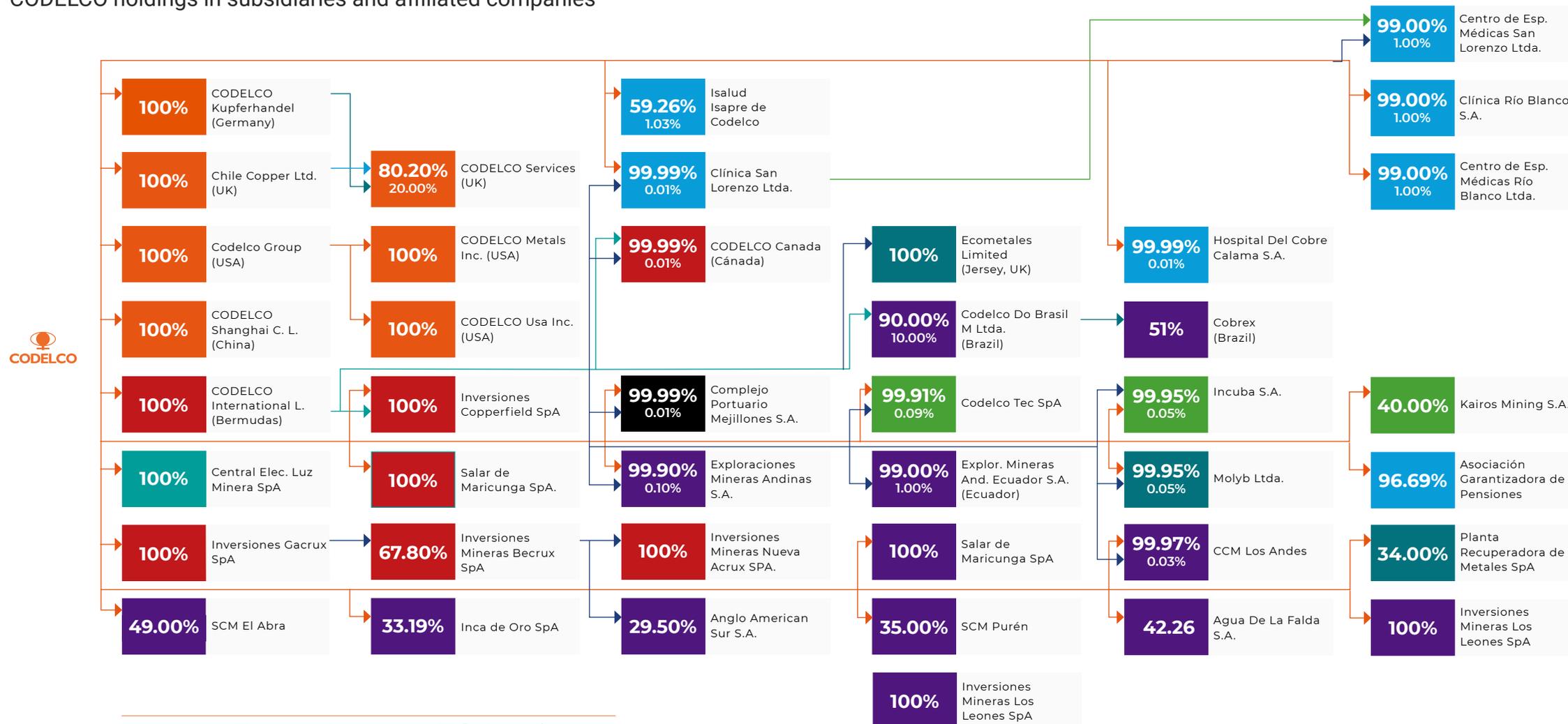
Benefit Administration Agreement, of December 1, 2018, with División Andina, expiring December 1, 2021.  
 List A Benefit Administration Agreement, of January 1, 2011, with División El Teniente, renewed automatically every two years. List B Benefit Administration Agreement, of August 1, 2009, División El Teniente, renewed automatically every two years. Workplace Health Benefit Administration Agreement and Mandate, of June 1, 2012, with División El Teniente, with no expiry date.  
 Benefit Administration Agreement for List A and List B Children in Education, of December 28, 2011, with no expiry date. Benefit Administration Agreement with División Chuquicamata, of August 1, 2019, expiring February 29, 2020. Precarium Agreement, of November 16, 2009, with División Chuquicamata, expiring November 16, 2029. Benefit Administration Agreement, of May 4, 2018, with División El Salvador, expiring May 3, 2021. Benefit Administration Agreement, of October 1, 2019, with División Radomiro Tomic, expiring October 1, 2021. Framework Health Agreement, of June 6, 2019, with División Ministro Hales, expiring November 30, 2021. Group Health Agreement, central office, of January 1, 2006, renewed automatically every two years.

1. Directors and CEOs of subsidiaries and related companies who are employees of Codelco are marked with an asterisk. 2. Staffing is not mentioned for companies with no personnel.



# SUBSIDIARIES AND AFFILIATED COMPANIES

CODELCO holdings in subsidiaries and affiliated companies

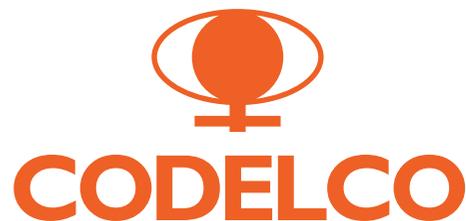


- Mining
- Investment
- Electricity
- Process plants
- Research & technology
- Traders
- Port operations
- Health and pensions
- Other



# Consolidated Financial Statements 2019





## Deloitte.

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### INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

#### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

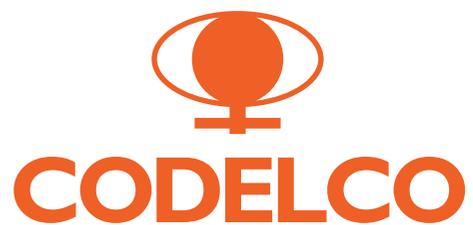
#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We performed our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the entity's consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of the accounting policies used and the reasonableness of the significant estimates made by the Company's Management, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corporación Nacional del Cobre de Chile and its subsidiaries as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. ("IASB").

**Other matter – Translation into English**

The accompanying consolidated financial statements have been translated into English solely for the convenience of readers outside of Chile.

*Deloitte*  
March 26, 2020  
Santiago, Chile

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**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As of December 31, 2019 and 2018 (In thousands of US dollars - ThUS\$)

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

	NOTES	12/31/2019	12/31/2018
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	1	1,303,105	1,229,125
Other current financial assets	11	172,951	231,409
Other current non-financial assets		20,969	6,805
Trade and other current receivables	2	2,588,268	2,212,209
Accounts receivable from related parties, current	3	20,874	92,365
Inventories	4	1,921,135	2,042,648
Current tax assets	6	22,719	13,645
<b>Total current assets other than assets or groups of assets for disposition classified as held for sale or held as distributable to owners</b>		<b>6,050,021</b>	<b>5,828,206</b>
<b>Total current assets</b>		<b>6,050,021</b>	<b>5,828,206</b>
<b>Non-current assets</b>			
Other non-current financial assets	11	91,800	145,751
Other non-current non-financial assets		4,561	6,817
Non-current receivables	2	98,544	84,731
Accounts receivable from related parties, non-current	3	15,594	20,530
Non-current inventories	4	585,681	457,070
Investments accounted for using equity method	8	3,483,523	3,568,293
Intangible assets other than goodwill	9	47,837	48,379
Property, plant and equipment	7	29,700,164	26,754,998
Investment property		981	981
Non-current tax assets	6	222,169	143,606
Deferred tax assets	5	43,736	31,443
<b>Total non-current assets</b>		<b>34,294,590</b>	<b>31,262,599</b>
<b>Total Assets</b>		<b>40,344,611</b>	<b>37,090,805</b>

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As of December 31, 2019 and 2018 (In thousands of US dollars - ThUS\$)

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

	NOTES N°	12/31/2019	12/31/2018
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other current financial liabilities	12	1,378,351	872,277
Trade and other current payables	15	1,420,915	1,546,584
Accounts payable to related parties, current	3	137,234	150,916
Other current provisions	16	502,172	384,249
Current tax liabilities	6	13,857	10,777
Current provisions for employee benefits	17	435,565	510,034
Other current non-financial liabilities		34,863	64,575
<b>Total current liabilities</b>		<b>3,922,957</b>	<b>3,539,412</b>
<b>Non-current liabilities</b>			
Other non-current financial liabilities	12	16,538,223	14,674,510
Non-current payables		8,346	26,613
Other non-current provisions	16	2,090,487	1,600,183
Deferred tax liabilities	5	4,860,881	4,586,168
Non-current provisions for employee benefits	17	1,283,357	1,315,520
Other non-current non-financial liabilities		5,693	4,530
<b>Total non-current liabilities</b>		<b>24,786,987</b>	<b>22,207,524</b>
<b>Total liabilities</b>		<b>28,709,944</b>	<b>25,746,936</b>
<b>Equity</b>			
Issued capital		5,619,423	5,219,423
Accumulated deficit		(196,260)	(198,917)
Other reserves	18	5,291,747	5,354,159
<b>Equity attributable to owners of the parent</b>		<b>10,714,910</b>	<b>10,374,665</b>
Non-controlling interests	18	919,757	969,204
Total equity		11,634,667	11,343,869
<b>Total liabilities and equity</b>		<b>40,344,611</b>	<b>37,090,805</b>

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

For the years ended December 31, 2019 and 2018 (In thousands of US dollars - ThUS\$)

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

	NOTES N°	01/01/2019 12/31/2019	01/01/2018 12/31/2018
<b>Revenue</b>	<b>19</b>	<b>12,524,931</b>	<b>14,308,758</b>
<b>Cost of sales</b>		<b>(10,051,441)</b>	<b>(11,194,341)</b>
<b>Gross profit</b>		<b>2,473,490</b>	<b>3,114,417</b>
Other Income, by function	22.a	360,690	124,826
Provision established (reverse), net, in accordance with IFRS 9		378	158
Distribution costs		(17,069)	(18,262)
Administrative expenses		(409,234)	(465,328)
Other expenses	22.b	(1,747,838)	(2,115,314)
Other gains		22,672	21,395
<b>Income from operating activities</b>		<b>683,089</b>	<b>661,892</b>
Finance income		36,871	51,329
Finance costs	23	(479,307)	(463,448)
Share of profit of associates and joint ventures accounted for using equity method	8	13,203	119,114
Foreign exchange difference	25	153,917	178,143
<b>Income for the period before tax</b>		<b>407,773</b>	<b>547,030</b>
Expense - income taxes	5	(393,245)	(357,283)
<b>Net income for the years</b>		<b>14,528</b>	<b>189,747</b>
Net income attributable to owners of parent		6,637	155,719
Net income attributable to non-controlling interests	18.b	7,891	34,028
<b>Net income for the years</b>		<b>14,528</b>	<b>189,747</b>

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) CONTINUED**

For the years ended December 31, 2019 and 2018 (In thousands of US dollars - ThUS\$)

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

	NOTES N°	01/01/2019 12/31/2019	01/01/2018 12/31/2018
<b>Net income for the years</b>		<b>14,528</b>	<b>189,747</b>
<b>Components of other comprehensive income that will not be reclassified to profit or loss, before tax:</b>			
Losses on remeasurement of defined benefit plans, before tax		(100,957)	(48,626)
Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method that will not be reclassified to profit or loss before tax		2,363	(1,617)
<b>Other comprehensive loss that will not be reclassified to profit or loss before tax</b>		<b>(98,594)</b>	<b>(50,243)</b>
<b>Components of other comprehensive income that will be reclassified to profit or loss, before tax:</b>			
Losses on exchange difference on translation, before tax		191	(848)
(Losses) gains on cash flow hedges, before tax		(80,111)	104,160
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, before tax		(3,275)	554
<b>Other comprehensive (loss) income that will be reclassified to profit or loss before tax</b>		<b>(83,195)</b>	<b>103,866</b>
<b>Other comprehensive (loss) income, before tax</b>		<b>(181,789)</b>	<b>53,623</b>
Income tax effect on component of other comprehensive income which will not be reclassified profit or loss			
Net income tax effect relating to benefit plans in other comprehensive income	5	69,667	33,148
Net income (loss) tax of components of other comprehensive income which will be reclassified to profit or loss"			
Net (Loss) income tax relating to cash flow hedges of the other comprehensive income		52,072	(67,704)
<b>Total other comprehensive (loss) income</b>	<b>5</b>	<b>(60,050)</b>	<b>19,067</b>
<b>Total comprehensive (loss) income</b>		<b>(45,522)</b>	<b>208,814</b>
Comprehensive (loss) income attributable to:			
Comprehensive (loss) income attributable to owners of the parent		(53,413)	174,786
Comprehensive income attributable to non-controlling interests	18.b	7,891	34,028
<b>Total comprehensive (loss) income</b>		<b>(45,522)</b>	<b>208,814</b>

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD**

For the years ended December 31, 2019 and 2018 (In thousands of US dollars - ThUS\$)

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

	NOTES N°	01/01/2019 12/31/2019	01/01/2018 12/31/2018
<b>Cash flows provided by operating activities:</b>			
Receipts from sales of goods and rendering of services		12,553,666	15,428,893
Other cash receipts from operating activities	26	1,827,264	1,733,555
Payments to suppliers for goods and services		(7,917,563)	(8,870,763)
Payments to and on behalf of employees		(1,800,223)	(1,920,204)
Other cash payments from operating activities	26	(2,237,355)	(2,555,184)
Dividends received		87,434	188,749
Interest received			
Income taxes paid		(81,762)	(67,326)
Cash flows provided by operating activities		2,431,461	3,937,720
<b>Cash flows used in investing activities:</b>			
Other payments to acquire equity or debt instruments of other entities		(240)	(338)
Other charges for the sale of interests in joint ventures and associates	8	193,480	21,842
Purchase of property, plant and equipment		(4,102,073)	(3,893,851)
Interest received		33,874	47,259
Other cash inflows (outflows)		(5,078)	(127,570)
Cash flows used in investing activities		(3,880,037)	(3,952,658)
<b>Cash flows used in financing activities:</b>			
Proceeds from borrowings long term		3,918,199	900,000
Proceeds from borrowings short term		465,000	-
Total proceeds from borrowings		4,383,199	900,000
Repayment of borrowings		(2,234,446)	(259,011)
Payments of finance lease liabilities		(148,181)	(27,130)
Dividends paid		-	(602,461)
Interest paid		(656,705)	(634,289)
Other cash inflows (outflows)		197,555	500,802
Cash flows (used) provided in financing activities		1,541,422	(122,089)
<b>Increase in cash and cash equivalents before effects of exchange difference</b>		<b>92,846</b>	<b>(137,027)</b>
Effect of exchange rate changes on cash and cash equivalents		(18,866)	(82,683)
<b>Increase in cash and cash equivalents</b>		<b>73,980</b>	<b>(219,710)</b>
Cash and cash equivalents at beginning of period	1	1,229,125	1,448,835
<b>Cash and cash equivalents at end of period</b>	<b>1</b>	<b>1,303,105</b>	<b>1,229,125</b>

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the years ended December 31, 2019 and 2018 (In thousands of US dollars - ThUS\$)

(Translation into English of the consolidated financial statements originally issued in Spanish - see Note 1.2)

DECEMBER 31, 2019	ISSUED CAPITAL	RESERVE ON EXCHANGE DIFFERENCES ON TRANSLATION	RESERVE OF CASH FLOW HEDGES	RESERVE OF REMEASUREMENT OF DEFINED BENEFIT PLANS NOTE 18	OTHER MISCELLANEOUS RESERVES	TOTAL OTHER RESERVES NOTE 19	ACCUMULATED DEFICIT	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS NOTE 19	TOTAL EQUITY
<b>Initial balance as of 1/1/2019</b>	5,219,423	(6,863)	47,792	(274,480)	5,587,710	5,354,159	(198,917)	10,374,665	969,204	11,343,869
Increase (decrease) through changes in accounting policies	-	-	-	-	-	-	-	-	-	-
<b>Initial balance restated</b>	5,219,423	(6,863)	47,792	(274,480)	5,587,710	5,354,159	(198,917)	10,374,665	969,204	11,343,869
Changes in equity:										
Net income							6,637	6,637	7,891	14,528
Other comprehensive income (loss)		191	(28,039)	(31,290)	(912)	(60,050)		(60,050)	-	(60,050)
Comprehensive income								(53,413)	7,891	(45,522)
Dividends							-	-		-
Capital contributions	400,000	-	-	-	-	-	-	400,000	-	400,000
Increase (decrease) through transfers and other changes	-	-	(247)	-	(2,115)	(2,362)	(3,980)	(6,342)	(57,338)	(63,680)
<b>Total changes in equity</b>	<b>400,000</b>	<b>191</b>	<b>(28,286)</b>	<b>(31,290)</b>	<b>(3,027)</b>	<b>(62,412)</b>	<b>2,657</b>	<b>340,245</b>	<b>(49,447)</b>	<b>290,798</b>
<b>Final balance as of 12/31/2019</b>	<b>5,619,423</b>	<b>(6,672)</b>	<b>19,506</b>	<b>(305,770)</b>	<b>5,584,683</b>	<b>5,291,747</b>	<b>(196,260)</b>	<b>10,714,910</b>	<b>919,757</b>	<b>11,634,667</b>

The accompanying notes are an integral part of these consolidated financial statements.



DECEMBER 31, 2018	ISSUED CAPITAL	RESERVE ON EXCHANGE DIFFERENCES ON TRANSLATION	RESERVE OF CASH FLOW HEDGES	RESERVE OF REMEASUREMENT OF DEFINED BENEFIT PLANS NOTE 18	OTHER MISCELLANEOUS RESERVES	TOTAL OTHER RESERVES NOTE 19	ACCUMULATED DEFICIT	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS NOTE 19	TOTAL EQUITY
<b>Initial balance as of 1/1/2018</b>	<b>4,619,423</b>	<b>(6,015)</b>	<b>11,336</b>	<b>(259,002)</b>	<b>5,588,773</b>	<b>5,335,092</b>	<b>(34,390)</b>	<b>9,920,125</b>	<b>1,007,495</b>	<b>10,927,620</b>
Changes in equity:										
Net income							155,719	155,719	34,028	189,747
Other comprehensive income (loss)		(848)	36,456	(15,478)	(1,063)	19,067		19,067	-	19,067
Comprehensive income								174,786	34,028	208,814
Dividends							(306,619)	(306,619)		(306,619)
Capital contributions	600,000	-	-	-	-	-	-	600,000	-	600,000
Increase (decrease) through transfers and other changes	-	-	-	-	-	-	(13,627)	(13,627)	(72,319)	(85,946)
<b>Total changes in equity</b>	<b>600,000</b>	<b>(848)</b>	<b>36,456</b>	<b>(15,478)</b>	<b>(1,063)</b>	<b>19,067</b>	<b>(164,527)</b>	<b>454,540</b>	<b>(38,291)</b>	<b>416,249</b>
<b>Final balance as of 12/31/2018</b>	<b>5,219,423</b>	<b>(6,863)</b>	<b>47,792</b>	<b>(274,480)</b>	<b>5,587,710</b>	<b>5,354,159</b>	<b>(198,917)</b>	<b>10,374,665</b>	<b>969,204</b>	<b>11,343,869</b>

The accompanying notes are an integral part of these consolidated financial statements.



# 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 into 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, in Management’s opinion, the largest copper producer in the world. Codelco’s most important product is refined copper, primarily in the form of cathodes. The Corporation also produces copper concentrates, blister and anode copper and by-products such as molybdenum, anode slime and sulfuric acid.

The Corporation trades its products based on a policy aimed to sell refined copper to manufacturers or producers of semi-manufactured products.

These products contribute to diverse fields of community development, particularly those intended to improve areas such as public health, energy efficiency, and sustainable development, among others.

Codelco-Chile is registered under Securities Registry No. 785 of the Chilean Commission for the Financial

Market (the “CMF”), and is subject to its supervision. According to Article No. 10 of Law No. 20392 (related to the new Corporate Governance of Codelco), such supervision shall be on the same terms as publicly traded companies, notwithstanding the provisions in Decree Law (D.L.) No.1349 of 1976, which created the Comisión Chilena del Cobre (“Chilean Copper Commission”).

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

Codelco was incorporated through D.L. No. 1350 of 1976, which is the statutory decree applicable to the Corporation. In accordance with the statutory decree, Codelco is a government-owned mining, industrial and commercial company, which is a separate legal entity with its own equity. Codelco Chile currently carries out its mining business through its Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina, El Teniente and Ventanas divisions.

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

In accordance with letter e) of Article 10 of Law No. 20392, Codelco is governed by its organic standards set forth in Decree Law No. 1350 (D.L. No. 1350) and that of its by-laws, and in matters not covered by them and, insofar as they are compatible and do not contradict the provisions of such standards, by the rules that govern publicly traded companies and the common laws as applicable to them.

In accordance with D.L. No. 1350 Section IV related to the Company’s Exchange and Budget Regulations. Codelco’s financial activities are conducted following an annual budgeting program that is composed of an Operations Budget, an Investment Budget and a Debt Amortization Budget.

The tax system applicable to Codelco’s taxable income is in accordance with Article 26 of D. L. No.1350 which refers to Decree Law No. 824 on Income Tax of 1974 and Decree Law No. 2398 (Article 2) of 1978, as applicable. The Corporation’s taxable income is also subject to a Specific Mining Tax in accordance with Law No. 20026 of 2005.

Las asociadas y negocios conjuntos, situados en Chile y en el exterior, se detallan en la Nota explicativa sección III.8.

The Corporation is subject to Law No. 13196, which mandates the payment of a 10% tax over the foreign currency return on the actual sale revenue of copper production, including its by-products. On January 27, 2017, Law No. 20989, article 3, establishes changes in the application of Law No. 13196 as of January 1, 2018, through which the Corporation will deposit annually, no later than December 15 of each year, the funds established in article 1 in that law.

On September 26, 2019, Law No. 21174 was published, which repeals Law No. 13,196 and establishes that the 10% tax to the tax benefit provided by the Corporation will continue to exist for a period of nine years, decreasing from year 10 2.5% per year until reaching 0% at the beginning of the thirteenth year. The validity of this law is as of January 1, 2020.

The subsidiaries whose financial statements are included in these audited consolidated financial statements correspond to companies located in Chile



and abroad, which are detailed in Note II.2.d.

The associates and joint ventures located in Chile and abroad, are detailed in the Explanatory Notes Section III of Note 8.

## 2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Corporation's consolidated statements of financial position as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and of cash flows for the years ended December 31, 2019 and 2018, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements include all information and disclosures required in annual financial statements.

These consolidated financial statements have been prepared from accounting records maintained by the Corporation.

The consolidated financial statements of the Corporation are presented in thousands of United States dollar ("U.S. dollar").

### Responsibility for the Information and Use of Estimates

The Board of Directors of the Corporation has been informed of the information included in these consolidated financial statements and expressly

declared its responsibility for the consistent and reliable nature of the information included in such financial statements as of and for the year ended December 31, 2019, which financial statements fully comply with IFRS as issued by the IASB. These consolidated financial statements as of December 31, 2019 and for the year then ended were approved by the Board of Directors at a meeting held on March 26, 2020.

### Accounting Principles

These consolidated financial statements reflect the financial position of Codelco and its subsidiaries as of December 31, 2019 and 2018, and the results of their operations, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and their related notes, all prepared in accordance with IAS 1, "Presentation of Financial Statements," in consideration of the presentation instructions of the Commission for the Financial Markets, where not in conflict with IFRS.

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

## II. SIGNIFICANT ACCOUNTING POLICIES

### 1. SIGNIFICANT JUDGMENTS AND KEY ESTIMATES

In preparing these consolidated financial statements, the use of certain critical accounting estimates and assumptions that affect the amounts of assets and liabilities recognized as of the date of the financial statements and the amounts of revenue

and expenses recognized during the reporting period is required. Such preparation also requires the Corporation's Management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

**a) Useful economic lives and residual values of property, plant and equipment:** The useful lives and residual values of property, plant and equipment that are used for calculating depreciation are determined based on technical studies prepared by specialists (internal or external). The technical studies consider specific factors related to the use of assets.

When there are indicators that could lead to changes in the estimates of the useful lives of such assets, these changes are made by using technical estimates to determine the impact of any change.

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

The Corporation applies prudent judgment in determining the ore reserves, and as such, possible changes in these estimates might significantly impact the estimates of net revenues over time. In addition, these changes might lead to modifications in usage estimates, which might have an effect on

depreciation and amortization expense, calculation of stripping cost adjustments, determination of impairment losses, expected future disbursements related to decommissioning and restoration obligations, long term defined benefits plans' accounting and the accounting for financial derivative instruments.

The Corporation estimates its reserves and mineral resources based on the information certified by the Competent Persons of the Corporation, who are defined and regulated according to Law No. 20235. These estimates correspond to the application of the Certification Code of Ore Reserves, Resources and Exploration, issued by the Mining Committee which was instituted through the aforementioned law. This does not modify the global volume of the Corporation's ore reserves and resources.

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

**c) Impairment of non-financial assets:** The Corporation reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indicator exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss. In testing impairment, the assets are grouped into cash generating units ("CGUs") to which the assets belong, where applicable. The recoverable amount of these CGUs is calculated as the present value of the expected future cash flows from such assets, considering a pre-tax discount rate that reflects current market



assessments of the time value of money and the risks specific to the asset. If the recoverable amount of the assets is lower than their carrying amount, an impairment loss is recognized. Goodwill and indefinitely-lived assets are tested for impairment at least annually.

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

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

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

Impairment testing also is performed at the level of associates and joint arrangements.

**d) Provisions for decommissioning and site restoration costs:** The Corporation is obliged to incur decommissioning and site restoration costs when such site restoration or decommissioning is required due to a legal or constructive obligation. Costs are estimated on the basis of a formal closure plan and are reassessed annually or as of the date such obligations become known. The initial estimate

of decommissioning and site restoration costs is recognized as property, plant and equipment in accordance with IAS 16, and simultaneously a liability in accordance with IAS 37, is recorded.

For these purposes, a defined list of mine sites, facilities and other equipment are studied under this process, considering the engineering level profile, the cubic meters of assets that will be subject to removal and restoration, weighted by a structure of market prices of goods and services, reflecting the best current knowledge related to carrying out such activities, as well as techniques and more efficient construction procedures to date. In the process of valuation of these activities, the assumptions of the exchange rate for tradable goods and services is made, as well as a discount rate, which considers the time value of money and the risks associated with the liabilities, which is determined based, where applicable, on the currency in which disbursements are expected to be made.

The liability amounts recognized at the end of each reporting date represent management's best estimate of the present value of the future decommissioning and site restoration costs. Changes to estimated future costs that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate are added to, or deducted from, the cost of the related asset in the current period (as well as the associated liability). The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

If the adjustment results in an addition to the cost of the asset, Codelco considers whether this is an indicator that the new carrying amount of the asset may not be fully recoverable. If it is considered such an indicator, Codelco tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss in accordance with IAS 36.

The decommissioning costs are initially recorded at the moment when a plant or other assets are installed. Such costs are capitalized as part of property, plant and equipment and discounted to their present value. These decommissioning costs are charged to net income over the life of the mine, through depreciation of the corresponding asset. Depreciation expense is included in cost of sales, while the unwinding of the discount in the provision is included in finance costs.

**e) Provisions for employee benefits:** Provisions for employee benefits related to severance payments and health benefits for services rendered by the employees are determined based on actuarial calculations using the projected unit credit method, and are recognized in other comprehensive income or profit or loss (depending on the accounting standards applicable) on accrual bases.

The Corporation uses assumptions to determine the best estimate of future obligations related to these benefits. Such estimates, as well as assumptions, are determined by management using the assistance of external actuaries. These assumptions include demographic assumptions, discount rate and expected salary increases and rotation levels, among other factors.

**f) Accruals for open invoices:** The Corporation uses information on future copper prices, through which it recognizes adjustments to its revenues and trade receivables, due to the conditions in provisional pricing arrangements. These adjustments are updated on a monthly basis, See Notes 2 r) "Revenue from contracts with customers" of Note 2 "Significant accounting policies" below.

**g) Fair value of derivatives and other financial instruments:** Management may use its judgment to choose an adequate and proper valuation method for financial instruments that are not quoted in an active market. In the case of derivative financial instruments, assumptions are based on observable market inputs, adjusted depending on factors specific to the instruments among others.

**h) Lawsuits and contingencies:** The Corporation assesses the probability of lawsuits and contingency losses on an ongoing basis according to estimates performed by its legal advisors. For cases in which management and the Corporation's legal advisors believe that a loss is not probable of occurring or where probable, may not be estimated reliably, no provisions are recognized. When it is considered more likely than not that a loss is probable and it may be reliably estimated, a provision is recognized.

**i) Application of IFRS 16** that include the following:

- Estimation of the lease term;
- Determine if it is reasonably certain that an extension or termination option will be exercised;
- Determination of the appropriate rate to discount lease payments.



**j) Revenue recognition :** The Corporation determines appropriate revenue recognition for its contracts with customers by analyzing the type, terms and conditions of each contract or agreement with a customer.

As part of the analysis, the management must make judgments about whether an agreement or contract is legally enforceable, and whether the agreement includes separate performance obligations. In addition, estimates are required in order to allocate the total price of the transaction to each performance obligation based on the stand-alone selling price of the promised goods or services underlying each performance obligation. (The Corporation applies the constraint on variable consideration as defined in IFRS 15, if applicable).

Although the abovementioned estimates have been made based on the best information available as of the date of issuance of these consolidated financial statements, it is possible that new developments could lead the Corporation to modify these estimates in the future. Such modifications, if applicable, would be adjusted prospectively, as required by IAS 8 *“Accounting Policies, Changes in Accounting Estimates and Errors.”*

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

- Consolidated statements of financial position as of December 31, 2019 and 2018.

- Consolidated statements of comprehensive income for years ended December 31, 2019 and 2018.  
 - Consolidated statements of changes in equity for years ended December 31, 2019 and 2018.  
 - Consolidated statements of cash flows for years ended December 31, 2019 and 2018.

**b. Basis of preparation:** The consolidated financial statements of the Corporation as of December 31, 2019 and 2018, and for the years ended December 31, 2019 and 2018 have been prepared in accordance with the instructions from the Commission for the Financial Market which fully comply with IFRS as issued by the IASB.

The consolidated statement of financial position as of December 31, 2018, and the consolidated statement of comprehensive income for the year ended December 31, 2018, the consolidated statement of changes in equity and consolidated statement of cash flows for the year ended December 31, 2018, which are included for comparative purposes, have been prepared in accordance with IFRS issued by the IASB, on a basis consistent with the criteria used for the same period ended December 31, 2019, except for the adoption of the new IFRS standards and interpretations adopted by the Corporation as of and for the years ended December 31, 2019, which are disclosed in note II.3.

These consolidated financial statements have been prepared based on the accounting records kept by the Corporation.

**c. Functional Currency:** The functional currency of Codelco is the U.S. dollar, which is the currency of the primary economic environment in which the

Corporation operates and the currency in which it receives its revenues.

The functional currency of subsidiaries, associates and joint ventures, is the currency of the primary economic environment in which those entities operate and the currency in which they receive their revenues. For those subsidiaries and associates that are an extension of the operations of Codelco (entities that are not self-sustaining and whose main transactions are with Codelco); the functional currency is also the U.S. dollar.

The presentation currency of Codelco’s consolidated financial statements is the U.S. dollar.

**d. Basis of consolidation:** The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continue to be consolidated until the date such control ceases. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement from the date the Corporation gains control until the date when the Corporation ceases to control the subsidiary.

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

All assets, liabilities, equity, income, expenses and cash flows related to transactions between consolidated companies are fully eliminated on

consolidation. Non-controlling interests in equity and in the comprehensive income of the consolidated subsidiaries are presented, respectively, under the line items “Total Equity: Non-controlling interests” in the consolidated statement of financial position and “Net income attributable to non-controlling interests” and “Comprehensive income attributable to non-controlling interests” in the consolidated statement of comprehensive income.



The companies included in the consolidation are as follows:

TAXPAYER ID NUMBER	COMPANY	COUNTRY	CURRENCY	12/31/2019 % OWNERSHIP			12/31/2018 % OWNERSHIP
				DIRECT	INDIRECT	TOTAL	TOTAL
Foreign	Chile Copper Limited	England	GBP	100.00	0	100.00	100.00
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	0	100.00	100.00	100.00
Foreign	Codelco Group Inc.	United States of America	US\$	100.00	0	100.00	100.00
Foreign	Codelco International Limited	Bermuda	US\$	100.00	0	100.00	100.00
Foreign	Codelco Kupferhandel GmbH	Germany	EURO	100.00	0	100.00	100.00
Foreign	Codelco Metals Inc.	United States of America	US\$	0	100.00	100.00	100.00
Foreign	Codelco Services Limited	England	GBP	0	100.00	100.00	100.00
Foreign	Codelco Shanghai Company Limited	China	RMB	100.00	0	100.00	100.00
Foreign	Codelco Technologies Ltd.	Bermuda	US\$	0	-	-	100.00
Foreign	Codelco USA Inc.	United States of America	US\$	0	100.00	100.00	100.00
Foreign	Codelco Canada	Canada	US\$	0	100.00	100.00	100.00
Foreign	Ecometales Limited	Channel Islands	US\$	0	100.00	100.00	100.00
Foreign	Exploraciones Mineras Andinas Ecuador EMSAEC S.A.	Ecuador	US\$	0	100.00	100.00	100.00
Foreign	Cobrex Prospeccao Mineral	Brazil	BRL	0	51.00	51.00	51.00
78.860.780-6	Compañía Contractual Minera los Andes	Chile	US\$	99.97	0.03	100.00	100.00
79.566.720-2	Isapre Chuquicamata Ltda.	Chile	CLP	0.00	0.00	-	100.00
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.69	0	96.69	96.69
88.497.100-4	Clínica San Lorenzo Limitada	Chile	CLP	99.90	0.10	100.00	100.00
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda.	Chile	CLP	0	100.00	100.00	100.00
89.441.300-K	Isapre Río Blanco Ltda.	Chile	CLP	0	0	-	100.00
96.817.780-K	Ejecutora Proyecto Hospital del Cobre Calama S.A.	Chile	US\$	99.99	0.01	100.00	100.00
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	US\$	99.99	0.01	100.00	100.00
96.991.180-9	Codelco Tec SpA	Chile	US\$	99.91	0.09	100.00	100.00
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	US\$	99.90	0.10	100.00	100.00
99.573.600-4	Clínica Río Blanco S.A.	Chile	CLP	99.00	1.00	100.00	100.00
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.00	1.00	100.00	100.00



TAXPAYER ID NUMBER	COMPANY	COUNTRY	CURRENCY	12/31/2019 % OWNERSHIP			12/31/2018 % OWNERSHIP
				DIRECT	INDIRECT	TOTAL	TOTAL
77.773.260-9	Inversiones Copperfield SpA	Chile	US\$	99.99	0,01	100,00	100,00
76.043.396-9	Innovaciones en Cobre S.A.	Chile	US\$	0.05	99,95	100,00	100,00
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	US\$	99.95	0,05	100,00	100,00
76.173.357-5	Inversiones GacruX SpA	Chile	US\$	100.00	-	100,00	100,00
76.231.838-5	Inversiones Mineras Nueva Acrux SpA	Chile	US\$	0	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\$	0	67,80	67,80	67,80
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	US\$	0	100,00	100,00	100,00
76.255.061-K	Central Eléctrica Luz Minera SpA	Chile	US\$	100.00	-	100,00	100,00
70.905.700-6	Fusat	Chile	CLP	0	-	-	-
76.334.370-7	Isalud Isapre de Codelco Ltda.	Chile	CLP	59.26	40,73	99,99	-
78.394.040-K	Centro de Servicios Médicos Porvenir Ltda.	Chile	CLP	0	99,00	99,00	99,00
77.928.390-9	Inmobiliaria e Inversiones Rio Cipreces Ltda.	Chile	CLP	0	99,90	99,90	99,90
77.270.020-2	Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	CLP	0	99,00	99,00	99,00
76.754.301-8	Salar de Maricunga SpA	Chile	CLP	100.00	-	100,00	100,00

On July 15, 2019, according to Bermuda Registration Certificate No. 28890, the merger between Codelco Technologies and Codelco International is reported, the latter being the absorbing company of Codelco Technologies, for which it acquires 9.99 % of subsidiary Codelco Brasil and 100% of Ecometales.

Institución de Salud Previsional Río Blanco Ltda., and Institución de Salud Previsional Fusat Ltda., the latter being the absorbing Isapre (health insuring entity). In addition, the partners approved modifications to the statutes related to a change in the company name, capital increase due to the merger, contribution and participation of the partners in the share capital.

On December 2, 2019, by public deed, the partners approved the merger by incorporation of the Institución de Salud Previsional Chuquicamata Ltda., San Lorenzo Institución de Salud Previsional Ltda.,



For the purposes of these consolidated financial statements, subsidiaries, associates, acquisitions and disposals and joint ventures are defined as follows:

- **Subsidiaries:** A subsidiary is an entity over which the Corporation has control. Control is exercised if, and only if, the following conditions are met: the Corporation has i) power to direct the relevant activities of the subsidiaries unilaterally; ii) exposure or rights to variable returns from these entities; and iii) the ability to use its power to influence the amount of these returns.

The Corporation reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

The consolidated financial statements include all assets, liabilities, revenues, expenses and cash flows of Codelco and its subsidiaries, after eliminating all inter-company balances and transactions.

The value of the participation of non-controlling shareholders in equity, net income and comprehensive income of subsidiaries are presented, respectively, in the headings "Non-controlling interests" of the consolidated statement of financial position; "Net income attributable to non-controlling interests"; and "Comprehensive income attributable to non-controlling interests" in the statements of comprehensive income.

- **Associates:** An associate is an entity over which Codelco has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

Codelco's interest ownership in associates is recognized in the consolidated financial statements under the equity method. Under this method, the initial investment is recognized at cost and adjusted thereafter to recognize changes in Codelco's share of the comprehensive income of the associate, less any impairment losses or other changes to the investment in net assets of the associate.

Appropriate adjustments to the Codelco's share of the associate's profit or loss after acquisition are made in order to account for depreciation of the depreciable assets and related deferred tax balances based on their fair values at the acquisition date.

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

If control is lost over a subsidiary, the retained ownership interest in the investment will be recognized at its fair value.

At the acquisition date of an investment in a subsidiary, associate or joint venture, any excess of the cost of the investment (consideration transferred) plus the amount of the non-controlling interest in the acquiree plus the fair value of any previously held equity interest in the acquiree, where applicable, over Codelco's share of the net fair value of the identifiable assets and acquired liabilities is recognized as goodwill. Any excess of Codelco's

share of the net fair value of the identifiable assets and acquired liabilities over the consideration transferred, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

- **Joint Ventures:** The entities that qualify as joint ventures are accounted for using the equity method.

**e. Foreign currency transactions and Reporting currency conversion:** Transactions in currencies other than the Corporation's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency transactions denominated in foreign currencies are converted at the rates prevailing at that date. Exchange differences on such transactions are recognized in profit or loss in the period in which they arise and are included in line item "Foreign exchange differences" in the consolidated statement of comprehensive income.

At the end of each reporting period, assets and liabilities denominated in Unidades de Fomento (UF or inflation index-linked units of account) are translated into U.S. dollars at the closing exchange rates at that date (12/31/2019: US\$37.81; 12/31/2018: US\$39.68). The expenses and revenues in Chilean pesos have been expressed in dollars at the observed exchange rate, corresponding to the date of the accounting recording of each operation.

The financial statements of subsidiaries, associates and jointly controlled entities, whose functional currency is other than the presentation currency of Codelco, are translated as follows for purposes of consolidation:

- Assets and liabilities are translated using the prevailing exchange rate on the closing date of the financial statements.

- Income and expenses for each statement of comprehensive income are translated at average exchange rates for the period.  
- All resulting exchange differences are recognized in other comprehensive income and accumulated in equity under the heading "Reserve on exchange differences on translation."

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

Relation	Closing exchange ratios	
	12/31/2019	12/31/2018
USD / CLP	0.00134	0.00144
USD / GBP	1.31320	1.27000
USD / BRL	0.24910	0.25848
USD / EURO	1.12133	1.14390
USD / AUD	0.70018	-
USD / HKD	0.12844	-



**f. Offsetting balances and transactions:** In general, assets and liabilities, income and expenses, are not offset in the financial statements, unless required or permitted by an IFRS or when offsetting reflects the substance of the transaction as well as when it is the intention of the Corporation to settle a transaction net.

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

**g. Property, plant and equipment and depreciation:** Items of property, plant and equipment are initially recognized at cost. Subsequent to initial recognition, they are measured at cost, less any accumulated depreciation and any accumulated impairment losses.

Extension, modernization or improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life of the assets are capitalized as increasing the cost of the corresponding assets.

Furthermore, assets acquired under finance lease contracts are included in property, plant and equipment.

The assets included in property, plant and equipment are depreciated, as a general rule, using the units of production method, when

the activity performed by the asset is directly attributable to the mine production process. All other assets included in property, plant and equipment are depreciated using the straight-line method.

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

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

Leased assets are depreciated over the lease term or their estimated useful life, whichever is shorter.

Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and any change in estimates is recognized prospectively.

Additionally, depreciation methods and estimated useful lives of assets, especially plants, facilities and infrastructure may be revised at the end of each year or during the year according to changes in the structure of reserves of the Corporation and productive long-term plans updated as of that date.

This review may be made at any time if the conditions of ore reserves change significantly as a result of new known information, confirmed and officially released by the Corporation.

Gains or losses on the sale or disposal of an asset are calculated as the difference between the net disposal proceeds received and the carrying amount of the asset, and are included in profit or loss when the asset is derecognized.

Construction in progress includes the amounts invested in the construction of property, plant and equipment and in mining development projects. Construction in progress is transferred to assets in operation once the testing period has ended and when they are ready for use; at that point, depreciation begins to be recognized.

Borrowing costs that are directly attributable to the acquisition or construction of assets that require a substantial period of time before they are ready for



use or sale are capitalized as part of the cost of the corresponding items of property, plant and equipment.

The ore deposits owned by the Corporation are recorded in the accounting records at US\$1.

Notwithstanding the above, those reserves and resources acquired as part of acquisition of entities accounted for as business combinations, are recognized at their fair value.

**h. Intangible assets:** The Corporation initially recognizes these assets at acquisition cost. Subsequent to initial recognition, intangible assets are amortized in a systematic way over their economic useful life, except for those assets with indefinite useful life, which are not amortized. Indefinitely-lived intangible assets are tested for impairment at least annually, and whenever there is an indication that these assets may be impaired. Definitely-lived intangible assets are tested for impairment when an indicator of impairment has been identified. At the end of each reporting period, these assets are measured at their cost less any accumulated amortization (when applicable) and any accumulated impairment losses.

The main intangible assets are described as follows:

**Research and Technological Development and Innovation Expenditures:** The expenditures for the development of Technology and Innovation Projects are recognized as intangible assets at their cost and are considered to have indefinite useful lives.

Development expenses for technology and innovation projects are recognized as intangible

assets at cost, if and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will available for use or sale;
- The intention to complete the intangible asset is to use or sell it;
- The ability to use or sell the intangible asset;
- That the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Research expenses for technology and innovation projects are recognized in profit or loss when incurred.

**i. Impairment of property, plant and equipment and intangible assets:** The carrying amounts of property, plant and equipment and intangible assets with finite useful lives are reviewed to determine whether there is an indication that those assets have suffered an impairment loss. If any such indicator exists, the Corporation estimates the asset's recoverable amount to determine the extent of the impairment loss which is then recorded.

For assets with indefinite useful lives, their recoverable amounts are annually estimated at the end of each reporting period.

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

The Corporation has defined each of its divisions as a cash generating unit.

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

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, an impairment loss is recognized immediately in profit or loss, reducing the carrying amount to its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years.

The estimates of future cash flow for a CGU are based on future production forecasts, future prices of basic products and future production costs. Under IAS 36 "Impairment of Assets", there are certain restrictions for future cash flows estimates related to future restructurings and future cost efficiencies. When calculating value in use, it is also necessary to

base the calculations on the spot exchange rate at the date of calculation.

**j. Expenditures for exploration and evaluation of mineral resources, mine development and mining operations:** The Corporation has defined an accounting policy for each of these expenditures.

Development expenses for deposits under exploitation whose purpose is to maintain production levels are recognized in profit or loss when incurred.

Exploration and evaluation costs such as: drillings of deposits, including expenses necessary to locate new mineralized areas and engineering studies to determine their potential for commercial exploitation are recognized in profit or loss, normally at the pre-feasibility stage.

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

Finally, costs for defining of new areas or deposit areas in exploitation and of mining operations (PP&E) are recognized in property, plant and equipment and are amortized through profit or loss over the period during which the benefits are obtained.



**k. Stripping costs:** Costs incurred in removing mine waste materials (overburden) in open pits that are in production, that provide access to mineral deposits, are recognized in property, plant and equipment, when the following criteria set out in IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine are met:

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

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

**l. Income taxes and deferred taxes:** Codelco and its Chilean subsidiaries recognize annually income taxes based on the net taxable income determined as per the standards established in the Income Tax Law and Article 2 of D.L. 2398, as well as, the specific tax on mining referred to in Law 20026 of 2005. Its foreign subsidiaries recognize income taxes according to the tax regulations in each country.

In addition, Codelco's taxable income in each period is subject to the tax regime established in Article 26 of D.L. No. 1350, which states that tax payments will be made on March, June, September and December of each year, based on a provisional tax calculation.

Deferred taxes on temporary differences and other events that generate differences between the accounting and tax bases of assets and liabilities are recognized in accordance with IAS 12 "Income taxes."

Deferred taxes are also recognized for undistributed profits of subsidiaries, associates and joint ventures, originated by withholding tax rates on remittances of dividends paid out by such companies to the Corporation.

**m. Inventories:** Inventories are measured at cost, when such does not exceed net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale (i.e., marketing, sales and distribution expenses). Costs of inventories are determined according to the following methods:

- **Finished products and products in process:** These inventories are measured at their average production cost determined using the absorption costing method, including labor, depreciation of fixed assets, amortization of intangibles and indirect costs of each period. Inventories of products in process are classified in current and non-current, according to the normal cycle of operation.

- **Materials in warehouse:** These inventories are measured at their acquisition cost. The Corporation estimates an allowance for obsolescence considering the turnover rate of slow-moving materials in the warehouse.

- **Materials in transit:** These inventories are measured at cost incurred until the end of reporting period. Any difference as a result of an estimate of net realizable

value of the inventories lower than its carrying amount is recognized in profit or loss.

**n. Dividends:** In accordance with Article 6 of D.L. 1350, the Corporation has a mandatory obligation to distribute its net income as presented in the financial statements. The payment obligation is recognized on an accrual basis.

**o. Employee benefits:** Codelco recognizes a provision for employee benefits when there is a present obligation (legal or constructive) as a result of services rendered by its employees.

The employment contracts stipulate, subject to compliance with certain conditions, the payment of an employee termination indemnity when an employment contract ends. In general, this corresponds to one monthly salary per year of service and considers the components of the final remuneration which are contractually defined as the basis for the indemnity. This employee benefit has been classified as a defined benefit plan.

Codelco has also agreed to post-employment medical care benefits for certain retirees, which are paid based on a fixed percentage applied to the monthly taxable salary of retirees covered by this agreement. This employee benefit has been classified as a defined benefit plan.

These plans continue to be unfunded as of December 31, 2019.

The employee termination indemnity and the post-employment medical plan obligations are determined using the projected unit credit method, with actuarial

valuations being carried out at the end of each reporting period. The defined benefit plan obligations recognized in the statement of financial position represent the present value of the accrued obligations. Actuarial gains and losses are recognized immediately in other comprehensive income and will not be reclassified to profit or loss.

The Corporation's management uses assumptions to determine the best estimate of these benefits. The assumptions include an annual discount rate, expected increases in salaries and turnover rate, among other factors.

In accordance with its operating optimization programs to reduce costs and increase labor productivity by incorporating new current technologies and/or better management practices, the Corporation has established employee retirement programs by amending certain employment contracts or collective union agreements to include benefits encouraging employees to early retire. Accordingly, these arrangements are accounted for as termination benefits and required accruals are established based on the accrued obligation at current value. In case of employee retirement programs which involve multi-year periods, the accrued obligations are updated using a discount rate determined based on financial instruments denominated in the same currency and similar maturities that will be used to pay the obligations.

**p. Provisions for decommissioning and site restoration costs:** The Corporation is obliged to incur decommissioning and site restoration costs when such site restoration or decommissioning is required due to a legal or constructive obligation. Costs are estimated on



the basis of a formal closure plan and cost estimates are annually reviewed.

A provision is recognized for decommissioning and site restoration costs. The amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The provision is initially recognized with a corresponding increase in the carrying amount of the related assets.

The provision for decommissioning and site restoration costs is accreted over time to reflect the unwinding of the discount with the accretion expense included in finance costs in the statement of income. The carrying amount of the related asset is depreciated over its useful life.

Changes in the measurement of the decommissioning and site restoration provision that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are added to, or deducted from, the cost of the related assets in the period when changes occurred. The amount deducted from the cost of the related assets cannot exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

If the adjustment results in an addition to the cost of an asset, the Corporation considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If such an indicator exists, the Corporation tests the asset for impairment by estimating its recoverable amount, and recognizes an impairment loss, if any.

The effects of the updating of the liability, due to the effect of the discount rate and / or passage of time, is recorded as a financial expense.

**q. Leases**

**Leases as of January 1, 2019:** Effective January 1, 2019, IFRS 16 Leases becomes effective, for which the Corporation evaluates its contracts at initial application to determine whether they contain a lease. The Corporation recognizes an asset for right of use and a corresponding liability for lease with respect to all lease agreements in which Codelco is the lessee, except for short-term leases (defined as a lease with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Corporation recognizes lease payments as an operating cost on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which the economic benefits of the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, the Corporation uses the incremental borrowing rate.

The incremental rate for loans used by Codelco is determined by estimating the interest rate that the Corporation would have to pay for borrowing the necessary funds to obtain an asset of an equivalent nature similar in value to the right-of-use asset of the respective lease, in a similar economic environment over a similar term.

Lease payments included in the measurement of the lease liability mainly include fixed payments, variable payments that depend on an index or a rate and the exercise price of a purchase option. Variable payments that do not depend on an index or a rate are excluded.

The lease liability is subsequently measured as follows: the carrying amount increased to reflect the interest on the lease liability (using the effective rate method) and the carrying amount is reduced to reflect the lease payments made.

The Corporation revalues the lease liability as to the discount rate (and makes the corresponding adjustments to the asset for respective right of use) when:

- There is a change in the term of the lease or;
- There is a change in the assessment of an option to purchase the underlying asset or;
- There is a change in an index or rate which generates a change in cash flows.

The right-of-use assets include the amount of the initial measurement of the lease liability, the lease payments made before or until the start date less the lease incentives received and any initial direct costs incurred. The assets for right to use are subsequently measured at cost less accumulated depreciation and accumulated losses due to impairment.

When the Corporation incurs a cost obligation to dismantle or remove a leased asset, restore the location in which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured in accordance with IAS 37. Costs are included in the

corresponding asset for right of use, unless those costs are incurred to produce inventories.

The right-of-use assets are depreciated during the shorter period between the term of the lease and the useful life of the underlying asset. If a lease transfers the ownership of the underlying asset or the cost of the asset for right of use reflects that the Corporation expects to exercise its option to purchase, the right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation is made from the start date of the lease.

The assets for right of use and the lease liability are presented under "Property, plant and equipment" and "Other financial liabilities", respectively, in the consolidated statement of financial position.

**Leases until December 31, 2018:** - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Corporation. All other leases are classified as operating leases. Operating lease costs are recognized as an expense on a straight-line basis over the lease term.

Assets held under finance leases are initially recognized as assets at the inception of the lease at either their fair value or the present value of the minimum lease payments (discounted at the interest rate implicit in the lease), whichever is lower. Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of return on the remaining balance of the liability. Lease obligations are included in other current or non-current liabilities, as appropriate.



In accordance with IFRIC 4 “Determining whether an Arrangement contains a Lease”, an arrangement is, or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and if the arrangement conveys the right to use the asset, even if that right is not explicitly specified.

**r. Revenue from Contracts with Customers:**

Revenue is recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to customers.

**- Sale of mineral goods and / or by-products:**

Contracts with customers for the sale of mineral goods and / or by-products include the performance obligation for the delivery of the physical goods and the associated transportation service, at the place agreed with the customers. The Corporation recognizes revenue from the sale of goods when the performance obligation is satisfied according to the shipment or dispatch of the products, in accordance with the agreed conditions, such revenue being subject to variations related to the content and / or sale price at the date of its liquidation. Notwithstanding the foregoing, there are some contracts where the performance obligation is satisfied when there is receipt of the product (FOB ship point) instead of the buyer’s corresponding destination, thus recognizing revenue at the time of said transfer. When services of transport of goods are provided, the Corporation recognizes revenue when the service obligation is satisfied.

Sales that have discounts associated with volume subject to compliance with goals are recognized net, estimating the probability that the volume target will be reached.

Sales contracts include a provisional price at the shipment date. The final price is generally based on the London Metals Exchange (“LME”) price. Revenue from sales of copper is measured using estimates of the future spread of metal prices on the LME and/or the spot price at the date of shipment, with subsequent adjustments made upon final pricing recognized as revenue. The terms of sales contracts with customers contain provisional pricing arrangements whereby the selling price for metal concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (the “quotation period”). Consequently, the final price is set at the dates indicated in the contracts. Adjustments to provisional sale prices occur based on movements in quoted market prices on the LME up to the date of final pricing. The period between provisional invoicing and final pricing is typically between one and nine months. Changes in fair value over the quotation period and until final pricing are estimated by reference to forward market prices for applicable metals.

In terms of hedge accounting established by IFRS 9, the Corporation has opted to continue applying the hedge accounting requirements of IAS 39 instead of the requirements of the new standard. Therefore, there were no generated effects either at the level of account balances or at the level of disclosures.

Sales in the Chilean market are recognized in conformity with the regulations that govern domestic sales as indicated in Articles 7, 8 and 9 of Law No. 16624, modified by Article 15 of Decree Law No. 1349 of 1976, on the determination of sales prices for the internal market which does not differ from IFRS 15.

As indicated in the note related to hedging policies in

the market of metal derivatives, the Corporation enters into operations in the market of metal derivatives. Gains and losses from those which are fair value hedges contracts are recognized as revenues.

**- Rendering of services:** Additionally, the Corporation recognizes revenue for rendering services, which are mainly related to the processing of minerals bought from third parties. Revenue from rendering of services is recognized when the amounts can be measured reliably and when the services have been provided.

**s. Derivative contracts:** Codelco uses derivative financial instruments to reduce the risk of fluctuations in sales prices of its products and of exchange rates.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured to their fair value at the end of each reporting period.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in equity under the item “Cash flow hedge reserve.” The gain or loss relating to the ineffective portion is immediately recognized in profit or loss, and included in the “Finance cost” or “Finance income” line items. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the effect for the fluctuation in the recognized hedged item.

A hedge relationship is considered highly effective when changes in fair value or in cash flows of the

underlying item directly attributable to the hedged risk are offset by changes in fair value or cash flows of the hedging instrument, with an effectiveness ranging from 80% to 125%. Changes in fair value accumulated in other comprehensive income are subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Upon discontinuation of hedge accounting and depending on the circumstances, the cumulative gain or loss on the hedging instrument remains in equity until the hedged transaction occurs or, if the hedged transaction is not expected to occur, the amount accumulated in other comprehensive income is reclassified to profit or loss.

The total fair value of hedging derivatives is classified as “non-current financial asset or liability”, if the remaining maturity of the hedged item is greater than 12 months, and as “current financial asset or liability”, if the remaining maturity of the hedged item is less than 12 months.

The derivative contracts held by the Corporation have been entered into to apply the risk hedging policies and are accounted for as indicated below:

**- Hedging policies for exchange rate risk:** The Corporation enters into exchange rate derivatives to hedge exchange rate variations between the U.S. dollar and the currencies of transactions the Corporation undertakes. In accordance with the policies established by the Board of Directors, these hedge transactions are only entered into when there are recognized assets or liabilities, forecasts of highly probable transactions or firm commitments. The Corporation does not enter into derivative transactions for non-hedging purposes.



- **Hedging policies for metal market prices risk:** In accordance with the policies established by the Board of Directors, the Corporation entered into derivative contracts to reduce the inherent risks in the fluctuations of metal prices.

The hedging policies seek to cover expected cash flows from the sale of products by fixing the sale prices for a portion of future production. When the sales agreements are fulfilled and the derivative contracts are settled, the results from sales and derivative transactions are offset in profit or loss in revenue.

Hedging transactions carried out by the Corporation in the metal derivatives market are not undertaken for speculative purposes.

- **Embedded derivatives:** The Corporation has established a procedure that allows for evaluation of the existence of embedded derivatives in financial and non-financial contracts. Where there is an embedded derivative, and the host contract is not a financial instrument and the characteristics and risks of the embedded derivative are not closely related to the host contract, the derivative is required to be recognized separately.

**t. Financial information by segment:** The Corporation has defined its Divisions as its operating segments in accordance with the requirements of IFRS 8, Operating Segments. The mining deposits in operation, where the Corporation conducts its extractive and processing activities are managed by the following Divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina and El Teniente, In addition, the smelting and refining activities are

managed at the Ventanas Division. All these Divisions have a separate operational management, which reports to the Chief Executive Officer, through the North and South Central Vice-President of Operations, respectively. Income and expenses of the Head Office are allocated to the defined operating segments.

**u. Presentation of Financial Statements:** The Corporation presents (i) its statements of financial position classified as "current and non-current", (ii) profit or loss or loss and other comprehensive income in one statement and the classification of expenses within profit or loss by function, and (iii) its statement of cash flows using the direct method.

**v. Current and non-current financial assets:** The Corporation determines the classification of its financial assets at the time of initial recognition. The classification depends on the business model in which the investments are managed and the contractual characteristics of their cash flows.

The Corporation's financial assets are classified into the following categories:

- **Fair value through profit or loss:**

• **Initial recognition:** This category includes those financial assets not qualifying under the categories of Fair Value through Other Comprehensive Income or Amortized Cost. These instruments are initially recognized at fair value.

• **Subsequent recognition:** Their subsequent recognition is at fair value, recording in the consolidated statement of comprehensive income, in the line "Other gains (losses)" any changes in fair value.

- **Amortized cost:**

• **Initial recognition:** This category includes those instruments with respect to which the objective of the business model of the Corporation is to hold the financial instrument to collect contractual cash flows and such cash flows consist of solely payments of principal and interest. This category includes certain Trade and other current receivables, and the loans included in other non-current financial assets.

• **Subsequent recognition:** These instruments are subsequently measured at amortized cost using the effective interest method. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any impairment allowance.

Interest income is recognized in profit or loss and is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "Foreign exchange difference" line item.

- **At fair value through other comprehensive income:**

• **Initial measurement:** Financial assets that meet the criteria "Solely payments of principal and interest" (SPPI) are classified in this category and must be maintained within a business model both to collect the cash flows and to sell the financial assets. These instruments are initially recognized at fair value.

• **Subsequent recognition:** Their subsequent valuation is at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in income. Other net gains and losses are recognized in other comprehensive income. On derecognition, the gains and losses accumulated in other comprehensive income for debt instruments are reclassified to income.

Codelco did not irrevocably choose to designate any of its investment assets at fair value with effect on other comprehensive income.

**w. Financial liabilities:** Financial liabilities are initially recognized at fair value net of transaction costs. Subsequent to their initial recognition, the valuation of the financial liabilities will depend on their classification, within which the following categories are distinguished:

- **Financial liabilities at fair value through profit or loss:** This category includes financial liabilities defined as held for trading.

Changes in fair value associated with own credit risk are recorded in other comprehensive income unless doing so creates an accounting mismatch.

- **Financial liabilities at amortized cost:** This category includes all financial liabilities other than those measured at fair value through profit or loss.

The Corporation includes in this category bonds, obligations and other current payables.

These financial liabilities are measured using the effective interest rate method, recognizing interest expense based on the effective rate.



The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Trade and other current payables are financial liabilities that do not explicitly accrue interest and are recognized at their nominal value, which approximates its fair value.

Financial liabilities are derecognized when the liabilities are paid or expire.

**x. Impairment of financial assets:** The Corporation measures the loss allowance at an amount equal to lifetime expected credit losses for certain of its trade receivables. For these, it uses the simplified approach as required under IFRS 9. The Corporation considers a trade receivable to be in default at 90 days.

The provision matrix is based on an entity's historical credit loss experience over the expected life of such trade receivables and is adjusted for forward-looking estimates taking into account the most relevant macroeconomic factors that affect bad debts.

Other accounts receivable and other financial assets are reviewed using reasonable and sustainable information that is available without cost or disproportionate effort in accordance with IFRS 9 to determine the credit risk of the respective financial assets. A provision is established for impairment losses in trade accounts receivable and other financial assets, when there is objective evidence that those amounts owed cannot be fully recovered.

**y. Cash and cash equivalents and statement of cash flows prepared using the direct method:** The statement of cash flows reflects changes in cash and cash equivalents that took place during the period, determined under the direct method. For the purposes of preparing the statement of cash flows, the Corporation has defined the following:

- **Cash flows:** inflows and outflows of cash or cash equivalents, which are defined as highly liquid investments maturing in less than three months with a low risk of changes in value.

- **Operating activities:** are the principal revenue-producing activities of the Corporation and other activities that are not investing or financing activities.

- **Investing activities:** are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

- **Financing activities:** are activities that result in changes in the size and composition of net equity and borrowings of the Corporation.

Bank overdrafts are classified as external resources in current liabilities.

**z. Law No. 13196:** Law No. 13196 requires the payment of a 10% special export tax on receivables of the sales proceeds that Codelco receives and transfers to Chile from the export of copper and related by-products produced by Codelco. The Chilean Central Bank deducts 10% of the amounts that Codelco transferred to its Chilean bank account. The amount recognized for this concept is presented in the statement of income within the line item "Other expenses."

On January 27, 2017, Law No. 20989, article 3, establishes changes in the application of Law No. 13196 as of January 1, 2018, through which the Corporation will deposit annually, no later than December 15 of each year, the funds established in article 1 in that law.

On September 26, 2019, Law No. 21,174 was published, which repeals Law No. 13,196 and establishes that the 10% tax to the tax benefit provided by the Corporation will subsist for a period of nine years, decreasing from the tenth year 2.5% per year until reaching 0% in the twelfth year. The validity of this law is as of January 1, 2020.

**aa. Cost of sales** - Cost of sales is determined according to the absorption costing method, including the direct and indirect costs, depreciation, amortization and any other expenses directly attributable to the production process.

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

**ac. Classification of current and non-current balances** - In the consolidated statement of financial position, the balances are classified according to their maturities, that is, as current for those with a maturity equal to or less than twelve months and as non-current for those with a greater maturity. Where there are obligations whose maturity is less than twelve months, but whose long-term refinancing is insured upon a decision by the Corporation whose intention is to refinance, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

**ad. Non-current assets or groups of assets for disposition classified as held for sale:** The Corporation classifies as non-current assets or groups of assets for disposal, classified as held for sale, properties, plants and equipment, investments in associates and groups subject to expropriation (group of assets that are going to be disposed of together with their directly related liabilities), for which, at the closing date of the financial statements, their sale has been committed to or steps have been initiated and it is estimated that it will be carried out within the twelve months following said date. These assets or groups subject to disposal are valued at book value or the estimated sale value minus the costs necessary for sale, whichever is less, and are no longer amortized from the moment they are classified as non-current assets held for sale. Non-current assets or groups of assets for disposal classified as held for sale and the components of the groups subject to disposal classified as held for sale are presented in the consolidated statement of financial position on a line for each of the following concepts: "Non-current assets or groups of assets for disposition classified as held for sale" and/or "Non-current liabilities or groups of liabilities for disposition classified as held for sale."

### 3. NEW STANDARDS AND INTERPRETATIONS ADOPTED BY THE CORPORATION

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the Corporation's annual consolidated financial statements for the year ended December 31, 2018, except for the adoption of new standards, interpretations and amendments, effective from January 1, 2019, which are:

**a) IFRS 16, Lease:**

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

IFRS 16 introduces new or modified requirements with respect to the accounting for leases. It introduces significant changes to lease accounting for lessees by removing the distinction between operating and financial leases; requires the recognition, at the outset, of an asset for right to use and a lease liability for all leases, allowing exemptions for short-term leases and leases of low-value assets. In contrast to the accounting for the lessee, the requirements for the accounting of the lessor remain largely unchanged. Details of these new requirements are described in Chapter II, note 2, letter q Leases. The impact of the adoption of IFRS 16 in the consolidated financial statements of the Corporation is described below.

The initial application date of IFRS 16 for the Corporation is January 1, 2019.

The Corporation has applied IFRS 16 with the cumulative effect of the initial application of the standard recognized as of January 1, 2019. Consequently, it has not restated the comparative financial information.

**Impact of the new definition of a lease**

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

**Impact on the accounting of leases**

• **Operating Leases:** IFRS 16 changes with respect to how the Corporation accounts for leases previously classified as operating leases under IAS 17, which, with this change, are recognized in the assets and liabilities of the statement of financial position.

The Corporation has re-evaluated all of its contracts at the date of initial application. As a result of the foregoing, leases have been re-assessed in accordance with the new requirements of IFRS 16.

**Transition rules**

As of the transition date of January 1, 2019, the Corporation recognizes its leases with the accumulated effect on the date of initial application, opting to recognize a right to use asset equal to the lease liability.

Practical expedients applied in the transition to operating leases

- Discount rate applied to a lease portfolio;
- Short-term lease exemption for those contracts whose term is less than twelve months;
- Exemption for leases of low-value;
- Review of lease contracts at transition under the "onerous contract" provisions of IAS 37 rather than undertaking an impairment review under IAS 36;
- Measurement of right-of-use assets at lease liability amount at date of initial application;

Impact on assets, liabilities and equity as of January 1, 2019

	BALANCES PRIOR TO IFRS 16 THUS\$	ADJUSTMENT IFRS 16 THUS\$	BALANCES ADJUSTED BY IFRS 16 THUS\$
Property, plant and equipment (1)	26,754,998	373,889	27,128,887
<b>Total Assets</b>	<b>37,090,805</b>	<b>373,889</b>	<b>37,464,694</b>
Other current financial liabilities	872,277	96,404	968,681
Other non-current financial liabilities	14,674,510	277,485	14,951,995
<b>Total Liabilities</b>	<b>25,746,936</b>	<b>373,889</b>	<b>26,120,825</b>
<b>Net Effect</b>	<b>11,343,869</b>	<b>-</b>	<b>11,343,869</b>

Reconciliation of operating leases under IAS 17 disclosed  
as of December 31, 2018 and lease liabilities recognized  
as of January 1, 2019

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



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

b) IFRIC 23 Uncertainty about treatment of income tax

IFRIC 23 establishes how to determine a tax position when there is uncertainty about the treatment for income tax. For this determination, the steps are as follows:

- i. Determine if uncertain tax positions should be evaluated separately or as a whole;
- ii. evaluate if the tax authority is likely to accept an uncertain tax treatment used, or proposed to be used, by an entity in its tax returns:
  - If acceptable, the entity must determine its accounting tax position in a manner consistent with the tax treatment used or planned to be used in its tax return.
  - If uncertain, the entity must reflect the effect of uncertainty in the determination of its accounting tax position.

The Corporation has determined that it has no significant uncertain tax positions.

The application of IFRIC 23 has not materially affected the consolidated financial statements of Codelco.

c) Amendments to IFRS 9, Features of prepayment with negative compensation

The amendments to IFRS 9 clarify that for purposes of evaluating whether a prepaid feature meets the

condition of cash flows that are only principal and interest payments (SPPI), the party exercising the option could pay or receive reasonable compensation for the prepayment regardless of the reason for the prepayment. The application of these amendments had no impact on the consolidated financial statements of the Corporation, however it could affect the accounting of future transactions or agreements.

d) Amendments to IAS 28, Long-term investments in associates and joint ventures

The amendments clarify that when applying IFRS 9 to long-term investments, an entity does not take into account the adjustments to its carrying amounts required by IAS 28. The application of these amendments had no impact on the consolidated financial statements of the Corporation, however, it could affect the accounting of future transactions or agreements.

e) Amendments to IAS 19, Employee Benefits Plan Amendment, Curtailment or Settlement

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognized in the normal manner in other comprehensive income.

The amendments to IAS 19 require the use of updated actuarial assumptions to remeasure the service cost

and the net interest for the remainder of the reporting period after the change to the plan. The application of these amendments had no impact on the consolidated financial statements of the Corporation, however it could affect the accounting of future transactions or agreements.

f) Annual improvements cycle 2015 - 2017 (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)

- Amendments to IFRS 3 and IFRS 11: Adds paragraphs on treatment for acquisitions in participations previously held in a joint operation.
- Amendments to IAS 12: Add paragraph on treatment of taxes related to dividends payable.
- Amendments to IAS 23: Modify wording on application of the capitalization rate.

The application of these amendments had no impact on the consolidated financial statements of the Corporation, however it could affect the accounting of future transactions or agreements.



#### 4. NEW ACCOUNTING PRONOUNCEMENTS

The following new IFRS, amendments and interpretations had been issued by the IASB, but their application is not yet mandatory:

NEW IFRS	DATE OF MANDATORY APPLICATION	SUMMARY
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2021	Establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participating features and supersedes IFRS 4 Insurance contracts.
AMENDMENTS TO IFRS	DATE OF MANDATORY APPLICATION	SUMMARY
Amendment to IFRS 10 and IAS 28: Sale or Contribution of Assets	Date to be determined by IASB.	Recognizes the profits or losses of sales of assets between an investor and an associate or a joint venture, which are recognized for the total when the transaction involves assets which constitute a business and are recognized partially when the assets do not constitute a business.
Definition of a Business (Amendments to IFRS 3)	Annual reporting periods beginning on or after January 1, 2020	Clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs
Definition of Material (Amendments to IAS 1 and IAS 8)	Annual reporting periods beginning on or after January 1, 2020	Clarifies the definition of 'material' and aligns the definition used in the Conceptual Framework and the standards.
Modifications Conceptual Framework for the Report Revised Financial	Annual periods initiated on or after the January 1, 2020	It incorporates some new concepts, provides updated definitions and recognition criteria for assets and liabilities. This modification accompanies a separate document, "Modifications to the References to Conceptual Framework in the Rules IFRS ", which establishes amendments to other IFRS in order to update the references to the new Conceptual Framework
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	Annual reporting periods beginning on or after January 1, 2020	The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

The Administration does not expect significant impacts with respect to standards, amendments and interpretations indicated above.



### III. EXPLANATORY NOTES

#### 1. CASH AND CASH EQUIVALENTS

The detail of cash and cash equivalents as of December 31, 2019 and 2018, is as follows:

ITEM	12/31/2019 THUS\$	12/31/2018 THUS\$
Cash on hand	49,017	25,033
Bank balances	213,580	59,030
Time deposits	972,125	1,131,049
Mutual Funds - Money Market	2,158	1,698
Repurchase agreements	66,225	12,315
<b>Total cash and cash equivalents</b>	<b>1,303,105</b>	<b>1,229,125</b>

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

The Corporation does not hold any significant amounts of cash and cash equivalents that have a restriction on use.

Cash and cash equivalents meet the low credit risk exemption under IFRS 9.

#### 2. TRADE AND OTHER RECEIVABLES

##### a) Accruals for open sales invoices

As mentioned in the Summary of Significant

Accounting Policies Section, the Corporation adjusts its revenues and trade receivable balances, based on future copper prices through the recognition of an accrual for open sales invoices.

When future price of copper is lower than the provisional invoicing price, the accrual is presented in the statement of financial position as follows:

- For those customers that have due balances with the Corporation the accrual is presented as a deduction from the line item trade and other current receivables.  
- For those customers that do not have due balances with the Corporation the accrual is presented in the line item trade and other current payables.

When the future copper price is higher than the

provisional invoicing price, the accrual is added to the line item trade and other current receivables.

According to the foregoing, as of December 31, 2019 and for provisions for unfinalized sales invoices, a positive amount of ThUS\$98,045 is presented intrade and other current receivables for open invoices related to customers with no outstanding amounts to Codelco.

As of December 31, 2018, a negative amount is presented in the trade and other current receivable of ThUS\$96,396 and a provision of ThUS\$5,025 in the trade accounts payable item of current liabilities, the latter associated with customers that do not present

balances owed to Codelco; totaling a negative effect of ThUS\$101,421 for open invoices related to customers..

##### b) Trade and other receivables

The following table sets forth trade and other receivables balances, with their corresponding allowances for doubtful accounts:

ITEMS	CURRENT		NON-CURRENT	
	12/31/2019 THUS\$	12/31/2018 THUS\$	12/31/2019 THUS\$	12/31/2018 THUS\$
Trade receivables (1)	1,934,245	1,542,420	438	820
Allowance for doubtful accounts (3)	(7,530)	(37,811)	-	-
<b>Subtotal trade receivables, net</b>	<b>1,926,715</b>	<b>1,504,609</b>	<b>438</b>	<b>820</b>
Other receivables (2)	668,218	712,446	98,106	83,911
Allowance for doubtful accounts (3)	(6,665)	(4,846)	-	-
<b>Subtotal other receivables, net</b>	<b>661,553</b>	<b>707,600</b>	<b>98,106</b>	<b>83,911</b>
<b>Total</b>	<b>2,588,268</b>	<b>2,212,209</b>	<b>98,544</b>	<b>84,731</b>



(1) Trade receivables correspond to the sales of copper and its by-products, those that in general are sold in cash or through banks transfers.

(2) Other receivables mainly consist of the following items:

- Corporation's employee short-term loans and mortgage loans, both monthly deducted from the employee's salaries. Mortgage loans granted to the Corporation's employees for ThUS\$48,809 are secured with collateral.
- Reimbursement receivables from insurance companies.
- Advance payments to suppliers and contractors.
- Accounts receivable for tolling services (Ventanas Smelter).
- VAT credit and other refundable taxes of ThUS\$179,486 and ThUS\$201,274 as of December 31, 2019 and 2018, respectively.

(3) The Corporation recognizes an allowance for doubtful accounts based on its expected credit loss model.

The reconciliation of changes in the allowance for doubtful accounts for the year ended December 31, 2019 and 2018, were as follows:

ITEMS	12/31/2019 THUS\$	12/31/2018 THUS\$
<b>Opening balance</b>	<b>42,657</b>	<b>40,100</b>
Net Increases	1,709	7,215
Write-offs/applications	(30,171)	(4,658)
<b>Total movements</b>	<b>(28,462)</b>	<b>2,557</b>
<b>Closing balance</b>	<b>14,195</b>	<b>42,657</b>

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

MATURITY	12/31/2019 THUS\$	12/31/2018 THUS\$
Less than 90 days	9,510	3,473
Between 90 days and 1 year	1,211	4,789
More than 1 year	9,530	10,266
<b>Total trade receivables past-due but not impaired</b>	<b>20,251</b>	<b>18,528</b>

### 3. BALANCE AND TRANSACTIONS WITH RELATED PARTIES

#### a) Transactions with related persons

In accordance with Law on New Corporate Governance, the members of Codelco's Board are, in terms of transactions with related persons, subject to the provisions of Title XVI of Law on Corporations, which sets the requirements regarding transactions with related parties in publicly traded companies and their subsidiaries.

Notwithstanding the foregoing, pursuant to the provisions of the final paragraph of Article 147 b) of Title XVI, which contains exceptions to the approval process for transactions with related parties, the Corporation has established a general policy over customary transactions (which were communicated through a significant event notice to the CMF), that defines customary transactions as those carried out with its related parties in the normal course of business, which contributes to the social interest and are necessary to the normal development of Codelco's activities.

Likewise, consistent with the legal framework, the Corporation maintains within its internal framework a specific policy about transactions between related persons and companies with Codelco's employees. Codelco's Corporate Policy No.18 ("CCP No. 18"), the latest version currently in force, was approved by the Chief Executive Officer and the Board of Directors.



Accordingly, Codelco without the authorization required in CCP No. 18 and of the Board of Directors, when required by Law or by the Corporation by-laws, shall not enter into any contracts or agreements involving one or more Directors, its Chief Executive Officer, the members of Division's Managing Committees, Vice-presidents, Legal Counsel, General Auditor, Division Chief Executive Officers, Advisors of Senior Management, employees who must make recommendations and/or have the authority to award tenders, assignments of purchases and/or

contracting goods and services, and employees in management positions (up to fourth hierarchical level in the organization), including their spouses, children and other relatives up to second degree of relation, with a direct interest, represented by third parties or on behalf of another person. Likewise, CCP No. 18 requires administrators of Corporation's contracts to declare all related persons, and disqualify himself/herself if any related persons are involved within the field of his/her job responsibilities.

This prohibition also includes the companies in which such administrators are involved through ownership or management, either directly or through representation of other natural persons or legal entities, as well as those individuals who also have ownership or management in those companies.

The Board of Directors has been informed and approved certain transactions as defined in CCP No. 18.

The most significant transactions with related persons and the amounts involved are detailed in the following table:

ENTITY	TAXPAYER NUMBER	COUNTRY	NATURE OF THE RELATIONSHIP	DESCRIPTION OF THE TRANSACTION	01/01/2019	01/01/2018
					12/31/2019	12/31/2018
					AMOUNT THUS\$	AMOUNT THUS\$
Administración de Sistemas y Services Herman Yerko Valenzuela Rojas E.I.R.L	76.349.138-2	Chile	Employee's relative	Services	-	200
Anglo American Sur S.A.	77.762.940-9	Chile	Associate	Supplies	16	55
Arcadis Chile S.A.	89.371.200-3	Chile	Employee's relative	Services	-	3,511
Asociación Chilena de Seguridad	70.360.100-6	Chile	Member of Board of directors	Services	-	852
B.Bosch S.A.	84.716.400-K	Chile	Employee's relative	Supplies	5,071	-
Centro de Capacitación y Recreación Radomiro Tomic.	75.985.550-7	Chile	Other related	Services	62	847
Codelco Tec SpA	96.991.180-9	Chile	Subsidiary	Services	-	10,000
Ecometales Limited agencia en Chile.	59.087.530-9	Chile	Subsidiary	Services	43,495	20,040
Exploraciones Mineras Andinas S.A.	99.569.520-0	Chile	Subsidiary	Services	-	358,130
Flsmidth S.A.	89.664.200-6	Chile	Employee's relative	Supplies	5,812	-
Fundacion Educacional de Chuquicamata.	72.747.300-9	Chile	Founder member donor	Services	134	-
Fundación Orquesta Sinfónica Infantil de los Andes.	65.018.784-9	Chile	Founder member donor	Services	270	297
Glasstech S.A.	87.949.500-8	Chile	Employee's relative	Supplies	-	3
Highservice ingeniería y construcción Ltda.	76.378.396-0	Chile	Employee's relative	Services	11,803	-
Industrial Support Company Ltda	77.276.280-1	Chile	Employee's relative	Services	76,389	-
Industrial y Comercial Artimatemb Ltda.	76.108.720-7	Chile	Employee's relative	Services	20	28



ENTITY	TAXPAYER NUMBER	COUNTRY	NATURE OF THE RELATIONSHIP	DESCRIPTION OF THE TRANSACTION	01/01/2019	01/01/2018
					12/31/2019	12/31/2018
					AMOUNT THUS\$	AMOUNT THUS\$
Inoxa S.A.	99.513.620-1	Chile	Employee's relative	Services	-	468
Institución de Salud Previsional Chuquicamata Ltda.	79.566.720-2	Chile	Subsidiary	Services	3,257	22
Institución de Salud Previsional Río Blanco Ltda.	89.441.300-K	Chile	Subsidiary	Services	-	47,028
Kairos Mining S.A.	76.781.030-K	Chile	Other related	Services	-	13,700
Komatsu Chile S.A.	96.843.130-7	Chile	Employee's relative	Services y Supplies	20,446	138,962
Linde Gas Chile S.A.	90.100.000-K	Chile	Employee's relative	Supplies	147	91
Marsol S.A.	91.443.000-3	Chile	Employee's relative	Supplies	101	-
San Lorenzo Isapre Limitada	76.521.250-2	Chile	Subsidiary	Services	-	25,945
Services de Ingeniería IMA S.A.	76.523.610-K	Chile	Employee's relative	Services	-	125
Soc. de Prod. y Serv. Solava Ltda	78.663..520-9	Chile	Employee's relative	Supplies	57	-
Sociedad Contractual Minera El Abra.	96.701.340-4	Chile	Associate	Supplies	73	-
Sodimac S.A.	96.792.430-K	Chile	Employee's relative	Supplies	1,644	-
Sonda S.A.	83.628.100-4	Chile	Employee's relative	Services	221	-
Suez Medioambiente Chile S.A.	77.441.870-9	Chile	Employee's relative	Supplies	57	-
Transec Norte S.A.	99.521.950-6	Chile	Member of Board of directors	Services	-	4,411
S y S Ingenieros Consultores S.A.	84.146.100-2	Chile	Employee's relative	Servicios	43	-



**b) Key Management of the Corporation**

In accordance with the policy established by the Board of Directors and its related regulations, the transactions with the Directors, the Chief Executive Officer, Vice Presidents, Corporate Auditor, the members of the Divisional Management Committees and Divisional General

Managers shall be approved by the Board of Directors.

During the year ended December 31, 2019 and 2018, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

NAME	TAXPAYER NUMBER	COUNTRY	NATURE OF THE RELATIONSHIP	DESCRIPTION OF THE TRANSACTION	01/01/2019 12/31/2019 AMOUNT THUS\$	01/01/2018 12/31/2018 AMOUNT THUS\$
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Directors's fees	115	122
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Directors's fees	-	34
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Directors's fees	92	97
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Payroll	122	107
Hernán de Solminihac Tampier	6.263.304-2	Chile	Director	Directors's fees	92	63
Ignacio Briones Rojas	12.232.813-9	Chile	Director	Directors's fees	78	63
Isidoro Palma Penco	4.754.025-9	Chile	Director	Directors's fees	92	97
Juan Benavides Feliú	5.633.221-9	Chile	Chairman of the board	Directors's fees	138	95
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Directors's fees	92	97
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Directors's fees	-	34
Oscar Landerretche Moreno	8.366.611-0	Chile	Chairman of the board	Directors's fees	-	51
Paul Schiodtz Obilinovich	7.170.719-9	Chile	Director	Directors's fees	92	97
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Directors's fees	92	97
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	36	64

The Ministry of Finance through Supreme Decree No. 100, dated February 5, 2018, established the compensation for the Corporation's Directors. The compensation to Board of Director members, is as follows:

a. The Directors of Codelco will receive a fixed monthly compensation of Ch\$3,931,757 (three million nine hundred and thirty one thousand, seven hundred and fifty seven Chilean pesos) for meeting attendance. The payment of the monthly compensation is dependent on meetings attended.

b. The Chairman of the Board will receive a fixed monthly compensation of Ch\$7,863,513 (seven million eight hundred and sixty three thousand, five hundred and thirteen Chilean pesos).

c. Each member of the Directors' Committee, whether the one referred to in Article 50 bis) of Law No. 18046 or another established by the Corporation by-laws, will receive a fixed additional monthly compensation of Ch\$1,310,584 for meeting attendance, regardless of the number of committees of which they are members. In addition, the Chairman of the Directors' Committee will receive a fixed monthly compensation of Ch\$2,621,171 for meeting attendance.

d. The compensation established in the legal text is effective for a period of two years, as from June 1, 2018, and will be updated on January 1, 2019, in accordance with the same provisions that govern the general salary adjustments of officials of the public sector. For the year 2019, the readjustment is 3.5%.

On the other hand, the short-term benefits of key management of the Corporation paid during the year ended December 31, 2019 and 2018, were ThUS\$11,442 and ThUS\$12,382, respectively.

The methodology to determine the remuneration of key management was approved by the Board of Directors at a meeting held on January 29, 2003.

During the year ended December 31, 2019 and 2018, severance indemnities were paid to key management of the Corporation for ThUS\$1,619 and ThUS\$1,084, respectively.

There were no payments to key management for other non-current benefits during the year ended December 31, 2019 and 2018.

There are no share based payment plans granted to Directors or key management personnel of the Corporation.



**c) Transactions with companies in which Codelco has ownership interest**

The Corporation undertakes commercial and financial transactions that are necessary for its activities with its subsidiaries, associates and joint ventures ("related parties"). The financial transactions correspond mainly to loans granted (mercantile current accounts).

Commercial transactions with related companies mainly consist of purchases/sales of products or rendering of services carried out under market conditions and prices, which do not bear any interest or indexation.

As of the date of these financial statements, the Corporation has not recognized any allowance for doubtful accounts with respect to receivable balances from its related companies.

The detail of accounts receivable and payable between the Corporation and its related parties as of December 31, 2019 and 2018, is as follows:

Accounts receivable from related companies:

TAXPAYER NUMBER	NAME	COUNTRY	NATURE OF THE RELATIONSHIP	INDEXATION CURRENCY	CURRENT		NON-CURRENT	
					12/31/2019 THUS\$	12/31/2018 THUS\$	12/31/2019 THUS\$	12/31/2018 THUS\$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US\$	16,677	88,497	-	-
76.063.022-5	Inca de Oro S.A.	Chile	Associate	US\$	438	380	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US\$	1,677	3,099	15,370	20,306
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US\$	2,077	383	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	US\$	5	6	224	224
<b>Totals</b>					<b>20,874</b>	<b>92,365</b>	<b>15,594</b>	<b>20,530</b>

Accounts payable to related companies:

TAXPAYER NUMBER	NAME	COUNTRY	NATURE OF THE RELATIONSHIP	INDEXATION CURRENCY	CURRENT		NON-CURRENT	
					12/31/2019 THUS\$	12/31/2018 THUS\$	12/31/2019 THUS\$	12/31/2018 THUS\$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US\$	108,243	125,913	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US\$	26,608	22,940	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US\$	430	-	-	-
76.781.030-K	Kairos Mining S.A.	Chile	Associate	US\$	1,953	2,063	-	-
<b>Totals</b>					<b>137,234</b>	<b>150,916</b>	<b>-</b>	<b>-</b>



The following table sets forth the transactions carried out between the Corporation and its related companies and their corresponding effects in profit or loss for the year ended December 31, 2019 and 2018:

TAXPAYER NUMBER	ENTITY	NATURE OF THE TRANSACTION	COUNTRY	INDEX. CURRENCY	01/01/2019 12/31/2019		01/01/2018 12/31/2018	
					AMOUNT THUS\$	EFFECTS ON NET INCOME (CHARGES) / CREDITS THUS\$	AMOUNT THUS\$	EFFECTS ON NET INCOME (CHARGES) / CREDITS THUS\$
96.801.450-1	Agua de la Falda S.A.	Sales of services	Chile	CLP	3	3	4	4
96.801.450-1	Agua de la Falda S.A.	Capital contribution	Chile	US\$	190	-	338	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	US\$	84,372	-	182,903	-
77.762.940-9	Anglo American Sur S.A.	Dividends receivable	Chile	US\$	-	-	84,372	-
77.762.940-9	Anglo American Sur S.A.	Sales of goods	Chile	US\$	25,044	25,044	58,411	58,411
77.762.940-9	Anglo American Sur S.A.	Sales of services	Chile	CLP	8,661	8,661	8,162	8,162
77.762.940-9	Anglo American Sur S.A.	Purchase of products	Chile	US\$	643,832	(643,832)	711,384	(711,384)
Foreign	Deutsche Geissdraht GmbH	Dividends received	Germany	EURO	-	-	946	-
76.063.022-5	Inca de Oro S.A.	Sales of services	Chile	CLP	198	16	214	29
77.781.030-K	Kairos Mining	Services	Chile	CLP	21,050	(21,050)	31,281	(31,281)
77.781.030-K	Kairos Mining	Sales of services	Chile	CLP	1	1	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Interest loans	Chile	US\$	1,029	1,029	1,029	1,029
76.255.054-7	Planta Recuperadora de Metales SpA	Services	Chile	US\$	23,656	(23,656)	23,443	(23,443)
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of services	Chile	CLP	8,087	8,087	940	940
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of goods	Chile	US\$	65	65	4,077	4,077
76.255.054-7	Planta Recuperadora de Metales SpA	Loan recovery	Chile	CLP	5,966	-	3,242	-
96.701.340-4	Soc. Contractual Minera El Abra	Dividends received	Chile	US\$	3,062	-	4,900	-
96.701.340-4	Soc. Contractual Minera El Abra	Buy shares	Chile	US\$	4,000	4,000	-	-
96.701.340-4	Soc. Contractual Minera El Abra	Purchase of products	Chile	US\$	242,900	(242,900)	293,173	(293,173)
96.701.340-4	Soc. Contractual Minera El Abra	Sales of goods	Chile	US\$	39,046	39,046	24,796	24,796
96.701.340-4	Soc. Contractual Minera El Abra	Other sales	Chile	US\$	1,493	1,493	1,493	1,493
96.701.340-4	Soc. Contractual Minera El Abra	Perceived commissions	Chile	US\$	100	100	113	113
96.701.340-4	Soc. Contractual Minera El Abra	Other purchases	Chile	US\$	39	(39)	-	-



**d) Additional information**

The current account receivable from Planta Recuperadora de Metales SpA. corresponds to the loan agreement granted to build its plant, which was signed on July 7, 2014.

The purchase/sales of products transactions with Anglo American Sur S.A., are regular business activity transactions to buy/sell copper and other products. On the other hand, there are certain transactions related to the contract entered into with the subsidiary Inversiones Mineras Nueva Acrux

SpA (whose non-controlling shareholder is Mitsui) and Anglo American Sur S.A., under which the latter agreed to sell a portion of its annual copper output to said subsidiary.

**4. INVENTORIES**

The detail of inventories as of December 31, 2019 and 2018, is as follows:

ITEMS	CURRENT		NON-CURRENT	
	12/31/2019 THUS\$	12/31/2018 THUS\$	12/31/2019 THUS\$	12/31/2018 THUS\$
Finished products	210,309	446,344	-	-
<b>Subtotal finished products, net</b>	<b>210,309</b>	<b>446,344</b>	-	-
Products in process	1,150,060	1,137,605	585,681	457,070
<b>Subtotal products in process, net</b>	<b>1,150,060</b>	<b>1,137,605</b>	<b>585,681</b>	<b>457,070</b>
Material in warehouse and other	723,264	555,504	-	-
Obsolescence allowance adjustment	(162,498)	(96,805)	-	-
<b>Subtotal material in warehouse and other, net</b>	<b>560,766</b>	<b>458,699</b>	-	-
<b>Total Inventories</b>	<b>1.921.135</b>	<b>2.042.648</b>	<b>585.681</b>	<b>457.070</b>

The amount of inventories of finished goods transferred to cost of sales for the year ended December 31, 2019 and 2018 was ThUS\$10,007,361 and ThUS\$11,145,242, respectively.

For the year ended December 31, 2019 and 2018, the Corporation has not reclassified strategic inventories to Property, Plant and Equipment.

The reconciliation of changes in the allowance for obsolescence is detailed below:

CHANGES IN ALLOWANCE FOR OBsolescence	12/31/2019 THUS\$	12/31/2018 THUS\$
Opening Balance	(96,805)	(94,083)
Period provision	(65,693)	(2,722)
<b>Closing Balance</b>	<b>(162,498)</b>	<b>(96,805)</b>

For the year ended December 31, 2019 and 2018, the Corporation recognized write-offs of damaged inventories for ThUS\$35.136 and ThUS\$4,004, respectively.

As of December 31, 2019 and 2018, there are no unrealized gains or losses recognized on the intercompany sales of inventories of finished products.

The provision for the net realizable value of inventories was ThUS\$38,144 for the year ended December 31, 2019 (ThUS\$31,889 for the year ended December 31, 2018).

As of December 31, 2019 and 2018, there are no inventories pledged as security for liabilities.

During the year ended December 31, 2019 and 2018, increases in the provision for net realizable value were ThUS\$6,255 and ThUS\$28,890, respectively.

**5. INCOME TAXES AND DEFERRED TAXES****a) Composition of income tax expense**

<b>ITEMS</b>	<b>01/01/2019 12/31/2019 THUS\$</b>	<b>01/01/2018 12/31/2018 THUS\$</b>
Current income tax	(7,484)	(92,270)
Effect of Deferred Taxes	(384,160)	(249,217)
Adjustments to current tax from the prior period	-	(19,956)
Other	(1,601)	4,160
<b>Total tax expense</b>	<b>(393,245)</b>	<b>(357,283)</b>

**b) Deferred tax assets and liabilities:**

The following table details deferred tax assets and liabilities:

<b>DEFERRED TAX ASSETS</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Provisions	1,556,662	1,429,060
Right of use liabilities	4,808	13,162
Tax loss	613,340	250,255
Other	2,906	4,603
<b>Total deferred tax assets</b>	<b>2,177,716</b>	<b>1,697,080</b>

<b>DEFERRED TAX LIABILITIES</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Tax on mining activity	235,931	163,280
Property, plant and equipment variations	1,386,874	889,841
Post-employment benefit obligations	14,676	10,346
Accelerated depreciation for tax purposes	5,198,975	5,017,532
Fair value of mining properties acquired	108,518	108,518
Hedging derivatives – future contracts	14,889	12,282
Undistributed profits of subsidiaries	34,998	50,006
<b>Total deferred tax liabilities</b>	<b>6,994,861</b>	<b>6,251,805</b>

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

<b>IMPUESTOS DIFERIDOS</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Non-current assets	43,736	31,443
Non-current liabilities	4,860,881	4,586,168
<b>Net</b>	<b>4,817,145</b>	<b>4,554,725</b>



The effects of deferred taxes on the components of other comprehensive income are as follows:

DEFERRED TAXES ON COMPONENTS OF OTHER COMPREHENSIVE INCOME	12/31/2019	12/31/2018
	THUS\$	THUS\$
(Charge) credit cash flow hedge	52,072	(67,704)
Defined Benefit Plans	69,667	33,148
<b>Total deferred tax effect on components of other comprehensive income (loss)</b>	<b>121,739</b>	<b>(34,556)</b>

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

RECONCILIATION OF TAX RATE	TAXABLE BASE			12/31/2019 AT THE TAX RATE			TOTAL THUS\$
	25%	40%	5%	25%	40%	5%	
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	
Tax effect on the income (loss) before taxes	404,692	404,692	404,692	(101,173)	(161,877)	(20,235)	(283,285)
Tax effect on the income (loss) before taxes of subsidiaries	3,081	3,081	3,081	(770)	(1,232)	(154)	(2,156)
Tax effect consolidated profit (loss) before taxes	407,773	407,773	407,773	(101,943)	(163,109)	(20,389)	(285,441)
<b>Permanent differences:</b>							
First category income tax (25%)	86,549			(21,637)			(21,637)
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)		60,799			(24,320)		(24,320)
Specific tax on mining activities			1,136,260			(56,813)	(56,813)
Single Tax Art. 21 Inc. N°1							(3,417)
Differences imposed previous years							(1,617)
<b>TOTAL TAX EXPENSE</b>				<b>(123,580)</b>	<b>(187,429)</b>	<b>(77,202)</b>	<b>(393,245)</b>

RECONCILIATION OF TAX RATE	TAXABLE BASE			12/31/2018 AT THE TAX RATE			TOTAL THUS\$
	25%	40%	5%	25%	40%	5%	
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	
Tax effect on the income (loss) before taxes	498,216	498,216	498,216	(124,554)	(199,286)	(24,911)	(348,751)
Tax effect on the income (loss) before taxes of subsidiaries	48,814	48,814	48,814	(12,204)	(19,526)	(2,441)	(34,171)
Tax effect consolidated profit (loss) before taxes	547,030	547,030	547,030	(136,758)	(218,812)	(27,352)	(382,922)
<b>Permanent differences:</b>							
First category income tax (25%)	(96,902)			24,226			24,226
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)		(114,392)			45,757		45,757
Specific tax on mining activities			868,189			(43,409)	(43,409)
Single Tax Art. 21 Inc. N°1							(3,856)
Others							2,921
<b>TOTAL TAX EXPENSE</b>				<b>(112,532)</b>	<b>(173,055)</b>	<b>(70,761)</b>	<b>(357,283)</b>



Pursuant to Article 2 of the Decree Law 2398, Codelco is subject to an additional tax rate of 40% on income before taxes and dividends received in accordance with the law.

For the calculation of deferred taxes, the Corporation has applied a General Tax Regime, with first-rate tax rates for the 2019 and 2018 business years of 25%. There is no option to avail of the regimes established in article 14, as a State Company. Meanwhile, the national subsidiaries and associates, by default, have applied the Partially Integrated Taxation system with a rate of 27% for both years. Foreign subsidiaries and associates have applied the tax rates in force in their respective countries. In relation to the specific tax on mining activities the tax rate applicable is 5% under Law No. 20469.

The Corporation, as a Taxpayer of first category, is liable to the single Tax of 40%, contained in the first paragraph of Article 21 of the Income Tax Law No. 824, in numbers i), ii) and iii) , the disbursements incurred in said numerals.

**6. CURRENT AND NON-CURRENT TAX ASSETS AND LIABILITIES**

The current tax balance is presented net of monthly provisional payments as an asset or liability in Current Taxes, as the case may be, determined as indicated in section II. Main accounting policies, 2.I):

<b>CURRENT TAX ASSETS</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Taxes to be recovered	22,719	13,645
<b>Total Current Tax Assets</b>	<b>22,719</b>	<b>13,645</b>

<b>CURRENT TAX LIABILITIES</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Monthly Provisional Payment Provision	10,672	6,910
Provision Tax	3,185	3,867
<b>Total Current Tax Liabilities</b>	<b>13,857</b>	<b>10,777</b>

<b>ITEMS</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Non-Current Tax Assets	222,169	143,606
<b>Total Non-Current Tax Assets</b>	<b>222,169</b>	<b>143,606</b>

Non-current recoverable taxes correspond to advance tax payments made provisionally and which are probable of realization through utilization on future income tax returns. These non-current recoverable taxes are not expected to be realized in the current period. The Corporation has tax loss carryforwards of THUS\$874,222.

**7. PROPERTY, PLANT AND EQUIPMENT**

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

<b>PROPERTY, PLANT AND EQUIPMENT, GROSS</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Construction in progress	6,234,130	8,808,652
Land	173,316	173,926
Buildings	5,963,605	5,403,295
Plant and equipment	19,217,547	15,894,046
Fixtures and fittings	58,631	58,807
Motor vehicles	2,080,124	2,062,920
Land improvements	6,504,063	5,619,800
Mining operations	8,751,368	7,214,915
Mine development	4,546,765	4,117,362
Assets by right of use	692,262	-
Other assets	1,164,163	1,380,354
<b>Total Property, Plant and Equipment, gross</b>	<b>55,385,974</b>	<b>50,734,077</b>

<b>PROPERTY, PLANT AND EQUIPMENT, ACCUMULATED DEPRECIATION</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Construction in progress	-	-
Land	9,975	8,964
Buildings	3,152,227	3,048,902
Plant and equipment	10,618,524	10,125,253
Fixtures and fittings	47,431	43,878
Motor vehicles	1,480,020	1,378,911
Land improvements	3,482,960	3,267,244
Mining operations	5,253,285	4,728,591
Mine development	893,575	804,318
Assets by right of use	260,110	-
Other assets	487,703	573,018
<b>Total Property, Plant and Equipment, accumulated depreciation</b>	<b>25,685,810</b>	<b>23,979,079</b>

**PROPERTY, PLANT AND EQUIPMENT, NET**

	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Construction in progress	6,234,130	8,808,652
Land	163,341	164,962
Buildings	2,811,378	2,354,393
Plant and equipment	8,599,023	5,768,793
Fixtures and fittings	11,200	14,929
Motor vehicles	600,104	684,009
Land improvements	3,021,103	2,352,556
Mining operations	3,498,083	2,486,324
Mine development	3,653,190	3,313,044
Assets by right of use	432,152	-
Other assets	676,460	807,336
<b>Total Property, Plant and Equipment, net</b>	<b>29,700,164</b>	<b>26,754,998</b>



b) Movement of Property, plant and equipment:

MOVEMENTS THUS\$	CONSTRUCTION IN PROGRESS	LAND	BUILDINGS	PLANT AND EQUIPMENT	FIXED INSTALLATIONS AND ACCESSORIES	MOTOR VEHICLES	GROUND IMPROVMENTS	MINING OPERATIONS	DEVELOPMENT OF MINES	ASSETS BY RIGHT OF USE	OTHER ASSETS	TOTAL
<b>Reconciliation of changes in properties, plant and equipment</b>												
Properties, plant and equipment at the beginning of the period. Opening Balance 1/1/2019	8,808,652	164,962	2,354,393	5,768,793	14,929	684,009	2,352,556	2,486,324	3,313,044	-	807,336	26,754,998
<b>Changes in property, plant and equipment</b>												
Increases other than those from business, property, plant and equipment combinations	3,602,113	-	1,750	14,525	23	7,852	19,128	521,191	-	109,505	14,917	4,291,004
Depreciation, property, plant and equipment	-	(1,010)	(162,340)	(649,076)	(3,663)	(109,913)	(215,641)	(796,714)	(87,933)	(143,369)	(47,606)	(2,217,265)
<b>Increases (decreases) in transfers and other changes, properties, plant and equipment</b>												
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(6,173,762)	-	646,591	3,511,039	6	17,702	816,773	1,176,508	5,049	-	94	-
Increases (decreases) by other changes, properties, plant and equipment	4,389	(611)	(23,221)	(28,739)	(94)	1,874	48,561	110,774	423,030	465,558	(95,338)	906,183
<b>Increase (decrease) by transfers and other changes, properties, plant and equipment</b>	<b>(6,169,373)</b>	<b>(611)</b>	<b>623,370</b>	<b>3,482,300</b>	<b>(88)</b>	<b>19,576</b>	<b>865,334</b>	<b>1,287,282</b>	<b>428,079</b>	<b>465,558</b>	<b>(95,244)</b>	<b>906,183</b>
<b>Dispositions and withdrawals of service, property, plant and equipment</b>												
Retirements, property, plant and equipment	(7,262)	-	(5,795)	(17,519)	(1)	(1,420)	(274)	-	-	458	(2,943)	(34,756)
<b>Dispositions and withdrawals of service, property, plant and equipment</b>	<b>(7,262)</b>	<b>-</b>	<b>(5,795)</b>	<b>(17,519)</b>	<b>(1)</b>	<b>(1,420)</b>	<b>(274)</b>	<b>-</b>	<b>-</b>	<b>458</b>	<b>(2,943)</b>	<b>(34,756)</b>
<b>Increase (decrease) in properties, plant and equipment</b>	<b>(2,574,522)</b>	<b>(1,621)</b>	<b>456,985</b>	<b>2,830,230</b>	<b>(3,729)</b>	<b>(83,905)</b>	<b>668,547</b>	<b>1,011,759</b>	<b>340,146</b>	<b>432,152</b>	<b>(130,876)</b>	<b>2,945,166</b>
<b>Properties, plant and equipment at the end of the period. Closing balance 12/31/2019</b>	<b>6,234,130</b>	<b>163,341</b>	<b>2,811,378</b>	<b>8,599,023</b>	<b>11,200</b>	<b>600,104</b>	<b>3,021,103</b>	<b>3,498,083</b>	<b>3,653,190</b>	<b>432,152</b>	<b>676,460</b>	<b>29,700,164</b>



MOVEMENTS THUS\$	CONSTRUCTION IN PROGRESS	LAND	BUILDINGS	PLANT AND EQUIPMENT	FIXED INSTALLATIONS AND ACCESSORIES	MOTOR VEHICLES	GROUND IMPROVMENTS	MINING OPERATIONS	DEVELOPMENT OF MINES	ASSETS BY RIGHT OF USE	OTHER ASSETS	TOTAL
<b>Reconciliation of changes in properties, plant and equipment</b>												
Properties, plant and equipment at the beginning of the period. Opening Balance 1/1/2018	7,004,522	167,086	2,490,529	5,660,185	17,842	743,542	2,247,481	2,607,039	3,495,230	-	842,056	25,275,512
<b>Changes in property, plant and equipment</b>												
Increases other than those from business, property, plant and equipment combinations	3,582,688	-	138	21,028	376	1,383	484	375,575	1,125	-	38,478	4,021,275
Depreciation, property, plant and equipment	-	(1,011)	(167,547)	(665,721)	(3,669)	(113,872)	(218,323)	(859,955)	(80,153)	-	(70,299)	(2,180,550)
Impairment losses recognized in profit or loss for the period	(2,179)	-	(82,585)	(98,677)	-	(140)	(4,786)	-	-	-	(10,531)	(198,898)
<b>Increases (decreases) in transfers and other changes, properties, plant and equipment</b>												
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(1,281,365)	-	102,865	812,901	647	51,758	191,986	21,168	99,681	-	359	-
Increases (decreases) by other changes, properties, plant and equipment	(351,945)	(1,113)	11,228	46,177	(68)	2,879	135,714	342,497	(202,839)	-	7,536	(9,934)
<b>Increase (decrease) by transfers and other changes, properties, plant and equipment</b>	<b>(1,633,310)</b>	<b>(1,113)</b>	<b>114,093</b>	<b>859,078</b>	<b>579</b>	<b>54,637</b>	<b>327,700</b>	<b>363,665</b>	<b>(103,158)</b>	<b>-</b>	<b>7,895</b>	<b>(9,934)</b>
<b>Dispositions and withdrawals of service, property, plant and equipment</b>												
Retirements, property, plant and equipment	(143,069)	-	(235)	(7,100)	(199)	(1,541)	-	-	-	-	(263)	(152,407)
<b>Dispositions and withdrawals of service, property, plant and equipment</b>	<b>(143,069)</b>	<b>-</b>	<b>(235)</b>	<b>(7,100)</b>	<b>(199)</b>	<b>(1,541)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(263)</b>	<b>(152,407)</b>
<b>Increase (decrease) in properties, plant and equipment</b>	<b>1,804,130</b>	<b>(2,124)</b>	<b>(136,136)</b>	<b>108,608</b>	<b>(2,913)</b>	<b>(59,533)</b>	<b>105,075</b>	<b>(120,715)</b>	<b>(182,186)</b>	<b>-</b>	<b>(34,720)</b>	<b>1,479,486</b>
Properties, plant and equipment at the end of the period. Closing balance 12/31/2018	8,808,652	164,962	2,354,393	5,768,793	14,929	684,009	2,352,556	2,486,324	3,313,044	-	807,336	26,754,998



c) The balance of construction in progress, is directly associated with the operating activities of the Corporation, and relates to the acquisition of equipment for projects in construction and associated costs toward their completion.

d) The Corporation has signed insurance policies to cover the possible risks to which the various property, plant and equipment items are subject, as well as the possible claims that may arise for the period of its activities. Such policies sufficiently cover the risks to which they are subject in Management's opinion.

e) Borrowing costs capitalized for the year ended December 31, 2019 and 2018 were ThUS\$367,548 and ThUS\$311,399, respectively. The annual capitalization average rate for the year ended December 31, 2019 and 2018 was 4.19% and 4.42%, respectively.

f) Expenses on exploration and drilling of deposits recognized in profit or loss and the cash outflows disbursed for the same concepts are presented in the following table:

**EXPENDITURE ON EXPLORATION AND DRILLING RESERVOIRS**

	<b>01/01/2019 12/31/2019 THUS\$</b>	<b>01-01-2018 12-31-2018 THUS\$</b>
Recognized in profit /(loss)	47,048	50,765
Cash outflows disbursed	47,551	62,857

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

**OTHER ASSETS, NET**

	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Leased assets (1)	-	93,334
Mining properties from the purchase of Anglo American Sur S.A.	402,000	402,000
Maintenances and other major repairs	217,079	235,091
Other assets – Calama Plan	54,174	72,225
Other	3,207	4,686
<b>Total other assets, net</b>	<b>676,460</b>	<b>807,336</b>

(1) As of January 1, 2019, the lease agreements under IAS 17 and IFRIC 4 become part of the lease agreements under IFRS 16 that are classified under the name of assets for right of use.

h) During the first quarter of 2018, US\$103.6 million were reclassified from the line item Intangible assets other than goodwill, to Construction in Progress of Property, plant and equipment, corresponding to assets of the Continuous Mining project (see note 9 Intangible Assets other than goodwill) that could potentially be used in other operations and / or projects of the Corporation.

Subsequently, US\$66.4 million (US\$23 million after taxes) from the assets mentioned above were written off as of June 30, 2018.

i) The Corporation currently has no ownership restrictions relating to assets belonging to Property,

plant and equipment, except for leased assets whose legal title corresponds to the lessor.

j) Codelco has not pledged any items of property, plant and equipment as collateral to third parties in order to enable the realization of its normal business activities or as a commitment to support payment obligations.

k) According to the policy indicated in note 2 i), referring to impairment property, plant and equipment and intangible assets, and as indicated in note 21, for the year ended December 31, 2018, the Corporation recorded an impairment in the value of the Ventanas assets for an amount of ThUS\$198,898 before taxes. At December 31, 2019, the property, plant and equipment assets showed no indicators of impairment or reversals of impairments recognized in previous years, so that no adjustments were made to the value of the assets at that date. (see note 21).



l) As of December 31, 2019, the composition by asset class of assets for right of use is:

ASSETS BY RIGHT OF USE	12/31/2019	01/01/2019
	THUS\$	THUS\$
Buildings	18,286	24,069
Plant and equipment	298,463	283,750
Motor vehicles	11,504	140,960
Fixtures and fittings	97,952	12,028
others assets by right of use	5,947	6,922
<b>Total Assets by right of use</b>	<b>432,152</b>	<b>467,729</b>

m) The Corporation presents at December 31, 2019 a reclassification of property, plant and equipment to the item intangible assets other than goodwill which amounts to ThUS\$2,090.

### 8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The following table sets forth the carrying amount and the share of profit (loss) of the investments accounted for using the equity method (all material associates' principal place of business is Chile):

ASSOCIATES	TAXPAYER NUMBERS	FUNCT. CUURENC.	EQUITY INTEREST		CARRYING VALUE		NET INCOME (LOSS)	
			12/31/2019 %	12/31/2018 %	12/31/2019 THUS\$	12/31/2018 THUS\$	01/01/2019 12/31/2019 THUS\$	01/01/2018 12/31/2018 THUS\$
			Agua de la Falda S.A.	96.801.450-1	USD	42.26%	42.26%	4,864
Anglo American Sur S.A.	77.762.940-9	USD	29.5%	29.5%	2,850,171	2,835,412	19,852	99,709
Deutsche Geissdraht GmbH	FOREIGN	USD	0.0%	40.0%	-	-	-	1,159
Inca de Oro S.A.	73.063.022-5	USD	33.19%	33.19%	12,675	12,913	(101)	(42)
Kairos Mining S.A.	76.781.030-K	USD	40.00%	5.00%	82	-	29	-
Minera Purén SCM	76.028.880-2	USD	35.0%	35.0%	9,934	9,902	32	8
Planta Recuperadora de Metales SpA	76.255.054-7	USD	34.0%	34.0%	10,914	10,365	549	55
Sociedad Contractual Minera El Abra	96.701.340-4	USD	49.0%	49.0%	594,883	610,339	(12,799)	10,181
Sociedad GNL Mejillones S.A.	76.775.710-7	USD	0.0%	37.0%	-	84,409	5,920	8,373
<b>TOTAL</b>					<b>3,483,523</b>	<b>3,568,293</b>	<b>13,203</b>	<b>119,114</b>

### a) Associates

#### Agua de la Falda S.A.

As of December 31, 2019, Codelco holds a 42.26% ownership interest in Agua de la Falda S.A., with the remaining 57.74% owned by Minera Meridian Limitada.

The corporate purpose of this company is to exploit deposits of gold and other minerals, in the third region of Chile.

#### Sociedad Contractual Minera El Abra

Sociedad Contractual Minera El Abra was incorporated in 1994. As of December 31, 2019, Codelco holds a 49% ownership interest, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

On October 9, 2019, El Abra increased its capital by ThUS\$4,000 represented by 300 shares. Codelco bought all the shares and made payment through a contribution in the domain of Concesiones Mineras. Along with the subscription of shares, Codelco sold 153 shares (51%) to Cyprus El Abra Corporation, thus maintaining *the structure and* percentage participation of the company's shareholders.

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

### Sociedad Contractual Minera Purén

As of December 31, 2019, Codelco holds a 35% ownership interest, with the remaining 65% owned by Compañía Minera Mantos de Oro.

This company's corporate purpose is to explore, identify, survey, investigate, develop and exploit mining deposits in order to extract, produce and process minerals.

#### Sociedad GNL Mejillones S.A.

The corporate purpose of this company is the production, storage, marketing, transportation and distribution of all types of fuel, and the acquisition, construction, maintenance and operation of infrastructure facilities and construction projects necessary for transport, reception, processing and storage both in Chile and abroad, by itself or in partnership with third parties.

As of December 31, 2018, Codelco held a 37% ownership interest, with the remaining 63% owned by Suez Energy Andino S.A. These *shareholdings were established on* November 5, 2010, when the Corporation did not participate in the capital increase agreed to at Shareholders' meeting of such company. Prior to the capital increase, the Corporation and Suez Energy Andino S.A. held a 50% ownership interest each.

The Corporation made, on August 6, 2019, the sale of its 37% stake in the company GNL Mejillones S.A. to the Ameris Capital AGF Investment fund, for an amount of US\$193.5 million.

The sale of the LNG Mejillones stake generated a profit of US\$103 million before tax (note 22) and a result after tax of US \$ 36 million.



**Inca de Oro S.A.**

On June 1, 2009, Codelco’s Board of Directors authorized the incorporation of a new company aimed to develop studies allowing the continuity of the Inca de Oro Project, which is a wholly-owned subsidiary of Codelco.

On February 15, 2011, the business association of Codelco and Minera PanAust IDO Ltda. in respect to the Inca de Oro deposit was approved. As a result Minera *PanAust IDO Ltda* holds 66% ownership interest and the remaining 34% is held by Codelco.

This transaction resulted in a gain after taxes of ThUS\$33,668 recognized in the year ended December 31, 2011.

At the Extraordinary meeting of the shareholders held on December 30, 2014, a capital increase of ThUS\$102,010 was agreed upon, reducing Codelco’s ownership interest to 33.19%.

As of December 31, 2015, the Corporation reduced the carrying amounts of mining property and exploration and evaluation expenditures as a result of an impairment loss recognized.

As of *December 31, 2019*, Codelco holds a 33.19% ownership interest in this company.

**Planta Recuperadora de Metales SpA.**

On December 3, 2012, Planta Recuperadora Metales SpA was incorporated by Codelco, which held a 100% ownership interest of this company.

On July 7, 2014, Codelco reduced its ownership interest in Planta Recuperadora de Metales SpA to 51%, with the remaining 49% ownership interest held by LS-Nikko Copper Inc.

On October 14, 2015, Codelco reduced its ownership interest to 34% interest, with LS-Nikko Copper Inc, holding the remaining 66%.

As of December 31, 2019, LS-Nikko Copper Inc, is the controlling shareholder of this company based on the control elements set out in the shareholders’ agreement.

The principal business activity of the company is the processing of intermediate products of the refining and processing of copper and other metals aiming to recover the copper, other metals and other sub products, their transformation to commercial products and the selling and distribution of all classes of goods or inputs derived from such process.

**Deutsche Giessdraht GmbH**

On July 31, 2018 the share sale agreement was finalized representative of the shareholding in Deutsche Giessdraht GmbH maintained by Codelco Kupferhandel GmbH. (CK), which until before that date was the holder of a 40% stake in the capital of DG.

The acquiring company of the shares was the Aurubis Company AG, which was, until before the sale transaction, the majority shareholder of DG. The result after taxes of this transaction

was Euro 15,214 Thousands (ThUS\$18,172 in its equivalence to the exchange rate of the date of the transaction).

**Anglo American Sur S.A.**

As December 31, 2019, the controlling shareholder of Anglo American Sur S.A. is Inversiones Anglo American Sur S.A. holding a 50.06% ownership interest, while the non-controlling interest is held by Inversiones Mineras Becrux SpA., which in turn is a subsidiary controlled by Codelco with a 67.8% ownership interest. Consequently, Codelco exercises significant influence in Anglo American Sur S.A. through its indirect ownership interest of 29.5%.

On December 21, 2017, according to archive No. 12285 / 2017, by public deed, it was agreed between the shareholders to merge the Acrux SpA Mining Investment Company (“Absorbed Company”) into the Investment Company Minera Becrux SpA (“Absorbing Company”), which took effect as of December 22, 2017, where the Absorbing Company acquired all the assets and liabilities of the Absorbed Company, which was to be dissolved without the need for its liquidation. In addition, the Absorbing Company is responsible for the payment of all taxes owed or which may be owed by the Absorbed Company.

The principal activities of the Company are the exploration, extraction, exploitation, production, processing and trading of minerals, concentrates, precipitates, copper bars and all metallic and non-

metallic minerals, all fossil substances and liquid and gaseous hydrocarbons. This includes the exploration, exploitation and use of all natural energy sources capable of industrial use and the products or by-products obtained, as well as any other related, connected or complementary activities on which the shareholders agree.

**Kairos S.A.**

Until before November 26, 2012, the Corporation held a 40% stake in conjunction with Honeywell Chile S.A. who was the majority shareholder with 60% of the capital stock of Kairos Mining S.A.

On November 26, 2012, the Corporation sold part of its stake to Honeywell Chile SA, which implies that Codelco maintained a 5% interest as of December 31, 2012, while the remaining 95% was held Honeywell Chile S.A. The result of this pre-tax operation was ThUS\$13.

On June 6, 2019, Codelco purchased 350 shares of Kairos Mining from Honeywell Chile S.A., increasing its participation from 5% to 40%.

As of December 31, 2019, the control of the company lies in Honeywell Chile S.A. which owns 60% of the shares while Codelco owns the remaining 40%.

The purpose of the company is to provide automation and control services for industrial and mining activities and to provide technology and software licenses.



The following tables provide details of asset and liabilities of the associates as of December 31, 2019 and 2018, and their profit (loss) for the year ended December 31, 2019 and 2018:

<b>ASSETS AND LIABILITIES</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>	<b>MOVEMENTS OF INVESTMENT IN ASSOCIATES</b>	<b>01/01/2019 12/31/2019 THUS\$</b>	<b>01/01/2018 12/31/2018 THUS\$</b>
Current Assets	1,735,588	1,805,003	Opening balances	3,568,293	3,665,601
Non-current Assets	5,248,569	5,637,321	Contributions	2,200	338
Current Liabilities	618,644	1,008,086	Dividends	(3,062)	(213,172)
Non-current Liabilities	1,793,879	1,699,529	Result of the period	13,203	119,114
			Sales	(90,328)	-
<b>NET INCOME</b>	<b>01/01/2019 12/31/2019 THUS\$</b>	<b>01/01/2018 12/31/2018 THUS\$</b>	Other comprehensive income	(6,648)	(710)
Revenue	2,825,062	3,256,402	Other	(135)	(2,878)
Cost of sales	(2,646,416)	(2,665,805)	<b>Final balance</b>	<b>3,483,523</b>	<b>3,568,293</b>
Profit for the period	178,646	590,597			



The following tables provide details of asset and liabilities of the principal associates as of December 31, 2019 and 2018, and their profit (loss) for the years ended December 31, 2019 and 2018.

**Anglo American Sur S.A.**

<b>ASSETS AND LIABILITIES</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Current Assets	1,099,695	1,164,724
Non-current Assets	4,083,739	4,104,271
Current Liabilities	531,089	890,874
Non-current Liabilities	1,405,143	1,226,503
<b>NET INCOME</b>	<b>01/01/2019 12/31/2019 THUS\$</b>	<b>01/01/2018 12/31/2018 THUS\$</b>
Revenue	2,286,876	2,543,730
Cost of sales	(2,174,029)	(2,158,834)
Profit for the period	112,847	384,896

**Sociedad Contractual Minera El Abra**

<b>ASSETS AND LIABILITIES</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Current Assets	590,850	576,167
Non-current Assets	1,007,012	1,013,165
Current Liabilities	79,422	73,458
Non-current Liabilities	304,394	270,283
<b>NET INCOME</b>	<b>01/01/2019 12/31/2019 THUS\$</b>	<b>01/01/2018 12/31/2018 THUS\$</b>
Revenue	493,531	596,060
Cost of sales	(519,651)	(575,283)
Profit (loss) for the period	(26,120)	20,777



**b) Additional information on unrealized profits (losses)**

Codelco enters into transactions for the purchase and sale of copper with Sociedad Contractual Minera El Abra. As of December 31, 2019 and 2018, there were no unrealized profits (losses) recognized in the carrying amount of inventories of finished products.

The Corporation has recognized unrealized profits for the purchase of rights to use the LNG terminal from the El Abra Mining Contract Company for ThUS\$3,920 as of December 31, 2019, (as of December 31, 2018: ThUS\$3,920).

**c) Investments in associates acquired**

On August 24, 2012, Codelco recognized the acquisition of ownership interest in Anglo American Sur S.A. which resulted in the initial recognition of the cost of the investment for ThUS\$6,490,000 that corresponded to the proportionate share (29.5%) of the net fair value of the identifiable assets and liabilities acquired.

In determining the share of the fair value of the identifiable assets and liabilities acquired, the Corporation considered the resources and mineral reserves that could be measured reliably and the assessment of intangibles and all other considerations about contingent assets and liabilities.

The allocation of the purchase price at fair value between the identifiable assets and liabilities was prepared by management using its best estimate and taking into account all relevant and available information at the acquisition date of Anglo American Sur S.A.

The acquisition did not result in obtaining control of the acquired company.

The Corporation used a discounted cash flows model to estimate cash flow projections, based on the life of mine. These projections were based on estimated production and future prices of minerals, operating costs and capital costs, among other estimates made at the date of acquisition. Additionally, proven and probable resources to explore were not included in the mine plan, therefore, they were valued separately using a market model. Such resources are included in item "Mineral Resources."

As part of this process and by applying the valuation criteria indicated above, the fair value of the net assets of Anglo American Sur S.A. was US\$22,646 million, therefore the proportionate share acquired by Inversiones Mineras Becrux SpA (29.5%) was equivalent to US\$6,681 million at the acquisition date.

**d) Additional information on impairment of investments accounted for using the equity method**

As of December 31, 2015, the Corporation identified indicators of impairment in the operating units of Anglo American Sur S.A. Consequently, and with the purpose of making the corresponding adjustments to the investment in this associate, the Corporation estimated its recoverable amount.

In determining the recoverable amount, the Corporation applied the methodology of fair value less costs of disposal. The recoverable amount of the operating units was determined based on the life of mine by using a discounted cash flow model whose main assumptions included ore reserves declared by the associate, copper price, supply costs, foreign exchange rates, discount rate

and market information for the long-term asset valuation. The discount rate used was annual rate of 8% after taxes.

Furthermore, the proven reserves not included in the LOM, as well as the probable reserves to explore, have been valued using a multiples market approach for comparable transactions. Such methodology is consistent with the methodologies used at the acquisition date, which is described in letter c) above.

The recoverable amount as estimated was less than the carrying amount of the identified assets of the associate, therefore, the Corporation recognized an impairment loss of ThUS\$2,439,495, which was included within the line item "Share of profit or loss of associates and joint ventures accounted for using the equity method" in the consolidated statement of comprehensive income for the year ended December 31, 2015. The impairment loss was mainly attributable to the drop in copper prices during the year 2015.

Subsequent to recognition of the impairment, there have been no indicators requiring the recognition of further impairment losses on the recoverable amount of the investment held in Anglo American Sur S.A.

As of December 31, 2016, the parent company of Anglo American Sur S.A. reviewed the discounted cash flow model of its cash generating units (CGU), determining an impairment loss for the El Soldado CGU of US\$200 million due to the uncertainty related to obtaining the required approval of its operational plan from the National Mining and Geology Service ("SERNAGEOMIN" in its Spanish acronym), which raised questions about the generation of future economic benefits to support the value of the assets related to such CGU.

Consequently, and with the purpose of making the

corresponding adjustments to the recognition its investment in the associate, the Corporation estimated its recoverable amount by considering the fair value of the identified net assets of the associate El Soldado. The recoverable amount as estimated was less than the carrying amount of the identified assets of the associate, therefore, the Corporation recognized an impairment loss of ThUS\$78,811 over the identified assets related to El Soldado operations, which was included within the line item "Share of profit or loss of associates and joint ventures accounted for using the equity method" in the statement of comprehensive income for the year ended December 31, 2016.

On April 27, 2017, the SERNAGEOMIN approved the updated mine plan for El Soldado, based on this resolution Anglo American Sur S.A. has resumed the operations of the mine. Consequently, the company recognized a reversal of an impairment loss for US\$193 million.

As of December 31, 2017, Codelco made a corresponding adjustment to the identified assets at the acquisition date of the investment associated with El Soldado operations by recognizing a reversal of an impairment loss of ThUS\$67,277, which is presented in the line item "Share of profit or loss of associates and joint ventures accounted for using the equity method."

As of December 31, 2019 and 2018, there are no indicators of impairment nor reversal, therefore, there have been no adjustments recognized to the carrying amounts of the assets.



**e) Share of profit or loss for the year**

The share in profit or loss of the associate Anglo American Sur S.A. recognized for the year ended December 31, 2019 was income of ThUS\$33,290 (income of ThUS\$113,544 for the year ended December 31, 2018). In addition, the Corporation has made appropriate adjustments to its share of profit or loss in the associate for depreciation of the depreciable assets based on the fair values at the acquisition date, which resulted in an expense of ThUS\$13.438 for the year ended December 31, 2019 (an expense of ThUS\$13,835

for year ended December 31, 2018) recognized within line item "Share of profit or loss of associates and joint ventures accounted using the equity method" in the consolidated statement of comprehensive income.

**9. INTANGIBLE ASSETS OTHER THAN GOODWILL**

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

**a) This item is composed of the following:**

INTANGIBLE ASSETS COMPOSITION	12/31/2019 THUS\$	12/31/2018 THUS\$
Intangible assets with finite useful lives, net	37,789	40,421
Intangible assets with indefinite useful lives	10,048	7,958
<b>Total</b>	<b>47,837</b>	<b>48,379</b>

**b) Carrying amount and accumulated amortization:**

INTANGIBLE ASSETS	12/31/2019		
	GROSS THUS\$	ACCUMULATED AMORTIZATION THUS\$	NET THUS\$
Trademarks, patents and licenses	28	-	28
Water rights	10,048	-	10,048
Software	2,738	(1,745)	993
Other intangible assets	36,791	(23)	36,768
<b>Total</b>	<b>49,605</b>	<b>(1,768)</b>	<b>47,837</b>

INTANGIBLE ASSETS	12/31/2018		
	GROSS THUS\$	ACCUMULATED AMORTIZATION THUS\$	NET THUS\$
Trademarks, patents and licenses	28	-	28
Water rights	7,958	-	7,958
Software	2,803	(1,351)	1,452
Other intangible assets	38,950	(9)	38,941
<b>Total</b>	<b>49,739</b>	<b>(1,360)</b>	<b>48,379</b>



## a) Reconciliation of the carrying amount at beginning and end of the period:

MOVEMENTS	TRADEMARKS, PATENTS AND LICENSES	WATER RIGHTS	SOFTWARE	TECHNOLOGICAL DEVELOPMENT AND INNOVATION	OTHER	TOTAL
<b>Reconciliation of changes in intangible assets other than goodwill</b>						
Intangible assets other than goodwill. Opening balance (1/1/2019)	28	7,958	1,452	-	38,941	48,379
<b>Changes in intangible assets other than goodwill</b>						
Increases other than those arising from business combinations, intangible assets other than goodwill	-	-	13	-	40	53
Amortization, intangible assets other than goodwill	-	-	(594)	-	(2,210)	(2,804)
Increases (decreases) in transfers and other changes, intangible assets other than goodwill						
Increases (decreases) in transfers and other changes, intangible assets other than goodwill	-	2,090	-	-	-	2,090
Increases (decreases) due to other changes, intangible assets other than goodwill	-	-	122	-	(3)	119
<b>Increase (decrease) in transfers and other changes, intangible assets other than goodwill</b>	-	2,090	122	-	(3)	2,209
<b>Provisions and withdrawals of service, intangible assets other than goodwill</b>						
Service retirements / retirements, intangible assets other than goodwill	-	-	-	-	-	-
<b>Provisions and withdrawals of service, intangible assets other than goodwill</b>	-	-	-	-	-	-
<b>Increase (decrease) in intangible assets other than goodwill</b>	-	2,090	(459)	-	(2,173)	(542)
<b>Intangible assets other than goodwill. Final Balance 12/31/2019</b>	<b>28</b>	<b>10,048</b>	<b>993</b>	<b>-</b>	<b>36,768</b>	<b>47,837</b>



MOVEMENTS	TRADEMARKS, PATENTS AND LICENSES	WATER RIGHTS	SOFTWARE	TECHNOLOGICAL DEVELOPMENT AND INNOVATION	OTHER	TOTAL
<b>Reconciliation of changes in intangible assets other than goodwill</b>						
Intangible assets other than goodwill. Opening balance (1/1/2018)	28	7,959	1,693	175,710	33,727	219,117
<b>Changes in intangible assets other than goodwill</b>						
Increases other than those arising from business combinations, intangible assets other than goodwill	-	-	586	704	9,261	10,551
Amortization, intangible assets other than goodwill	-	-	(590)	-	-	(590)
<b>Increases (decreases) in transfers and other changes, intangible assets other than goodwill</b>						
Increases (decreases) in transfers and other changes, intangible assets other than goodwill	-	-	-	(103,638)	-	(103,638)
Increases (decreases) due to other changes, intangible assets other than goodwill	-	(1)	(62)	-	(359)	(422)
<b>Increase (decrease) in transfers and other changes, intangible assets other than goodwill</b>	-	(1)	(62)	(103,638)	(359)	(104,060)
<b>Provisions and withdrawals of service, intangible assets other than goodwill</b>						
Service retirements / retirements, intangible assets other than goodwill	-	-	(175)	(72,776)	(3,688)	(76,639)
<b>Provisions and withdrawals of service, intangible assets other than goodwill</b>	-	-	(175)	(72,776)	(3,688)	(76,639)
<b>Increase (decrease) in intangible assets other than goodwill</b>	-	(1)	(241)	(175,710)	5,214	(170,738)
<b>Intangible assets other than goodwill. Final Balance 12/31/2018</b>	<b>28</b>	<b>7,958</b>	<b>1,452</b>	<b>-</b>	<b>38,941</b>	<b>48,379</b>



**d) Additional Information**

As of January 1, 2018, the balance of ThUS\$175,710 corresponded mainly to the internally generated technological development project: Continuous Mining.

Continuous Mining is a project of the Corporation aimed toward development of an internal technological breakthrough associated with the exploitation of underground mines, the main characteristics of the project are: (1) reduction in the exposure of workers to mineral extraction areas; (2) increasing the pace of mineral extraction; and (3) simultaneous mineral extraction from different sections.

This project began in 2005, when the first conceptual tests were made, and in 2007 and 2008 it was applied at the pilot level and from 2009 the basic and detailed engineering and the construction phase for industrial validation at the West sector of third panel of Andina Division were performed, which was expected to be carried out through 2018. It was expected that its subsequent implementation would be at Chuquicamata Underground and of the new mining projects of Codelco. During the 2018 period, project studies were carried out and Management decided not to continue with it.

In view of the discontinuation of the project during the first quarter of 2018, a write-off of US\$71.7 million before tax (US\$25 million after taxes) associated with basic engineering, construction and equipment was recognized in profit or loss. In addition, US\$103.6 million was reclassified to Property, plant and equipment in relation to those assets that might potentially be used in other operations and / or projects of the Corporation. As a result of a subsequent review, an additional write-off for US\$66.4 million (see note 8 Property, plant and

equipment) of assets was recognized. Consequently, the total write-offs as of December 31, 2018, related to this project was US\$138.1 million (US\$48 million after taxes).

As of December 31, 2019 and 2018, there are no fully amortized intangible assets that are still in use.

For the year ended December 31, 2019 and 2018, research and technological development and innovation expenditures recognized in assets were ThUS\$7,536 and ThUS\$6,816 (accrued), respectively. On the other hand, research recognized in expense was ThUS\$4,956 and ThUS\$10,042 (expended) for the year ended December 31, 2019 and 2018 respectively.

**10. SUBSIDIARIES**

The following tables set forth a detail of assets, liabilities and profit (loss) of the Corporation's subsidiaries, prior to consolidation adjustments:

<b>ASSETS AND LIABILITIES</b>	<b>12/31/2019 THUS\$</b>	<b>12/31/2018 THUS\$</b>
Current assets	464,674	621,753
Non Current Assets	3,607,177	3,605,801
Current Liabilities	281,973	305,030
Non Current Liabilities	1,086,975	1,122,471

<b>PROFIT (LOSS)</b>	<b>01/01/2019 12/31/2019 THUS\$</b>	<b>01/01/2018 12/31/2018 THUS\$</b>
Ordinary Income	1,140,473	2,119,617
Ordinary Expenses	(1,176,801)	(2,071,713)
Profit (loss) of period	(36,328)	47,904



## 11. CURRENT AND NON-CURRENT FINANCIAL ASSETS

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

CLASSIFICATION IN THE STATEMENT OF FINANCIAL POSITION	12/31/2019				
	AT FAIR VALUE THROUGH PROFIT AND LOSS THUS\$	AMORTIZED COST	DERIVATIVES FOR HEDGING		TOTAL FINANCIAL ASSETS THUS\$
			HEDGING DERIVATIVES THUS\$	CROSS CURRENCY SWAP THUS\$	
Cash and cash equivalents	2,158	1,300,947	-	-	1,303,105
Trade and other current receivables	723,619	1,864,649	-	-	2,588,268
Non – current receivables	-	98,544	-	-	98,544
Current receivables from related parties	-	20,874	-	-	20,874
Non – current receivables from related parties	-	15,594	-	-	15,594
Other current financial assets	-	171,636	1,315	-	172,951
Other non - current financial assets	-	8,691	525	82,584	91,800
<b>TOTAL</b>	<b>725,777</b>	<b>3,480,935</b>	<b>1,840</b>	<b>82,584</b>	<b>4,291,136</b>

CLASSIFICATION IN THE STATEMENT OF FINANCIAL POSITION	12/31/2018				
	AT FAIR VALUE THROUGH PROFIT AND LOSS THUS\$	AMORTIZED COST	DERIVATIVES FOR HEDGING		TOTAL FINANCIAL ASSETS THUS\$
			HEDGING DERIVATIVES THUS\$	CROSS CURRENCY SWAP THUS\$	
Cash and cash equivalents	1,698	1,227,427	-	-	1,229,125
Trade and other current receivables	789,710	1,422,499	-	-	2,212,209
Non – current receivables	-	84,731	-	-	84,731
Current receivables from related parties	-	92,365	-	-	92,365
Non – current receivables from related parties	-	20,530	-	-	20,530
Other current financial assets	-	187,870	43,539	-	231,409
Other non - current financial assets	-	23,089	14,962	107,700	145,751
<b>TOTAL</b>	<b>791,408</b>	<b>3,058,511</b>	<b>58,501</b>	<b>107,700</b>	<b>4,016,120</b>



- Fair value through profit or loss: As of December 31, 2019, this category mainly includes receivables from provisional invoicing sales. Section II.2.r.

- Amortized cost: It corresponds to financial assets held within a business model whose objective is to hold financial assets to collect contractual cash flows that are solely payments of principal and interest on the principal outstanding. These assets are not quoted in an active market.

The effects on profit or loss recognized for these assets are mainly from financial income and exchange differences from balances denominated in currencies other than the functional currency.

No material impairments were recognized in trade and other receivables.

- Derivatives for Hedging: Corresponds to the balance for changes in the fair value of derivative contracts to cover existing transactions (cash flow hedges) and that affect the profit or loss when transactions are settled or when, to the extent required by accounting standards, a compensation effect is charged (credited) to the income statement. The detail of derivative hedging transactions is included in the Note 28.

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

## 12. OTHER FINANCIAL LIABILITIES

Current and non-current interest-bearing borrowings consists of loans from financial institutions, bond issuance obligations and finance leases, which are

measured at amortized cost using the effective interest rate method.

The following tables set forth other current/non-current financial liabilities:

ITEMS	12/31/2019					
	CURRENT			NON CURRENT		
	AMORTIZED COST	HEDGING DERIVATIVES	TOTAL	AMORTIZED COST	HEDGING DERIVATIVES	TOTAL
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
Loans from financial institutions	666,144	-	666,144	2,408,267	-	2,408,267
Bonds issued	572,587	-	572,587	13,617,358	-	13,617,358
Lease	127,761	-	127,761	305,110	-	305,110
Hedging derivatives	-	11,496	11,496	-	148,987	148,987
Other financial liabilities	363	-	363	58,501	-	58,501
<b>Total</b>	<b>1,366,855</b>	<b>11,496</b>	<b>1,378,351</b>	<b>16,389,236</b>	<b>148,987</b>	<b>16,538,223</b>

ITEMS	12/31/2018					
	CURRENT			NON CURRENT		
	AMORTIZED COST	HEDGING DERIVATIVES	TOTAL	AMORTIZED COST	HEDGING DERIVATIVES	TOTAL
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
Loans from financial institutions	404,871	-	404,871	2,107,078	-	2,107,078
Bonds issued	435,429	-	435,429	12,310,307	-	12,310,307
Lease	21,510	-	21,510	86,329	-	86,329
Hedging derivatives	-	10,096	10,096	-	106,824	106,824
Other financial liabilities	371	-	371	63,972	-	63,972
<b>Total</b>	<b>862,181</b>	<b>10,096</b>	<b>872,277</b>	<b>14,567,686</b>	<b>106,824</b>	<b>14,674,510</b>



**- Loans from financial institutions:**

The loans obtained by the Corporation aim to finance production operations oriented towards the foreign market.

On August 23, 2012, the subsidiary Inversiones GacruX SpA (GacruX) signed a credit agreement with Oriente Copper Netherlands BV (a subsidiary of Mitsui & Co, Ltd, ("Mitsui")) for approximately US\$1,863 million, renewable monthly until November 26, 2012, after which, if not paid or renegotiated, will automatically become a loan with a 7.5 year maturity from the date of disbursement, and an annual rate of Libor + 2.5%. This loan has no underlying guarantees given by Codelco.

The proceeds from the loan were used by Codelco's indirect subsidiary Inversiones Mineras BecruX SpA to acquire 24.5% of the shares of Anglo American Sur S.A., including other acquisition-related expenses.

On October 31, 2012, the credit agreement was amended, the new terms established an annual fixed interest rate of 3.25% and a 20-year maturity, to be paid in 40 semi-annual installments of principal and interest, and maintaining the "non-recourse" (no underlying guarantee) condition. Under previous agreements, Mitsui is entitled to an additional interest equivalent to one-third of the savings obtained by GacruX under the renegotiated credit as compared to the conditions from the credit agreement originally signed. Thus, Mitsui (through its subsidiary) held an option to acquire from GacruX an additional 15.25% of the shares of Inversiones Mineras Acrux SpA ("Acrux"), at a fixed price of approximately US\$998 million. These funds were fully allocated to a portion of GacruX's debt under the Credit Agreement.

On November 26, 2012, Mitsui exercised the call option and acquired the additional ownership interest in Acrux. The proceeds received were used by Codelco to partially pre-pay the debt with Mitsui.

On November 26, 2016, Codelco signed a credit agreement with Oriente Copper Netherlands BV renegotiating the payment of principal at the end of the contract. The terms established an annual interest rate of Libor +2.5% with a 5 year maturity to be payable in one installment at maturity with semi-annual interest payment.

On May 26, 2017, Codelco signed a credit agreement with Oriente Copper Netherlands BV renegotiating the semi-annual payment. The terms established an annual interest rate of Libor +2.5% with a 5 year maturity to be payable in one installment at maturity with semi-annual interest payment.

The credit agreements obtained in 2016 and 2017, mentioned above, were paid on May 23, 2018.

As of December 31, 2019, the outstanding balance of the credit agreements is ThUS\$591,933.

**- Bond issued:**

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF 6,900,000 of a single series labeled "Series B", which consists of 6,900 bonds for UF 1,000 each. These bonds are payable in a single installment on April 1, 2025, at an annual interest rate of 4% and semi-annual interest payments.

On September 21, 2005, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and

Regulation S, for a nominal amount of ThUS\$500,000. These bonds are payable in a single installment on September 21, 2035, at an annual interest rate of 5.6250% and semi-annual interest payments.

On October 19, 2006, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$500,000. These bonds are payable in a single installment on October 24, 2036, at an annual interest rate of 6.15% and semi-annual interest payments.

On January 20, 2009, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$600,000. These bonds are payable in a single installment on January 15, 2019, at an annual interest rate of 7.5% and semi-annual interest payments. On August 3, 2017, principal was paid for an amount of ThUS\$333,155.

On November 4, 2010, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$1,000,000. These bonds are payable in a single installment on November 4, 2020, at an annual interest rate of 3.75% and semi-annual interest payments. On August 3, 2017 and February 6, 2019, principal was paid for an amount of ThUS\$414,763 and ThUS\$183,051 respectively.

On November 3, 2011, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$1,150,000. These bonds are payable in a single installment on November 4, 2021, at an annual interest rate of 3.875% and semi-annual interest payments. On August 3, 2017 and February 6, 2019, principal was paid for an amount of ThUS\$665,226 and ThUS\$247,814 respectively.

On July 17, 2012, the Company issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$2,000,000. These bonds are payable in two installments (i) the first tranche on July 17, 2022 in the amount of US\$1,250,000 at a 3% annual interest rate. On August 22, 2017, and February 6, 2019, principal was paid in the amounts of ThUS\$412,514 and ThUS\$314,219, respectively, and (ii) the other tranche matures on July 17, 2042 and is in the amount of ThUS\$750,000 at an annual interest rate of 4.25%.

On August 13, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS\$750,000, payable in a single installment on August 13, 2023, at an annual interest rate of 4.5% and semi-annual interest payments. On August 22, 2017, February 12 and February 26, 2019, principal in the amounts of ThUS\$162,502, ThUS\$228,674 and ThUS\$270 respectively, was paid.

On October 18, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS\$950,000, payable in a single installment on October 18, 2043, at an annual interest rate of 5.625% and semi-annual interest payments.

On July 9, 2014, the Corporation issued and placed bonds in the international financial markets, under Rule 144-A and Regulation S, for a nominal amount of EUR\$600,000,000, payable in a single installment on July 9, 2024, at an annual interest rate of 2.25% and annual interest payments.

On November 4, 2014, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS\$980,000,



payable in a single installment on November 4, 2044, at an annual interest rate of 4.875% and semi-annual interest payments.

On September 16, 2015, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS\$2,000,000, payable in a single installment on September 16, 2025, at an annual interest rate of 4.5% and semi-annual interest payments. On August 22, 2017 and February 12, 2019, principal was paid for an amount of ThUS\$378,655 and ThUS\$552,754 respectively.

On August 24, 2016, the Corporation issued and placed bonds in the local market for a nominal amount of UF10,000,000 of single series labeled "Series C", which consists of 20,000 bonds for UF500 each. These bonds are payable in a single installment on August 24, 2026, at an annual interest rate of 2.5% and semi-annual interest payments.

On July 25, 2017, the Corporation made an offer in New York to buy its bonds issued in dollars with maturities between 2019 and 2025, repurchasing US\$2,367 million.

On August 1, 2017, the Corporation issued and placed bonds on the North American market, under standard 144-A and Regulation S, for a total, nominal, amount of ThUS\$2,750,000. ThUS\$1,500,000, with an annual coupon rate of interest of 3.625% and semi-annual interest payments which will mature on August 1, 2027, while ThUS\$1,250,000, with an annual coupon of 4.5% and semi-annual interest payments, will mature on August 1, 2047.

These operations allowed optimizing the debt maturity profile of Codelco. As a result of these transactions, 86%

of the funds from the new issue (US\$2,367 million) were used to refinance old debt. The average interest rate of refinanced funds decreased from 4.36% to 4.02%.

The effect recognized in profit and loss associated with this refinancing was a charge of US\$ 42 million after tax.

On May 18, 2018, Codelco issued a bond for US\$600 million with 30 year maturity in the market of Formosa, Taiwan. The bond issued is denominated in US dollars, had a yield of 4.85% and a prepayment option at the issue value that can be exercised from the fifth year onwards at its par value.

On January 28, 2019, the Corporation in New York made an offer to purchase its bonds issued in dollars with maturities between 2020 and 2025, repurchasing US\$1,527 millions.

Subsequently, on February 5, 2019, the Corporation issued and placed bonds in the North American market, under Rule 144-A and Regulation S, for a total nominal amount of ThUS\$1,300,000, which maturity will be 5 February 2049 with a coupon of 4.375% per annum and interest payments on a semi-annual basis.

The effect recognized in results associated with this refinancing was a charge of US\$10 million after taxes.

On July 22, 2019, the Corporation made a bond issue and placement, Regulation S, for a nominal amount of AUD \$ 70,000,000, whose maturity will be in a single installment on July 22, 2039, with a coupon of 3.58% annual and interest payment annually.

On August 23, 2019, the Corporation made a bond issue and placement, Regulation S, for a nominal amount

of US\$130,000,000, whose maturity will be in a single installment on August 23, 2029, with a coupon of 2.869% annual and interest payment semiannually.

On September 30, 2019, the Corporation made an issue and placement of bonds in the North American market, under rule 144-A and Regulation S, for a total nominal amount of ThUS\$2,000,000 whose maturity will be, under one tranche, on September 30, 2029 corresponding to an amount of ThUS\$1,100,000 with a 3% annual coupon. The other tranche contemplates a maturity for January 30, 2050, corresponding to an amount of ThUS\$900,000 with a coupon of 3.70% per year.

Along with this placement, Codelco launched a purchase offer, in which a repurchase amount of US\$ 152 million was reached. The effect recognized in results associated with this refinancing was a charge of US\$2 million after taxes.

As of December 31, 2019 and 2018, the Corporation is not required to comply with any financial covenants related to borrowings from financial institutions and bond obligations.

**- Financial debt commissions and expenses:**

Transaction costs incurred in obtaining financial resources are deducted from the loan proceeds and are amortized using the effective interest rate.

**- Finance leases:**

Leasing operations are generated by contracts, mainly for buildings and machinery.



As of December 31, 2019, the details of loans from financial institutions and bond obligations are as follows:

12/31/2019													
TAXPAYER ID NUMBER	COUNTRY	LOANS WITH FINANCIAL ENTITIES	INSTITUTION	MATURITY	INTEREST RATE	CURRENCY	PRINCIPAL AMOUNT	TYPE OF AMORTIZATION	PAYMENT OF INTEREST	NOMINAL INTEREST RATE	EFFECTIVE INTEREST RATE	CURRENT BALANCE THUS\$	NON-CURRENT BALANCE THUS\$
97.036.000-K	Chile	Bilateral Credit	Santander Chile	3/27/2020	Floating	US\$	100,000,000	Maturity	Semi-annual	2.36%	2.36%	100,597	-
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	9/7/2020	Floating	US\$	100,000,000	Maturity	Semi-annual	2.34%	2.34%	100,753	-
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	9/14/2020	Floating	US\$	65,000,000	Maturity	Semi-annual	2.40%	2.40%	65,473	-
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	12/20/2020	Floating	US\$	300,000,000	Maturity	Semi-annual	2.63%	2.63%	300,241	-
Foreign	USA	Bilateral Credit	MUFG Bank Ltd.	9/30/2021	Floating	US\$	250,000,000	Maturity	Semi-annual	2.96%	3.06%	3,409	249,690
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2021	Floating	US\$	300,000,000	Maturity	Semi-annual	2.54%	2.72%	1,205	299,265
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	4/13/2022	Floating	US\$	300,000,000	Maturity	Quarterly	2.65%	2.86%	1,701	298,834
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US\$	224,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	2.34%	2.53%	32,187	47,833
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2022	Floating	US\$	300,000,000	Maturity	Semi-annual	2.83%	2.95%	3,774	299,550
Foreign	Panama	Bilateral Credit	Banco Latinoamericano de Comercio	12/18/2026	Floating	US\$	75,000,000	Maturity	Semi-annual	3.10%	3.28%	77	74,401
Foreign	USA	Bilateral Credit	Export Dev Canada	10/25/2028	Floating	US\$	300,000,000	Maturity	Semi-annual	3.40%	3.52%	4,505	298,390
Foreign	USA	Bilateral Credit	Export Dev Canada	7/25/2029	Floating	US\$	300,000,000	Maturity	Semi-annual	3.42%	3.62%	4,393	296,200
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V.	11/26/2032	Fixed	US\$	874,959,000	Semi-annual	Semi-annual	3.25%	5.42%	47,829	544,104
<b>TOTAL</b>												<b>666,144</b>	<b>2,408,267</b>



TAXPAYER ID NUMBER	COUNTRY	MATURITY	INTEREST RATE	CURRENCY	PRINCIPAL AMOUNT	TYPE OF AMORTIZATION	PAYMENT OF INTEREST	NOMINAL INTEREST RATE	EFFECTIVE INTEREST RATE	CURRENT BALANCE THUS\$	NON-CURRENT BALANCE THUS\$
144-A REG.S	Luxembourg	11/4/2020	Fixed	US\$	1,000,000,000	At Maturity	Semi-annual	3.75%	3.89%	396,742	-
144-A REG.S	Luxembourg	11/4/2021	Fixed	US\$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.02%	1,377	226,416
144-A REG.S	Luxembourg	7/17/2022	Fixed	US\$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.16%	4,978	410,882
144-A REG.S	Luxembourg	8/13/2023	Fixed	US\$	750,000,000	At Maturity	Semi-annual	4.50%	4.74%	4,627	332,188
144-A REG.S	Luxembourg	7/9/2024	Fixed	EURO	600,000,000	At Maturity	Annual	2.25%	2.48%	7,236	666,384
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	2,595	270,374
144-A REG.S	Luxembourg	9/16/2025	Fixed	US\$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.75%	14,003	1,055,236
BCODE-C	Chile	8/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	3,292	394,774
144-A REG.S	Luxembourg	8/1/2027	Fixed	US\$	1,500,000,000	At Maturity	Semi-annual	3.63%	4.20%	22,607	1,443,875
REG.S	Luxembourg	8/23/2029	Fixed	US\$	130,000,000	At Maturity	Semi-annual	2.87%	2.98%	1,328	128,808
144-A REG.S	Luxembourg	9/30/2029	Fixed	US\$	1,100,000,000	At Maturity	Semi-annual	3.00%	3.14%	8,385	1,087,092
REG.S	Luxembourg	11/7/2034	Fixed	HKD	500,000,000	At Maturity	Annual	0.00%	0.00%	275	63,593
144-A REG.S	Luxembourg	9/21/2035	Fixed	US\$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	7,804	492,115
144-A REG.S	Luxembourg	10/24/2036	Fixed	US\$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	5,713	496,544
REG.S	Luxembourg	7/22/2039	Fixed	AUD	70,000,000	At Maturity	Annual	0.00%	0.00%	783	48,519
144-A REG.S	Luxembourg	7/17/2042	Fixed	US\$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	14,465	733,450
144-A REG.S	Luxembourg	10/18/2043	Fixed	US\$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	10,804	933,573
144-A REG.S	Luxembourg	11/4/2044	Fixed	US\$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	7,481	961,425
144-A REG.S	Luxembourg	8/1/2047	Fixed	US\$	1,250,000,000	At Maturity	Semi-annual	4.50%	4.73%	23,387	1,205,925
144 - REG.S	Luxembourg	5/18/2048	Fixed	US\$	600,000,000	At Maturity	Semi-annual	4.85%	4.91%	3,438	594,487
144-A REG.S	Luxembourg	2/5/2049	Fixed	US\$	1,300,000,000	At Maturity	Semi-annual	4.38%	4.97%	22,874	1,182,292
144-A REG.S	Luxembourg	1/30/2050	Fixed	US\$	900,000,000	At Maturity	Semi-annual	3.70%	3.78%	8,393	889,406
<b>TOTAL</b>										<b>572,587</b>	<b>13,617,358</b>

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



As of December 31, 2018, the details of loans from financial institutions and bond obligations are as follows:

12/31/2018													
TAXPAYER ID NUMBER	COUNTRY	LOANS WITH FINANCIAL ENTITIES	INSTITUTION	MATURITY	INTEREST RATE	CURRENCY	PRINCIPAL AMOUNT	TYPE OF AMORTIZATION	PAYMENT OF INTEREST	NOMINAL INTEREST RATE	EFFECTIVE INTEREST RATE	SALDO CORRIENTE MUS\$	SALDO NO CORRIENTE MUS\$
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	12/20/2019	Floating	US\$	300,000,000	Maturity	Semi-annual	3,60%	3,74%	300,059	-
Foreign	USA	Bilateral Credit	MUFG Bank Ltd	9/30/2021	Floating	US\$	250,000,000	Maturity	Semi-annual	3.27%	3.37%	3,768	249,579
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2021	Floating	US\$	300,000,000	Maturity	Semi-annual	3.44%	3.62%	1,604	298,875
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	4/13/2022	Floating	US\$	300,000,000	Maturity	Quarterly	3.09%	3.30%	1,980	298,401
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2022	Floating	US\$	300,000,000	Maturity	Semi-annual	3.38%	3.48%	1,915	299,432
Foreign	USA	Bilateral Credit	Export Dev Canada	10/25/2028	Floating	US\$	300,000,000	Maturity	Semi-annual	3.96%	4.09%	2,212	298,250
Foreign	Japan	Bilateral Credit	MUFG Bank Ltd	5/24/2029	Floating	US\$	96,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	3.44%	3.84%	12,016	-
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US\$	224,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	3.34%	3.54%	32,363	79,674
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V.	11/26/2032	Fixed	US\$	874,959,000	Semi-annual	Semi-annual	3.25%	5.42%	48,490	582,867
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	Euro				1.25%	1.25%	408	-
			Other institutions									56	-
<b>TOTAL</b>												<b>404.871</b>	<b>2.107.078</b>



TAXPAYER ID NUMBER	COUNTRY	MATURITY	INTEREST RATE	CURRENCY	PRINCIPAL AMOUNT	TYPE OF AMORTIZATION	PAYMENT OF INTEREST	NOMINAL INTEREST RATE	EFFECTIVE INTEREST RATE	CURRENT BALANCE THUS\$	NON-CURRENT BALANCE THUS\$
144-A REG.S	Luxembourg	1/15/2019	Fixed	US\$	600,000,000	At Maturity	Semi-annual	7.50%	7.78%	276,061	-
144-A REG.S	Luxembourg	11/4/2020	Fixed	US\$	1,000,000,000	At Maturity	Semi-annual	3.75%	3.97%	3,456	582,989
144-A REG.S	Luxembourg	11/4/2021	Fixed	US\$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.06%	2,958	482,430
144-A REG.S	Luxembourg	7/17/2022	Fixed	US\$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.17%	11,538	832,748
144-A REG.S	Luxembourg	8/13/2023	Fixed	US\$	750,000,000	At Maturity	Semi-annual	4.50%	4.75%	10,058	581,548
144-A REG.S	Luxembourg	7/9/2024	Fixed	EUR	600,000,000	At Maturity	Annual	2.25%	2.48%	7,404	678,446
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	2,737	285,436
144-A REG.S	Luxembourg	9/16/2025	Fixed	US\$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.77%	21,364	1,596,926
BCODE-C	Chile	8/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	3,455	416,715
144-A REG.S	Luxembourg	8/1/2027	Fixed	US\$	1,500,000,000	At Maturity	Semi-annual	3.63%	4.20%	22,607	1,437,938
144-A REG.S	Luxembourg	9/21/2035	Fixed	US\$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	7,925	491,814
144-A REG.S	Luxembourg	10/24/2036	Fixed	US\$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	5,998	496,430
144-A REG.S	Luxembourg	7/17/2042	Fixed	US\$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	14,638	733,027
144-A REG.S	Luxembourg	10/18/2043	Fixed	US\$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	10,864	933,256
144-A REG.S	Luxembourg	11/4/2044	Fixed	US\$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	7,522	961,050
144-A REG.S	Luxembourg	8/1/2047	Fixed	US\$	1,250,000,000	At Maturity	Semi-annual	4.50%	4.73%	23,387	1,205,156
REG.S	Taiwan	5/18/2048	Fixed	US\$	600,000,000	At Maturity	Semi-annual	4.85%	4.91%	3,457	594,398
<b>TOTAL</b>										<b>435.429</b>	<b>12.310.307</b>

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



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

DEBTOR'S NAME	12-31-2019				CURRENT			NON-CURRENT			
	CURRENCY	EFFECTIVE INTEREST RATE	NOMINAL RATE	PAYMENTS OF INTEREST	LESS THAN 90 DAYS	MORE THAN 90 DAYS	CURRENT TOTAL	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS	NON-CURRENT TOTAL
Santander Chile	US\$	2.36%	2.36%	Semi-annual	101,165	-	101,165	-	-	-	-
Scotiabank Chile	US\$	2.34%	2.34%	Semi-annual	101,182	-	101,182	-	-	-	-
Scotiabank Chile	US\$	2.40%	2.40%	Semi-annual	65,790	-	65,790	-	-	-	-
Scotiabank Chile	US\$	2.63%	2.63%	Semi-annual	-	304,054	304,054	-	-	-	-
MUFG Bank LTD	US\$	3.06%	2.96%	Semi-annual	3,840	3,737	7,577	261,212	-	-	261,212
Export Dev Canada	US\$	2.72%	2.54%	Semi-annual	-	7,757	7,757	307,715	-	-	307,715
Scotiabank & Trust (Cayman) Ltd	US\$	2.86%	2.65%	Quarterly	1,988	6,053	8,041	312,062	-	-	312,062
Japan Bank International Cooperation	US\$	2.53%	2.34%	Semi-annual	-	33,720	33,720	49,137	-	-	49,137
Export Dev Canada	US\$	2.95%	2.83%	Semi-annual	4,411	4,293	8,704	317,291	-	-	317,291
Export Dev Canada	US\$	3.52%	3.40%	Semi-annual	5,213	5,156	10,369	20,683	20,711	346,607	388,001
Export Dev Canada	US\$	3.62%	3.42%	Semi-annual	5,244	5,187	10,431	20,804	20,833	351,897	393,534
Banco Latinoamericano de Comercio	US\$	3.28%	3.10%	Semi-annual	-	2,380	2,380	4,722	3,545	80,886	89,153
BONO 144-A REG.S 2020	US\$	3.89%	3.75%	Semi-annual	-	409,690	409,690	-	-	-	-
BONO 144-A REG.S 2021	US\$	4.02%	3.88%	Semi-annual	-	8,796	8,796	235,777	-	-	235,777
BONO 144-A REG.S 2022	US\$	3.16%	3.00%	Semi-annual	6,187	6,187	12,374	437,224	-	-	437,224
BONO 144-A REG.S 2023	US\$	4.74%	4.50%	Semi-annual	7,535	7,535	15,070	30,138	349,940	-	380,078
BONO 144-A REG.S 2025	US\$	4.75%	4.50%	Semi-annual	24,044	24,044	48,088	96,174	96,174	1,116,688	1,309,036
BONO 144-A REG.S 2027	US\$	4.20%	3.63%	Semi-annual	27,188	27,188	54,376	108,750	108,750	1,663,125	1,880,625
REG.S 2029	US\$	2.98%	2.87%	Semi-annual	1,865	1,865	3,730	7,459	7,459	148,649	163,567
BONO 144-A REG.S 2029	US\$	3.14%	3.00%	Semi-annual	16,500	16,500	33,000	66,000	66,000	1,265,000	1,397,000
BONO 144-A REG.S 2035	US\$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	809,375	921,875
BONO 144-A REG.S 2036	US\$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	869,000	992,000
BONO 144-A REG.S 2042	US\$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,323,750	1,451,250
BONO 144-A REG.S 2043	US\$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	1,965,313	2,179,063
BONO 144-A REG.S 2044	US\$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	1,935,500	2,126,600
BONO 144-A REG.S 2047	US\$	4.73%	4.50%	Semi-annual	28,125	28,125	56,250	112,500	112,500	2,543,750	2,768,750
BONO 144 REG.S 2048	US\$	4.91%	4.85%	Semi-annual	-	29,100	29,100	58,200	58,200	1,283,850	1,400,250
BONO 144-A REG.S 2049	US\$	4.97%	4.38%	Semi-annual	28,438	28,438	56,876	113,750	113,750	2,693,438	2,920,938
BONO 144-A REG.S 2050	US\$	3.78%	3.70%	Semi-annual	11,100	22,261	33,361	66,782	66,782	1,745,911	1,879,476
Oriente Copper Netherlands B.V.	US\$	5.42%	3.25%	Semi-annual	-	72,705	72,705	141,137	135,320	537,640	814,097
Total ThUS\$					<b>469,816</b>	<b>1,216,735</b>	<b>1,686,551</b>	<b>3,151,442</b>	<b>1,543,889</b>	<b>20,680,379</b>	<b>25,375,711</b>



DEBTOR'S NAME	12/31/2019				CURRENT			NON-CURRENT			
	CURRENCY	EFFECTIVE INTEREST RATE	NOMINAL RATE	PAYMENTS OF INTEREST	LESS THAN 90 DAYS	MORE THAN 90 DAYS	CURRENT TOTAL	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS	NON-CURRENT TOTAL
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,038,000	8,142,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	124,228	124,228	248,457	496,913	496,913	10,496,914	11,490,740
				<b>Total U.F.</b>	<b>262,228</b>	<b>262,228</b>	<b>524,457</b>	<b>1,048,913</b>	<b>1,048,913</b>	<b>17,534,914</b>	<b>19,632,740</b>
				<b>Subtotal ThUS\$</b>	<b>9,915</b>	<b>9,915</b>	<b>19,830</b>	<b>39,661</b>	<b>39,660</b>	<b>662,997</b>	<b>742,318</b>
BONO 144-A REG.S 2024	EURO	2.48%	2.25%	Annual	-	13,500,000	13,500,000	27,000,000	27,000,000	600,000,000	654,000,000
				<b>Subtotal ThUS\$</b>	<b>-</b>	<b>15,138</b>	<b>15,138</b>	<b>30,276</b>	<b>30,276</b>	<b>672,798</b>	<b>733,350</b>
REG.S 2039	AUD	3.65%	3.58%	Annual	-	2,506,000	2,506,000	5,012,000	5,012,000	107,590,000	117,614,000
				<b>Subtotal ThUS\$</b>	<b>-</b>	<b>1,755</b>	<b>1,755</b>	<b>3,509</b>	<b>3,509</b>	<b>75,332</b>	<b>82,350</b>
REG.S 2034	HKD	2.92%	2.84%	Annual	-	14,238,904	14,238,904	28,400,000	28,438,904	642,077,808	698,916,712
				<b>Subtotal ThUS\$</b>	<b>-</b>	<b>1,829</b>	<b>1,829</b>	<b>3,648</b>	<b>3,653</b>	<b>82,468</b>	<b>89,769</b>
				<b>Total ThUS\$</b>	<b>479,731</b>	<b>1,245,372</b>	<b>1,725,103</b>	<b>3,228,536</b>	<b>1,620,987</b>	<b>22,173,974</b>	<b>27,023,498</b>

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



CREDITOR NAME	12/31/2018				CURRENT			NON-CURRENT			
	CURRENCY	EFFECTIVE INTEREST RATE	NOMINAL INTEREST RATE	PAYMENTS OF INTEREST	LESS THAN 90 DAYS	MORE THAN 90 DAYS	CURRENT TOTAL	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS	NON-CURRENT TOTAL
Scotiabank Chile	US\$	3.74%	3.60%	Semi-annual	-	310,893	310,893	-	-	-	-
Bank of Tokyo Mitsubishi Ltd.	US\$	3.37%	3.27%	Semi-annual	4,176	4,108	8,284	270,701	-	-	270,701
Export Dev Canada	US\$	3.62%	3.44%	Semi-annual	-	10,395	10,395	320,934	-	-	320,934
Scotiabank & Trust (Cayman) Ltd	US\$	3.30%	3.09%	Quarterly	2,340	7,099	9,439	18,801	304,578	-	323,379
Export Dev Canada	US\$	3.48%	3.38%	Semi-annual	-	10,279	10,279	20,586	310,251	-	330,837
Export Dev Canada	US\$	4.09%	3.96%	Semi-annual	-	12,053	12,053	24,139	24,106	360,330	408,575
MUFG Bank Ltd	US\$	3.84%	3.44%	Semi-annual	-	12,205	12,205	-	-	-	-
Japan Bank International Cooperation	US\$	3.54%	3.34%	Semi-annual	-	35,496	35,496	67,793	16,268	-	84,061
BONO 144-A REG.S 2019	US\$	7.78%	7.50%	Semi-annual	276,852	-	276,852	-	-	-	-
BONO 144-A REG.S 2020	US\$	3.97%	3.75%	Semi-annual	-	21,946	21,946	607,183	-	-	607,183
BONO 144-A REG.S 2021	US\$	4.06%	3.88%	Semi-annual	-	18,785	18,785	522,344	-	-	522,344
BONO 144-A REG.S 2022	US\$	3.17%	3.00%	Semi-annual	12,562	12,562	25,124	50,249	862,611	-	912,860
BONO 144-A REG.S 2023	US\$	4.75%	4.50%	Semi-annual	13,219	13,219	26,438	52,875	640,373	-	693,248
BONO 144-A REG.S 2025	US\$	4.77%	4.50%	Semi-annual	36,480	36,480	72,960	145,922	145,922	1,767,277	2,059,121
BONO 144-A REG.S 2027	US\$	4.20%	3.63%	Semi-annual	27,188	27,188	54,376	108,750	108,750	1,717,500	1,935,000
BONO 144-A REG.S 2035	US\$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	837,500	950,000
BONO 144-A REG.S 2036	US\$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	899,750	1,022,750
BONO 144-A REG.S 2042	US\$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,355,625	1,483,125
BONO 144-A REG.S 2043	US\$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,018,750	2,232,500
BONO 144-A REG.S 2044	US\$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	1,983,275	2,174,375
BONO 144-A REG.S 2047	US\$	4.73%	4.50%	Semi-annual	28,125	28,125	56,250	112,500	112,500	2,600,000	2,825,000
REG.S. 2048	US\$	4.91%	4.85%	Semi-annual	-	29,100	29,100	58,200	58,200	1,312,950	1,429,350
Oriente Copper Netherlands B.V.	US\$	5.42%	3.25%	Semi-annual	-	72,705	72,705	141,137	135,320	537,640	814,097
<b>Total ThUS\$</b>					<b>430,943</b>	<b>824,602</b>	<b>1,255,545</b>	<b>2,906,039</b>	<b>3,102,804</b>	<b>15,390,597</b>	<b>21,399,440</b>



CREDITOR NAME	12/31/2018				CURRENT			NON-CURRENT			
	CURRENCY	EFFECTIVE INTEREST RATE	NOMINAL INTEREST RATE	PAYMENTS OF INTEREST	LESS THAN 90 DAYS	MORE THAN 90 DAYS	CURRENT TOTAL	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS	NON-CURRENT TOTAL
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,314,000	8,418,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	124,228	124,228	248,457	496,913	496,913	10,745,370	11,739,197
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	18,059,370	20,157,197
				<b>Subtotal ThUS\$</b>	<b>10,404</b>	<b>10,404</b>	<b>20,808</b>	<b>41,617</b>	<b>41,617</b>	<b>716,526</b>	<b>799,760</b>
BONO 144-A REG. S 2024	EUR	2.48%	2.25%	Annual		13,500,000	13,500,000	27,000,000	27,000,000	613,500,000	667,500,000
				Total EUR		13,500,000	13,500,000	27,000,000	27,000,000	613,500,000	667,500,000
				<b>Subtotal ThUS\$</b>		<b>15,443</b>	<b>15,443</b>	<b>30,885</b>	<b>30,885</b>	<b>701,783</b>	<b>763,553</b>
				<b>Total ThUS\$</b>	<b>441,347</b>	<b>850,449</b>	<b>1,291,796</b>	<b>2,978,541</b>	<b>3,175,306</b>	<b>16,808,906</b>	<b>22,962,753</b>

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



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

LEASES	12/31/2019			12/31/2018		
	GROSS THUS\$	INTEREST THUS\$	PRESENT VALUE THUS\$	GROSS THUS\$	INTEREST THUS\$	PRESENT VALUE THUS\$
Less than 90 days	39,668	(4,557)	35,111	6,902	(1,735)	5,167
Between 90 days and 1 year	105,315	(12,665)	92,650	21,529	(5,186)	16,343
Between 1 and 2 years	107,218	(12,248)	94,970	23,385	(5,943)	17,442
Between 2 and 3 years	77,753	(9,881)	67,872	20,079	(4,807)	15,272
Between 3 and 4 years	60,078	(6,813)	53,265	13,628	(3,699)	9,929
Between 4 and 5 years	32,384	(4,780)	27,604	19,946	(2,812)	17,134
More than 5 years	70,857	(9,458)	61,399	35,126	(8,574)	26,552
<b>Total</b>	<b>493,273</b>	<b>(60,402)</b>	<b>432,871</b>	<b>140,595</b>	<b>(32,756)</b>	<b>107,839</b>

The operating lease expense recognized in the statement of comprehensive income for the year ended December 31, 2018 totaled ThUS\$191,311.

The table below details changes in CODELCO's financing activities in the statement of cash flow, including both cash and non-cash changes for the year ended December 31, 2019 and 2018:

The expense related to short-term leases, low-value assets and variable leases not included in the measurement and or amortization of lease liabilities for year ended December 31, 2019 is presented in the following table:

LEASE EXPENSE	01/01/2019 12/31/2019 THUS\$
Short-term leases	84,252
Low value leases	5,684
Variable lease payments not included in the initial measurement or remeasurement of liabilities (excluding, where application, changes in indices or rates)	1,488,409
<b>TOTAL</b>	<b>1,578,345</b>



LIABILITIES FOR FINANCING ACTIVITIES	INITIAL BALANCE AT 01/01/2019 THUS\$	FLOWS OF CASH			FINANCIAL COST (1) THUS\$	CHANGES THAT DO NOT REPRESENT CASH FLOW				FINAL BALANCE AT 12/31/2019 THUS\$
		FROM THUS\$	USED THUS\$	TOTAL THUS\$		EXCHANGE DIFFERENCE THUS\$	FAIR VALUE ADJUSTMENT THUS\$	EFFECTIVE INTEREST ACCRETION/ AMORTIZATION NOT CASH FLOW RELATED THUS\$	OTHER THUS\$	
Loans with financial institutions	2,511,949	840,000	(386,625)	453,375	104,592	-	-	1,606	2,889	3,074,411
Bond Obligations	12,745,736	3,543,199	(2,610,321)	932,878	591,920	(45,137)	-	(35,452)	-	14,189,945
Obligations for coverage	116,132	-	(21,167)	(21,167)	21,556	13,142	27,575	-	588	157,826
Paid Dividends	-	-	-	-	-	-	-	-	-	-
Financial assets for hedge derivatives	(107,700)	-	-	-	-	31,438	(6,322)	-	-	(82,584)
Leases	107,839	-	(148,181)	(148,181)	31,416	(18,114)	-	-	459,911	432,871
Capital contribution	-	400,000	-	400,000	-	-	-	-	-	-
Other	64,343	-	(75,483)	(75,483)	51,082	-	-	-	18,922	58,864
<b>Total liabilities from financing activities</b>	<b>15,438,299</b>	<b>4,783,199</b>	<b>(3,241,777)</b>	<b>1,541,422</b>	<b>800,566</b>	<b>(18,671)</b>	<b>21,253</b>	<b>(33,846)</b>	<b>482,310</b>	<b>17,831,333</b>

LIABILITIES FOR FINANCING ACTIVITIES	INITIAL BALANCE AT 01/01/2018 THUS\$	FLOWS OF CASH			FINANCIAL COST (1) THUS\$	CHANGES THAT DO NOT REPRESENT CASH FLOW				FINAL BALANCE AT 12/31/2018 THUS\$
		FROM THUS\$	USED THUS\$	TOTAL THUS\$		EXCHANGE DIFFERENCE THUS\$	FAIR VALUE ADJUSTMENT THUS\$	EFFECTIVE INTEREST ACCRETION/ AMORTIZATION NOT CASH FLOW RELATED THUS\$	OTHER THUS\$	
Loans with financial institutions	2,460,384	300,000	(333,027)	(33,027)	84,592	-	-	-	-	2,511,949
Bond Obligations	12,249,406	600,000	(541,341)	58,659	543,874	(101,299)	-	(4,904)	-	12,745,736
Obligations for coverage	83,896	-	(18,930)	(18,930)	20,070	35,884	(4,788)	-	-	116,132
Paid Dividends	-	-	(602,461)	(602,461)	-	-	-	-	-	-
Financial assets for hedge derivatives	(137,544)	-	-	-	-	66,177	(36,333)	-	-	(107,700)
Leases	102,711	-	(27,130)	(27,130)	2,774	2,645	-	-	26,839	107,839
Capital contribution	-	600,000	-	600,000	-	-	-	-	-	-
Other	69,813	-	(99,200)	(99,200)	82,886	-	-	-	10,844	64,343
<b>Total liabilities from financing activities</b>	<b>14,828,666</b>	<b>1,500,000</b>	<b>(1,622,089)</b>	<b>(122,089)</b>	<b>734,196</b>	<b>3,407</b>	<b>(41,121)</b>	<b>(4,904)</b>	<b>37,683</b>	<b>15,438,299</b>

(1) The finance costs consider the capitalization of interest, which for the year ended December 31, 2019 and 2018, amounts to ThUS\$367,548 and ThUS\$311,399 respectively.



### 13. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amount of financial assets is a reasonable approximation to their fair value, therefore, no additional disclosures are required in accordance with IFRS 7 with respect thereto.

Regarding financial liabilities, the following table shows a comparison as of December 31, 2019 between the carrying amount and the fair value of financial liabilities other than those whose carrying amount is a reasonable approximation of fair value.

COMPARISON VALUE BOOK VS FAIR VALUE AS OF DECEMBER 31, 2019	ACCOUNTING TREATMENT FOR VALUATION	CARRYING AMOUNT THUS\$	FAIR VALUE THUS\$
Financial liabilities: Bond Obligations	Amortized cost	14,189,945	15,522,523

### 14. FAIR VALUE HIERARCHY

The estimated fair value for the Corporation's portfolio of financial instruments is based on valuation techniques and observable inputs. Considering the hierarchy of the data used in these valuation techniques, the assets and liabilities measured at fair value can be classified into the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs are significant unobservable inputs for the asset or liability.

The following table presents financial assets and liabilities measured at fair value as of December 31, 2019:

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE	12/31/2019			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	THUS\$	THUS\$	THUS\$	THUS\$
<b>Financial Assets</b>				
Provisional price sales contracts	-	723,619	-	723,619
Cross Currency Swap	-	82,584	-	82,584
Mutual fund units	2,158	-	-	2,158
Metal futures contracts	1,840	-	-	1,840
<b>Financial Liabilities</b>				
Metal futures contracts	1,801	857	-	2,658
Cross Currency Swap	-	157,825	-	157,825

There were no transfers between the different levels during the year ended December 31, 2019.



## 15. TRADE AND OTHER PAYABLES

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

ITEMS	CURRENTS	
	12/31/2019	12/31/2018
	THUS\$	THUS\$
Trade payables	1,150,047	1,317,623
Payables to employees	8,390	21,561
Withholdings	113,147	72,681
Withholding taxes	76,387	60,621
Other payables	72,944	74,098
<b>Total</b>	<b>1,420,915</b>	<b>1,546,584</b>

## 16. OTHER PROVISIONS

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

OTHER PROVISIONS	CURRENT		NON-CURRENT	
	12/31/19 THUS\$	12/31/18 THUS\$	12/31/19 THUS\$	12/31/18 THUS\$
Sales-related provisions (1)	2,932	2,692	-	-
Operating (2)	260,973	233,277	-	-
Law No. 13196	109,643	93,309	-	-
Other provisions	128,429	51,771	24,097	20,153
Onerous Contract (3)	195	3,200	81	4,534
Decommissioning and restoration (4)	-	-	2,016,625	1,506,162
Legal proceedings	-	-	49,684	69,334
<b>Total</b>	<b>502,172</b>	<b>384,249</b>	<b>2,090,487</b>	<b>1,600,183</b>

(1) Corresponds to a sales-related accruals, which includes charges for freight, loading, and unloading that were not invoiced at the end of the period.

(2) Corresponds to a provision for customs duties, freight on purchases, electricity, among others.

(3) Corresponds to a provision recognized for an onerous contract with Copper Partners Investment Company Ltd, See Note 29 b).

(4) Corresponds to the provision for future decommissioning and site restoration costs primarily related to tailing dams, closures of mine operations and other mining assets. The amount of



the provision is the present value of future expected cash flows discounted at a pre-tax rate of 1.05% for the obligations in Chilean currency and 1.86% for the obligations in U.S. dollar. Both, discount rates reflect the corresponding assessments of the time value of money and the risks specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been made. The discount period varies between 9 and 54 years.

The Corporation determines and recognized this liability in accordance with the accounting policy described in Note 2, letter p) on Significant Accounting Policies.

Changes in Other provisions, were as follows:

CHANGES	01/01/19 12/31/19			
	OTHER PROVISIONS, NON-CURRENT CURRENCURRENT THUS\$	DECOMMISSIONING AND RESTORATION THUS\$	CONTINGENCIES THUS\$	TOTAL THUS\$
Opening balance	24,687	1,506,162	69,334	1,600,183
Closing provision adjustment	-	507,062		507,062
Financial expenses	-	36,345	-	36,345
Payment of liabilities	(406)	-	(21,366)	(21,772)
Foreign currency translation	(91)	(32,160)	(1,657)	(33,908)
Provision increase	(4,452)	-	-	(4,452)
Other increases (decreases)	4,440	(784)	3,373	7,029
<b>Closing Balance</b>	<b>24,178</b>	<b>2,016,625</b>	<b>49,684</b>	<b>2,090,487</b>

CHANGES	01/01/18 12/31/18			
	OTHER PROVISIONS, NON-CURRENT THUS\$	DECOMMISSIONING AND RESTORATION THUS\$	CONTINGENCIES THUS\$	TOTAL THUS\$
Opening balance	26,524	1,636,695	48,583	1,711,802
Closing provision adjustment	-	-	-	-
Financial expenses	-	(117,174)		(117,174)
Payment of liabilities	-	34,754	-	34,754
Foreign currency translation	-	(827)	(5,100)	(5,927)
Provision increase	(3,617)	(52,704)	(3,574)	(59,895)
Other increases (decreases)	(3,200)	-	-	(3,200)
<b>Closing Balance</b>	<b>24,687</b>	<b>1,506,162</b>	<b>69,334</b>	<b>1,600,183</b>



## 17. EMPLOYEE BENEFITS

### a) Provisions for post-employment benefits and other long term benefits

Provision for post-employment benefits mainly corresponds to employee severance indemnities and medical care plans. The provision for severance indemnities recognizes the contractual obligation that the Corporation has with its employees/retirees regardless of the reason for employee's departure. The provision for medical care plans recognizes the contractual obligation that the Corporation has with its retirees/employees to cover their medical care costs.

Both long-term employee benefits are stated in the terms of employment contracts and collective bargaining agreements as agreed to by the Corporation and its employees.

These defined benefit liabilities are recognized in the statement of financial position, at the present value of the defined benefit obligation. The discount rate applied is determined by reference to the market yields of government bonds in the same currency and estimated term of the post-employment benefit obligations.

The defined benefit obligations are denominated in Chilean pesos, therefore the Corporation is exposed to foreign exchange rate risk.

Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income and are not subsequently reclassified to profit or loss.

For the year ended December 31, 2019, there were no significant changes in post-employment benefits plans.

The following actuarial assumptions were used in the actuarial calculation of the defined benefit plans:

ASSUMPTIONS	12/31/19		12/31/18	
	RETIREMENT PLAN	HEALTH PLAN	HEALTH PLAN	PLAN SALUD
Annual Discount Rate	3.68%	3.68%	4.93%	4,93%
Voluntary Annual Turnover Rate for Retirement (Men)	5.00%	5.00%	4.00%	4,00%
Voluntary Annual Turnover Rate for Retirement (Women)	4.70%	4.70%	3.70%	3,70%
Salary Increase (real annual average)	3.26%	-	4.03%	-
Future Rate of Long-Term Inflation	3.00%	3.00%	3.00%	3,00%
Inflation Health Care	-	5.05%	-	5,05%
Mortality tables used for projections	CB14-RV14	CB14-RV14	CB14-RV14	CB14-RV14
Average duration of future cash flows (years)	7.21	17.13	7.5	16,94
Expected Retirement Age (Men)	60	60	60	60
Expected Retirement Age (Women)	59	59	59	59

The discount rates correspond to the rates in the secondary market of government bonds issued in Chile. The annual inflation corresponds to the long-term expectation set by the Central Bank of Chile. The turnover rates were determined using the past three years of historical experience of the Corporation's employee departure behavior. The expected rate of salary increases has been estimated using the

long-term behavior of historical salaries paid by the Corporation. The mortality tables used were those issued by the CMF, which are considered an appropriate representation of the Chilean market given the lack of comparable statistical series to develop independent studies. The period over which the obligation is being amortized corresponds to the estimate of the period over which the cash flows will occur.



b) The detail of current and non-current provisions for employment benefits as of December 31, 2019 and 2018, is as follows:

ACCRUAL FOR EMPLOYEE BENEFITS	CURRENT		NON-CURRENT	
	12/31/19 THUS\$	12/31/18 THUS\$	12/31/19 THUS\$	12/31/18 THUS\$
Employees' collective bargaining agreements	181,040	204,040	-	-
Employee termination benefit	21,904	27,247	704,877	802.260
Bonus	35,195	60,616	-	-
Vacation	143,971	183,628	-	-
Medical care programs (1)	497	460	561,709	496.323
Retirement plans (2)	37,479	17,620	8,181	8.355
Other	15,479	16,423	8,590	8.582
<b>Total</b>	<b>435,565</b>	<b>510,034</b>	<b>1,283,357</b>	<b>1.315.520</b>

(1) Corresponds to a provision recognized for the obligations with health care institutions as agreed with current and former employees.

(2) Correspond to the provision recognized for early retirement benefits provided to employees.

The reconciliation of the present value of the retirement plan and post-employment benefit obligation, is as follows:

MOVEMENTS	01/01/19 12/31/19		01/01/18 12/31/18	
	RETIREMENT PLAN THUS\$	HEALTH PLAN THUS\$	RETIREMENT PLAN THUS\$	HEALTH PLAN THUS\$
Opening balance	829,507	496,783	882,090	523,649
Service cost	51,086	39,980	72,821	9,962
Financial cost	15,512	9,290	15,966	11,520
Paid contributions	(115,970)	(44,275)	(57,166)	(39,779)
Actuarial (gains)/losses	4,828	93,889	16,576	30,200
Transfer from other benefits	-	-	3,335	-
<b>Subtotal</b>	<b>784,963</b>	<b>595,667</b>	<b>933,622</b>	<b>535,552</b>
(Gains) Losses on foreign	(58,182)	(33,461)	(104,115)	(38,769)
<b>Final Total</b>	<b>726,781</b>	<b>562,206</b>	<b>829,507</b>	<b>496,783</b>

The technical revaluation (actuarial gain/loss as defined under IAS 19) of the liability for compensation benefits for years of service has been made, for the year ended December 31, 2019. Such was charged to equity, which consists of an actuarial loss of ThUS\$4,828, corresponding primarily to

a change in financial assumptions; this is broken down into a loss of ThUS\$7,262 from the revaluation of financial assumptions, specifically a profit of ThUS\$11,513 from the revaluation of demographic assumptions and a loss from experience of ThUS\$9,079.



For the obligation generated by health benefit plans, an actuarial loss of ThUS\$93,889 has been determined, consisting primarily of an adjustment for experience loss made up of a loss to changes in financial assumptions of ThUS\$9,365; and an adjustment for experience loss of ThUS\$84,524.

The balance of the defined benefit liability as of December 31, 2019, comprises a short term portion of ThUS\$21,904 and ThUS\$497 for the

termination indemnities plan and the medical care plan, respectively. The expected amount of the defined benefit liability projected at December 31, 2020, consists of ThUS\$766,732 for the termination indemnities plan and ThUS\$540,109 for the medical care plan. The expected monthly average future disbursements related to defined benefit plans are of ThUS\$1,825 for termination indemnities and of ThUS\$41 for medical care.

The following table sets forth the sensitivity analysis of the value of the each line item for a change in estimates, respectively, from the medium (used in the estimate recorded) to the low and from the medium to the high; the second to the last column represents the change between the low and medium and the last column represents the change between the medium and the high:

**c) Retirement benefits and conflict termination bonus**

The Corporation under its operational optimization programs seeks to reduce costs and increase labor productivity, and through the incorporation of modern technologies and/or best management practices has established employee retirement programs by making corresponding modifications to employment contracts or collective bargaining agreements, with benefits encouraging early retirement. The early retirement plans are recognized as a liability and expense as the Corporation can no longer withdraw the offer of those benefits.

As of December 31, 2019 and 2018, the retirement plan provision current balance was ThUS\$37,479 and ThUS\$17,620, respectively, while the non-current balance was ThUS\$8,181 and ThUS\$8,355, respectively. The non-current portion is associated with the provision related to the term of the collective bargaining process that Codelco's management negotiated during the month of December 2012 with the employee unions of the Chuquicamata Division. The non-current amounts recognized have been discounted using a discount rate equivalent to that used for calculating employee benefits provisions and whose outstanding balances are part of the balances as of December 31, 2019 and 2018.

SEVERANCE BENEFITS FOR YEARS OF SERVICE	LOW	MEDIUM	HIGH	REDUCTION	INCREASE
Financial effect on interest rates	3.430%	3.680%	3.930%	1.25%	-1.21%
Financial effect on the real increase in income	3.008%	3.258%	3.508%	-1.07%	1.10%
Demographic effect of job rotations	4.470%	4.970%	5.470%	0.95%	-0.74%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	-0.04%	0.04%

HEALTH BENEFITS AND OTHER	LOW	MEDIUM	HIGH	REDUCTION	INCREASE
Financial effect on interest rates	3.430%	3.680%	3.930%	3.37%	-3.28%
Financial effect on health inflation	4.550%	5.050%	5.550%	-6.79%	7.64%
Demographic effect, planned retirement age	58 / 57	60 / 59	62 / 61	3.93%	-3.91%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	11.91%	-8.23%



**d) Employee benefits expenses**

The employee benefit expenses recognized for the year ended December 31, 2019 and 2018, are as follows:

<b>EXPENSE BY NATURE OF EMPLOYEE BENEFITS</b>	<b>01/01/2019 12/31/2019 THUS\$</b>	<b>01/01/2018 12/31/2018 THUS\$</b>
Benefits - Short term	1,519,659	1,731,593
Benefits - Post employment	39,980	9,962
Benefits - Termination	100,747	54,594
Benefits by years of service	51,086	72,821
<b>Total</b>	<b>1,711,472</b>	<b>1,868,970</b>

**18. EQUITY**

The Corporation's total equity as of December 31, 2019 is ThUS\$11,634,677 (ThUS\$11,343,869 as of December 31, 2018).

In accordance with article 6 of Decree Law 1350 of 1976, it is established that, before March 30 of

each year, the Board must approve the Corporation's Business and Development Plan for the next three-year period. Taking that plan as a reference, and keeping in mind the Corporation's balance sheet for the immediately preceding year and aiming to ensure its competitiveness, before June 30 of each year the amounts that the Corporation shall allocate to the formation of capitalization funds and reserves shall be determined by decree from the Ministries of Mining and Treasury.

Net income shown in the balance sheets, after deducting the amounts referred to in the previous paragraph, shall belong to the State and becomes part of the Nation's general income.

Pursuant to the Exempt Decree No. 184 of June 27, 2014 of the Ministry of Finance, the Corporation was authorized to capitalize US\$200 million of the net profit of the financial statements as of December 31, 2013.

Those resources were charged to the profits of 2014.

On October 24, 2014, the President of the Republic of Chile signed Law No. 20790. Such Law sets forth an extraordinary capital contribution of up to US\$3 billion for the Corporation during the period of 2014-2018. The resources obtained from such capital contribution, together with the capitalization of the profits obtained during such period – up to US\$800 million – generated in that period, will serve to boost the Investment Plan in mining projects, sustainability, mining development and renewal of equipment and industrial plants. At December 31, 2014, there were no capitalized resources under such statute.

Pursuant to the Exempt Finance Decree (Decree No.

197 of December 31, 2015 issued by the Ministry of Finance), the Corporation was authorized to capitalize US\$225 million of the net profit registered in the financial statements as of December 31, 2014.

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

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

On October 28, 2015, it was reported that after reviewing the Development Business Plan 2014-2018 for Codelco, it was decided to make a capital contribution of US\$600 million that was made effective on December 2, 2015.

On December 1, 2016, it was informed that, pursuant to Article 1 of Law No. 20790, it was decided to make an extraordinary capital contribution of US\$500 million, which was made effective on December 28, 2016.

Both capital contributions were funded by the Public Treasury through the sale of financial assets.

On January 27, 2017, Law No. 20989 on extraordinary capitalization was enacted. The Law authorizes the transferring of funds from application of the Copper Reserved Law to the Public Treasury, allowing an extraordinary capitalization to Codelco of up to US\$950 million for year 2017 aiming to reduce Codelco's indebtedness in an amount equivalent

to the difference between the funds transferred as required by the Reserved Law No. 13196 and cash flow surpluses obtained by the Corporation.

On March 13, 2017, through Decree No. 322 an extraordinary capital contribution was authorized under Article 2 of Law No. 20989, for a total amount of US\$475 million. The capital contribution was made effective on April 13, 2017.

By Exempt Decree of Treasury No. 1698, dated November 17, 2017, in accordance with the provisions of Article 1 of Law No. 20790, it was decided to make an extraordinary contribution of capital for an amount of US\$520 million, which were recorded on December 22, 2017.

On October 16, 2018, the Ministry of Finance issued Exempt Decree 311 in which it has an extraordinary capital contribution for Codelco pursuant to Law No. 20,790 of US\$1,000 million, which will be made in a first part for US\$600 million and in a second part for US\$400 million, and that will be transferred in installments that will not be timed later than December 31, 2018 and February 28, 2019 respectively.

On December 26, 2018 the Corporation received the first part of the contribution to capital for US\$600 million.



On February 26, 2019 the Corporation received the second part of the contribution to capital for US\$400 million.

As of 2019, the Corporation has established that dividend payments will not be made as long as there are prepayments of dividends paid in excess.

As of December 31, 2019, the Corporation has not paid dividends, due to the fact that in 2018 there were advances of dividends paid in excess as follows:

	THUS\$
Dividends payable as of December 31, 2017	295,842
Advance dividends as of December 31, 2018	155,719
Advance dividends overpaid as of December 31, 2018	150,900
<b>Total dividends paid as of December 31, 2018</b>	<b>602,461</b>

The consolidated statement of changes in equity discloses the changes in the Corporation's equity.

The movement and composition of other equity reserves is presented in the consolidated statement of changes in equity.

Reclassification adjustments from other comprehensive income to profit or loss resulted in an income of ThUS\$3,337 and a loss of ThUS\$4,597 for the year ended December 31, 2019 and 2018, respectively.

**a) Other reserves**

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

OTHER RESERVES	12/31/19 THUS\$	12/31/18 THUS\$
Reserve on exchange differences on translation	(6,672)	(6,863)
Reserve of cash flow hedges	19,506	47,792
Capitalization fund and reserves	4,962,393	4,962,393
Reserve of remeasurement of defined benefit plans	(305,770)	(274,480)
Other reserves	622,290	625,317
<b>Total other reserves</b>	<b>5,291,747</b>	<b>5,354,159</b>



**b) Non-controlling interests**

The detail of non-controlling interests, included in equity and profit or loss, as of and for each reporting period, is as follows:

SOCIETIES	NON-CONTROLLING PARTICIPATION		NET EQUITY		GANANCIA (PÉRDIDA)	
	12/31/19	12/31/18	12/31/19	12/31/18	01/01/19 12/31/19	01/01/18 12/31/18
	%	%	THUS\$	THUS\$	THUS\$	THUS\$
Inversiones GacruX SpA	32.20%	32.20%	919,764	969,203	7,905	34,031
Others	-	-	(7)	1	(14)	(3)
<b>Total</b>			<b>919,757</b>	<b>969,204</b>	<b>7,891</b>	<b>34,028</b>

For the year ended December 31, 2019, Inversiones GacruX SpA did not distribute any dividends to non-controlling interests.

The percentage of non-controlling interest in Inversiones Mineras BecruX SpA (previously Inversiones Mineras AcruX SpA) generates a

non-controlling interest in our subsidiary Inversiones GacruX SpA, which presents the following figures relating to its statement of financial position, statement of comprehensive income and cash flows:

ASSETS AND LIABILITIES	12/31/19 THUS\$	12/31/18 THUS\$
Current Assets	227,367	361,568
Non-current assets	2,855,708	2,839,764
Current liabilities	157,345	176,742
Non-current liabilities	554,890	593,078
<b>RESULTS</b>	<b>01/01/19 12/31/19 THUS\$</b>	<b>01/01/18 12/31/18 THUS\$</b>
Revenues	682,079	836,195
Expenses	(681,954)	(762,557)
Profit of the period	125	73,638
<b>CASH FLOW</b>	<b>01/01/19 12/31/19 THUS\$</b>	<b>01/01/18 12/31/18 THUS\$</b>
Net cash flow from operating	84,426	142,997
Net cash flow from (using)	(42,403)	-
Net cash flow from (using)	(128,413)	(204,961)



## 19. REVENUE

Revenues for the years ended December 31, 2019 and 2018, are as follows:

ITEM	01/01/19 12/31/19 THUS\$	01/01/18 12/31/18 THUS\$
Revenue from sales of own copper	10,392,975	11,195,340
Revenue from sales of third-party copper	1,006,199	1,900,899
Revenue from sales of molybdenum	595,967	651,305
Revenue from sales of other products	520,351	537,562
Gain (loss) in futures market	9,439	23,652
<b>Total</b>	<b>12,524,931</b>	<b>14,308,758</b>

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

The breakdown of revenue is presented in explanatory note No.24 Operating Segments.

## 20. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, 2019 and 2018, are as follows:

ITEM	01/01/19 12/31/19 THUS\$	01/01/18 12/31/18 THUS\$
Short-term benefits to employees	1,519,659	1,731,593
Depreciation	2,217,265	2,180,550
Amortization	2,804	590
<b>Total</b>	<b>3,739,728</b>	<b>3,912,733</b>

## 21. IMPAIRMENT OF ASSETS

As of December 31, 2018, the Corporation made a calculation of the recoverable amount of its cash generating unit Ventanas Division, for the purpose of checking the existence of a deterioration in the value of the assets associated with said division, the carrying amount of which amounted to US\$323 million.

The aforementioned calculation of the recoverable amount determined a value of US\$124 million, which compared with the amount in books, implied an acknowledgment of an impairment loss of assets for ThUS\$198,898 (before tax), which was recorded in the Other item expenses by function, of the comprehensive income statement for the year 2018.

The recoverable amount determined for the calculation of the impairment loss corresponds to value in use using a 7.2% annual discount rate before taxes. The main variables used to determine the recoverable amount of this asset correspond to the price of acid, cost of treatment and refining, exchange rates and discount rates.

The aforementioned loss due to impairment is mainly generated by the fall in the costs of treatment and refining.

During the years ended December 31, 2019 and there were no indicators of additional deterioration or reversals of impairment recognized in previous years.



## 22. OTHER INCOME AND EXPENSES BY FUNCTION

Other income and expenses by function for the years ended December 31, 2019 and 2018, are as follows:

### a) Other income by function

ITEM	01/01/19 12/31/19 THUS\$	01/01/18 12/31/18 THUS\$
Penalties to suppliers	27,954	18,920
Delegated Administration	4,713	5,346
Miscellaneous sales (net)	39,870	25,973
Insurance claims for claims	27,054	-
Customer recovery	7,836	-
Gain on sale of shares of related companies (Note 8)	103,151	18,279
Material return	43,510	-
Reverse site closure update	33,993	-
Other miscellaneous income	72,609	56,308
<b>Total</b>	<b>360,690</b>	<b>124,826</b>

### b) Other expenses by function

ITEM	01/01/19 12/31/19 THUS\$	01/01/18 12/31/18 THUS\$
Law No. 13196	(935,599)	(1,108,209)
Research expenses	(85,621)	(103,649)
Bonus for the end of collective bargaining	(109,651)	(204,623)
Expenses plan	(100,747)	(54,594)
Write-off of investment projects	(7,261)	(212,587)
Write-off of property, plant & equipment	(27,495)	(7,357)
Medical care plan	(39,979)	(9,962)
impairment assets (note 21)	-	(198,898)
Write-off inventories	(35,136)	(4,004)
customer bad debt	(1,307)	-
Contingency expenses	(20,482)	(37,030)
Fixed indirect costs, low production level	(313,917)	(96,285)
Other	(70,643)	(78,116)
<b>Total</b>	<b>(1,747,838)</b>	<b>(2,115,314)</b>



### 23. FINANCE COSTS

The detail of finance costs for the years ended December 31, 2019 and 2018, is as follows:

ITEM	01/01/19 12/31/19 THUS\$	01/01/18 12/31/18 THUS\$
Bond interest	(301,060)	(265,001)
Bank loan interest	(54,683)	(69,869)
Unwinding of discount on severance indemnity provision	(12,332)	(16,497)
Unwinding of discount on other non-current	(43,798)	(46,959)
Other	(67,434)	(65,122)
<b>Total</b>	<b>(479,307)</b>	<b>(463,448)</b>

### 24. OPERATING SEGMENTS

The Corporation has defined its Divisions as its operating segments in accordance with the requirements of IFRS 8, Operating Segments. The revenues and expenses of the Head Office are allocated among the defined operating segments.

The mining deposits in operation, where the Corporation conducts its extractive and processing activities are managed by the following Divisions: Chuquicamata, Radomiro Tomic, Ministro Hales,

Gabriela Mistral, Salvador, Andina and El Teniente. In addition, the smelting and refining activities are managed at the Ventanas Division. All these Divisions have a separate operational management, which reports to the Chief Executive Officer, through the North and South Central Vice-President of Operations, respectively.

The information on each Division and their corresponding mining deposits is as follows:

#### Chuquicamata

Type 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

Type of mine sites: Open pit mines  
 Operating: since 1997,  
 Location: Calama – Region II  
 Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

#### Ministro Hales

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

#### Gabriela Mistral

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

#### Salvador

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

#### Andina

Type of mines: Underground and open pit mines  
 Operating: since 1970  
 Location: Los Andes – Region V  
 Product: Copper concentrate

#### El Teniente

Type of mine: Underground mine  
 Operating: since 1905  
 Location: Rancagua – Region VI  
 Products: Fire-refined copper and copper anodes



**a) Allocation of Head Office revenue and expenses**

Revenue and expenses controlled by the Head Office are allocated to the Divisions based on following criteria.

The main items are assigned based on the following criteria:

**Revenue and Cost of Sales of Head Office commercial transactions**

- Allocation to the operating segments is made in proportion to revenues of each Division.

**Other income, by function**

- Other income by function, associated and identified with each Division, is directly allocated.
- Recognition of realized profits and other income by way of subsidiaries are allocated in proportion to the revenues of each Division.
- The remaining other income is allocated in proportion to the aggregate of balances of “other income” and “finance income” of each Division.

**Distribution costs**

- Expenses associated and identified with each Division are directly allocated.
- Distribution costs of subsidiaries are allocated in proportion to the revenues of each Division.

**Administrative Expenses**

- Administrative expenses associated and identified with each Division are directly allocated,
- Administrative expenses recorded in cost centers associated with the sales function and administrative expenses of subsidiaries are allocated in proportion to the revenues of each Division.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in proportion to inventory balances in warehouse in each Division.
- The remaining administrative expenses are allocated in proportion to operating cash outflows of each Division.

**Other Expenses, by function**

- Other expenses associated and identified with each Division are directly allocated.
- Expenses for pre-investment studies and other expenses by function of subsidiaries are allocated in proportion to the revenues of each Division.

**Other gains**

- Other gains associated and identified with each Division are directly allocated.
- Other gains of subsidiaries are allocated in proportion to the revenues of each Division.

**Finance Income**

- Finance income associated and identified with each Division is directly allocated.
- Finance income of subsidiaries is allocated in proportion to the revenues of each Division.
- The remaining finance income is allocated in relation to the operating cash outflows of each Division.

**Finance costs**

- Finance costs associated and identified with each Division are directly allocated.
- Finance costs of subsidiaries are allocated in proportion to the revenues of each Division.

**Share in profit (loss) of associates and joint ventures accounted for using the equity method**

- Share in profit or loss of associates and joint ventures identified for each Division is directly allocated.

**Foreign exchange differences**

- Foreign exchange differences identifiable with each Division are directly allocated.
- Foreign exchange difference of subsidiaries is allocated in proportion to the revenues of each Division.

- The remaining foreign exchange differences are allocated in relation to operating cash outflows of each Division.

**Contribution to the Chilean Treasury under Law No. 13196**

- The amount of the contribution is allocated and accounted for in proportion to the invoiced and recorded amounts for copper and sub-product exports of each Division, that are subject to the surcharge.

**Income tax benefit (expense)**

- Corporate income tax under D.L. 2398 and specific mining tax are allocated based on the income before income taxes of each Division, considering for this purpose the income and expenses allocation criteria of the Head Office and subsidiaries mentioned above.
- Other tax expenses are allocated in proportion to the corporate income tax, specific mining tax and tax under D.L. 2398 of each Division.

**b) Transactions between segments**

Transactions between segments mainly related to products processing services (or tolling services), are recognized as revenue for the segment rendering the tolling services and as the cost of sales for the segment that receives the service. Such recognition is made in the period in which these services are rendered, as well as its elimination in the consolidated corporate financial statements.

Additionally, the reallocation of the profit and loss assumed by Ventanas Division, associated with the corporate mineral processing contract between Codelco and Enami, in which a distribution is applied based on the revenue of each division is included as a transaction between segments.

**c) Cash flows by segments**

The operating segments defined by the Corporation, has a cash management which refers mainly to operational activities that need to be covered periodically with funds constituted in each of these segments and whose amounts are not significant in relation to corporate balances of cash and cash equivalents.

Conversely, activities such as obtaining financing, investment and payment of relevant financial obligations are mainly based at the Head Office.

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



## FROM 1/1/2019 TO 12/31/2019

SEGMENTS	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	TOTAL SEGMENTS	SUBSIDIARIES AND HEAD OFFICE, NET	TOTAL CONSOLIDATED
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
Revenue from sales of own copper	3,341,305	1,655,359	344,116	916,542	2,496,457	65,680	666,997	906,516	10,392,972	3	10,392,975
Revenue from sales of third-party copper	1,634	-	-	-	-	19,233	-	-	20,867	985,332	1,006,199
Revenue from sales of molybdenum	297,324	10,251	20,026	67,524	194,153	-	-	-	589,278	6,689	595,967
Revenue from sales of other products	138,935	-	35,741	2,107	109,344	192,567	3,520	31,229	513,443	6,908	520,351
Revenue from futures	5,859	3,023	418	(69)	29	(733)	805	107	9,439	-	9,439
Revenue between segments	35,928	-	24,103	2,554	1,330	105,184	-	-	169,099	(169,099)	-
<b>Revenue</b>	<b>3,820,985</b>	<b>1,668,633</b>	<b>424,404</b>	<b>988,658</b>	<b>2,801,313</b>	<b>381,931</b>	<b>671,322</b>	<b>937,852</b>	<b>11,695,098</b>	<b>829,833</b>	<b>12,524,931</b>
Cost of sales of own copper	(2,842,594)	(1,244,908)	(355,946)	(918,185)	(1,594,596)	(55,974)	(675,313)	(731,320)	(8,418,836)	622	(8,418,214)
Cost of sales of copper third-party copper	(1,704)	-	-	-	-	(20,225)	-	-	(21,929)	(974,448)	(996,377)
Cost of sales of	(83,780)	(13,937)	(9,241)	(25,982)	(47,803)	-	-	-	(180,743)	(25,256)	(205,999)
Cost of sales of other products	(130,612)	-	(20,442)	(597)	(60,816)	(197,169)	(3,390)	(10,616)	(423,642)	(7,209)	(430,851)
Cost of sales between	(102,971)	42,164	(26,515)	(1,589)	6,770	(98,331)	(1,720)	13,093	(169,099)	169,099	-
<b>Cost of sales</b>	<b>(3,161,661)</b>	<b>(1,216,681)</b>	<b>(412,144)</b>	<b>(946,353)</b>	<b>(1,696,445)</b>	<b>(371,699)</b>	<b>(680,423)</b>	<b>(728,843)</b>	<b>(9,214,249)</b>	<b>(837,192)</b>	<b>(10,051,441)</b>
<b>Gross profit</b>	<b>659,324</b>	<b>451,952</b>	<b>12,260</b>	<b>42,305</b>	<b>1,104,868</b>	<b>10,232</b>	<b>(9,101)</b>	<b>209,009</b>	<b>2,480,849</b>	<b>(7,359)</b>	<b>2,473,490</b>



## FROM 1/1/2019 TO 12/31/2019

SEGMENTS	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	TOTAL SEGMENTS	SUBSIDIARIES AND HEAD OFFICE, NET	TOTAL CONSOLIDATED
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
Other income, by function	100,500	8,817	20,493	24,001	42,197	1,853	6,878	5,535	210,274	150,416	360,690
Impairment loss determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	378	378
Distribution costs	(5,680)	(214)	(826)	(270)	(1,761)	(1,262)	(90)	(1,323)	(11,426)	(5,643)	(17,069)
Administrative expenses	(50,451)	(28,061)	(13,913)	(16,504)	(45,847)	(8,484)	(28,135)	(25,215)	(216,610)	(192,624)	(409,234)
Other expenses, by function	(440,991)	(17,273)	(96,233)	(17,305)	(104,232)	(13,520)	(18,937)	(15,871)	(724,362)	(87,877)	(812,239)
Law No. 13.196	(304,321)	(148,096)	(32,023)	(89,524)	(222,475)	(18,931)	(64,906)	(55,323)	(935,599)	-	(935,599)
Other gains (losses)	-	-	-	-	-	-	-	-	-	22,672	22,672
Finance income	(1,209)	(97)	89	251	874	202	18	(347)	(219)	37,090	36,871
Finance costs	(64,411)	(47,344)	(15,309)	(64,068)	(172,137)	(9,899)	(15,300)	(46,784)	(435,252)	(44,055)	(479,307)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	-	-	(403)	(1,255)	(1,201)	-	-	-	(2,859)	16,062	13,203
Exchange differences	52,099	10,535	9,807	18,840	56,738	5,586	8,113	13,565	175,283	(21,366)	153,917
<b>Income (loss) before taxes</b>	<b>(55,140)</b>	<b>230,219</b>	<b>(116,058)</b>	<b>(103,529)</b>	<b>657,024</b>	<b>(34,223)</b>	<b>(121,460)</b>	<b>83,246</b>	<b>540,079</b>	<b>(132,306)</b>	<b>407,773</b>
<b>Income tax expenses</b>	<b>29,969</b>	<b>(162,974)</b>	<b>76,094</b>	<b>61,658</b>	<b>(479,456)</b>	<b>20,763</b>	<b>83,454</b>	<b>(59,847)</b>	<b>(430,340)</b>	<b>37,095</b>	<b>(393,245)</b>
<b>Income (loss)</b>	<b>(25,171)</b>	<b>67,245</b>	<b>(39,964)</b>	<b>(41,871)</b>	<b>177,568</b>	<b>(13,460)</b>	<b>(38,006)</b>	<b>23,399</b>	<b>109,739</b>	<b>(95,211)</b>	<b>14,528</b>



## FROM 1/1/2018 TO 12/31/2018

SEGMENTS	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	TOTAL SEGMENTS	SUBSIDIARIES AND HEAD OFFICE, NET	TOTAL CONSOLIDATED
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
Revenue from sales of own copper	3,100,186	2,058,291	365,850	1,102,898	2,778,189	13,497	641,681	1,125,496	11,186,088	9,252	11,195,340
Revenue from sales of third-party copper	177	-	-	-	-	14,597	-	23,123	37,897	1,863,002	1,900,899
Revenue from sales of molybdenum	359,996	15,751	20,356	88,841	164,388	-	-	-	649,332	1,973	651,305
Revenue from sales of other products	142,143	-	42,781	3,483	91,443	196,436	-	59,416	535,702	1,860	537,562
Revenue from futures market	8,474	10,322	687	(106)	1,210	64	2,316	685	23,652	-	23,652
Revenue between segments	122,767	-	73,379	1,487	94	105,787	-	-	303,514	(303,514)	-
<b>Revenue</b>	<b>3,733,743</b>	<b>2,084,364</b>	<b>503,053</b>		<b>3,035,324</b>	<b>330,381</b>	<b>643,997</b>	<b>1,208,720</b>	<b>12,736,185</b>	<b>1,572,573</b>	<b>14,308,758</b>
Cost of sales of own copper	(2,880,603)	(1,343,886)	(397,189)	(931,698)	(1,637,057)	(3,889)	(540,134)	(896,470)	(8,630,926)	(15,076)	(8,646,002)
Cost of sales of copper third-party copper	(192)	-	-	-	-	(16,345)	-	(23,123)	(39,660)	(1,841,680)	(1,881,340)
Cost of sales of molybdenum	(79,793)	(8,902)	(9,530)	(25,980)	(51,627)	-	-	-	(175,832)	(18,048)	(193,880)
Cost of sales of other products	(140,063)	-	(27,477)	(738)	(74,274)	(214,792)	-	(14,166)	(471,510)	(1,609)	(473,119)
Cost of sales between segments	(198,829)	52,328	(79,004)	4,217	17,831	(117,771)	(1,228)	18,942	(303,514)	303,514	-
<b>Cost of sales</b>	<b>(3,299,480)</b>	<b>(1,300,460)</b>	<b>(513,200)</b>	<b>(954,199)</b>	<b>(1,745,127)</b>	<b>(352,797)</b>	<b>(541,362)</b>	<b>(914,817)</b>	<b>(9,621,442)</b>	<b>(1,572,899)</b>	<b>(11,194,341)</b>
<b>Gross profit</b>	<b>434,263</b>	<b>783,904</b>	<b>(10,147)</b>	<b>242,404</b>	<b>1,290,197</b>	<b>(22,416)</b>	<b>102,635</b>	<b>293,903</b>	<b>3,114,743</b>	<b>(326)</b>	<b>3,114,417</b>



## FROM 1/1/2018 TO 12/31/2018

SEGMENTS	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	TOTAL SEGMENTS	SUBSIDIARIES AND HEAD OFFICE, NET	TOTAL CONSOLIDATED
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
Other income, by function	10,994	5,769	4,497	14,348	18,018	1,819	3,108	4,577	63,130	61,696	124,826
Impairment loss determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	158	158
Distribution costs	(3,010)	(570)	(1,049)	(944)	(1,140)	(597)	(139)	(1,043)	(8,492)	(9,770)	(18,262)
Administrative expenses	(60,412)	(32,429)	(17,676)	(22,649)	(66,815)	(9,796)	(22,361)	(32,077)	(264,215)	(201,113)	(465,328)
Other expenses, by function	(97,154)	(35,056)	(125,943)	(92,589)	(171,207)	(210,008)	(12,023)	(37,058)	(781,038)	(226,067)	(1,007,105)
Law No. 13.196	(314,516)	(201,452)	(34,027)	(118,451)	(265,868)	(15,137)	(63,789)	(94,969)	(1,108,209)	-	(1,108,209)
Other gains (losses)	-	-	-	-	-	-	-	-	-	21,395	21,395
Finance income	189	244	126	115	2,174	84	18	160	3,110	48,219	51,329
Finance costs	(62,271)	(46,437)	(14,073)	(61,517)	(155,965)	(8,625)	(17,075)	(46,664)	(412,627)	(50,821)	(463,448)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	174	-	(475)	(466)	(2,253)	-	-	-	(3,020)	122,134	119,114
Exchange differences	88,760	14,668	15,552	33,218	45,160	10,859	5,344	11,678	225,239	(47,096)	178,143
<b>Income (loss) before taxes</b>	<b>(2,983)</b>	<b>488,641</b>	<b>(183,215)</b>	<b>(6,531)</b>	<b>692,301</b>	<b>(253,817)</b>	<b>(4,282)</b>	<b>98,507</b>	<b>828,621</b>	<b>(281,591)</b>	<b>547,030</b>
<b>Income tax expenses</b>	<b>2,070</b>	<b>(329,166)</b>	<b>128,918</b>	<b>1,928</b>	<b>(476,388)</b>	<b>181,869</b>	<b>2,890</b>	<b>(68,015)</b>	<b>(555,894)</b>	<b>198,611</b>	<b>(357,283)</b>
<b>Income (loss)</b>	<b>(913)</b>	<b>159,475</b>	<b>(54,297)</b>	<b>(4,603)</b>	<b>215,913</b>	<b>(71,948)</b>	<b>(1,392)</b>	<b>30,492</b>	<b>272,727</b>	<b>(82,980)</b>	<b>189,747</b>



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

12/31/2019

CATEGORY	CHUQUICAMATA	RADOMIRO TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	SUBSIDIARIES AND HEAD OFFICE, NET	TOTAL CONSOLIDATED
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
Current assets	1,318,498	673,058	409,962	269,730	959,041	63,802	264,389	342,614	1,748,927	6,050,021
Non-current assets	9,079,665	2,097,006	1,022,033	4,828,805	7,521,778	268,457	1,149,763	3,247,562	5,079,521	34,294,590
Current liabilities	821,067	179,649	140,456	214,350	474,126	76,222	103,484	139,946	1,773,657	3,922,957
Non-current liabilities	765,850	262,729	255,063	588,841	1,257,577	138,455	152,528	115,909	21,250,035	24,786,987

12/31/2018

CATEGORY	CHUQUICAMATA	RADOMIRO TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	SUBSIDIARIES AND HEAD OFFICE, NET	TOTAL CONSOLIDATED
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
Current assets	1,278,051	715,681	278,481	247,676	696,341	89,148	239,493	291,782	1,991,553	5,828,206
Non-current assets	7,863,667	1,941,213	727,675	4,519,739	6,547,657	155,316	1,136,948	3,278,883	5,091,501	31,262,599
Current liabilities	729,319	192,735	115,908	218,550	441,255	61,363	111,615	117,624	1,551,043	3,539,412
Non-current liabilities	855,735	205,997	196,608	472,713	910,005	53,084	116,005	81,958	19,315,419	22,207,524



The revenue segregated per geographical areas is the following:

REVENUE PER GEOGRAPHICAL AREAS	01/01/19 12/31/19 THUS\$	01/01/18 12/31/18 THUS\$
Total revenue from domestic customers	2,616,605	1,313,064
Total revenue from foreign customers	9,908,326	12,995,694
<b>Total</b>	<b>12,524,931</b>	<b>14,308,758</b>

REVENUE PER GEOGRAPHICAL AREAS	01/01/19 12/31/19 THUS\$	01/01/18 12/31/18 THUS\$
China	2,315,772	3,867,505
Rest of Asia	1,673,357	1,982,163
Europe	3,673,299	3,482,755
America	3,932,012	3,764,467
Other	930,491	1,211,868
<b>Total</b>	<b>12,524,931</b>	<b>14,308,758</b>

During the periods January - December 2019 and 2018, there is no income from ordinary activities from transactions with a single client, representing 10

percent or more of the income of ordinary activities of the Corporation.

## 25. FOREIGN EXCHANGE DIFFERENCES

The detail of foreign exchange differences for the years ended December 31, 2019 and 2018, is as follows:

GAIN (LOSS) FROM FOREIGN EXCHANGE DIFFERENCES RECOGNIZED IN INCOME	01/01/19 12/31/19 THUS\$	01/01/18 12/31/18 THUS\$
Gain from foreign exchange differences	254,314	277,780
Loss from foreign exchange differences	(100,398)	(99,637)
<b>Total exchange difference, net</b>	<b>153,916</b>	<b>178,143</b>



## 26. STATEMENT OF CASH FLOWS

The following table shows the items that comprise other collections and payments from operating activities in the Statement of Cash Flows:

OTHER COLLECTIONS FROM OPERATING ACTIVITIES	01/01/19 12/31/19 THUS\$	01/01/18 12/31/18 THUS\$
VAT Refund	1,580,041	1,513,219
Sales hedge	12,357	-
Other	234,866	220,336
<b>Total</b>	<b>1,827,264</b>	<b>1,733,555</b>
OTHER PAYMENTS FROM OPERATING ACTIVITIES	01/01/19 12/31/19 THUS\$	01/01/18 12/31/18 THUS\$
Finance hedge and sales	(917,632)	(1,136,559)
Sales hedge	-	(29,843)
VAT and other similar taxes paid	(1,319,723)	(1,388,782)
<b>Total</b>	<b>(2,237,355)</b>	<b>(2,555,184)</b>

During the years ended December 31, 2019 and 2018, as indicated in the equity note, capital contributions were received for a total of ThUS\$400,000 and ThUS\$600,000, respectively, which are presented in other cash inflows (outflows) corresponding to the net cash flows provided by (used in) activities of financing.

## 27. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

Codelco has committees within its organization to set out strategies allowing to reduce the financial risks to which it may be exposed.

The risks to which Codelco is exposed and a brief description of the management procedures that are carried out in each case, are described below:

### a. Financial risks

#### • Exchange rate risk:

According to IFRS 7, exchange rate risk is understood to be the risk that arises from financial instruments that are denominated in foreign currencies, that is, a currency other than the Corporation's functional currency (US dollar).

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

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

Taking into consideration the financial assets and liabilities as of December 31, 2019 as the base, a

fluctuation (positive or negative) of 10 Chilean pesos against the U.S. dollar (keeping the other variables constant), could affect profits before taxes by US\$34 million in net income, respectively. This result is obtained by identifying the main items (including assets and financial liabilities) denominated in foreign currencies in order to measure the impact on profit or loss that a variation of +/- 10 Chilean pesos would have in terms of US\$, with respect to the closing exchange rate at the end of the reporting period.

As of December 31, 2019 and 2018 the balance of time deposits denominated in Chilean pesos amounts to ThUS\$56,308 and ThUS\$270,021, respectively.

#### • Interest rate risk:

This risk arises from interest rate fluctuations in Codelco's investment and financing activities. This movement can affect future cash flows or the market value of fixed rate financial instruments.

These rate variations refer to U.S. dollar variations, mostly with respect to the LIBOR rate. To manage this risk, Codelco maintains an adequate combination of fixed and variable rate debt, which is complemented by the possibility of using interest-rate derivatives to meet the strategic guidelines defined by Codelco's Corporate Finance Department.

It is estimated that, on the basis of net debt balance as of December 31, 2019, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US\$23 million change in finance costs, before tax. This estimation is made by identifying the liabilities



assigned variable interest, accrued at the end of the financial statements, which may vary with a change of one percentage point in variable interest rates.

Total fixed and variable interest rate obligations maintained by Codelco as of December 31, 2019 correspond to amounts of ThUS\$14,189,945 and ThUS\$3,074,411, respectively.

**b. Market risks**

• **Commodity price risk:**

As a result of its commercial operations and activities, the Corporation's income is mainly exposed to the volatility of copper prices and certain sub-products such as gold and silver.

Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing based on the monthly average market price for specified future periods. At the reporting date, the provisionally priced metal sales are marked-to-market, with adjustments (both gains and losses) being recorded in revenues in the consolidated statement of comprehensive income. Forward prices at the period-end are used for copper sales, while period-end average prices are used for molybdenum concentrate sales due to the absence of an assets futures market. (See Note 2.r) "Income from Activities Ordinary Procedures from Contracts with Customers "of section II" Main policies countable ").

For the year ended December 31, 2019, if the future price of copper fluctuates by + / - 5% (with the other variables constant), the result would vary in an

amount of US\$97 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect as of December 31, 2019 (MTMF 314). For the estimate indicated, all of those physical sales contracts were valued according to the monthly average immediately following the close of the financial statements, and proceeds to be estimated regarding what the final settlement price will be if there is a difference of + / - 5% with respect to the future price known to date for this period.

In order to protect cash flow and adjust, where necessary, its sales contracts to its trade policy, the Corporation holds operations in futures markets. At the end of the reporting period, these contracts are adjusted to fair value, recording this effect, at the settlement date of the hedging transactions as part of net product sales.

As of December 31, 2019, a variation of U.S. ¢ 1 in the price per pound of copper, considering derivatives contracted by the Corporation, involves a change in income or payments for existing contracts (exposures) of US\$194 before taxes. This calculation is obtained from a simulation curves of future copper prices, which are used to assess the subscribed derivative instruments by the Corporation; estimations would vary with respect to the exposure related these instruments if there is an increase of U.S. \$0.01 decrease in the price per pound of copper.

The Corporation has not entered into any hedging transactions with the specific purpose of hedging the price risk caused by fluctuations in prices of production inputs.

**c. Liquidity risk**

The Corporation ensures that it has sufficient resources, such as pre-approved credit lines (including refinancing), in order to meet short-term requirements, after considering the necessary working capital for its operations and any other commitments it has.

In this sense, Codelco Chile maintains resources at its disposal sufficient to meet its obligations, whether in cash, liquid financial instruments or credit facilities.

In addition, the Finance Department constantly monitors the Corporation's cash flow projections based on short and long term projections and available financing alternatives. In addition, the Corporation estimates that it has enough headroom to increase the level of borrowing for the normal requirements of its operations and investments established in its development plan.



In this context, according to current existing commitments with creditors, the cash requirements to cover financial liabilities classified by maturity and presented in the statement of financial position are detailed as follows:

MATURITY OF FINANCIAL LIABILITIES AS OF 12/31/2019	LESS THAN ONE YEAR	BETWEEN ONE AND FIVE YEARS	MORE THAN FIVE YEARS
	THUS\$	THUS\$	THUS\$
Loans from financial institutions	666,144	1,195,172	1,213,095
Bonds	572,587	1,635,870	11,981,488
Finance leases	127,761	243,711	61,399
Derivatives	11,496	-	148,987
Other financial liabilities	363	58,501	-
<b>Total</b>	<b>1,378,351</b>	<b>3,133,254</b>	<b>13,404,969</b>

**d. Credit risk**

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

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

The indications with respect to the payment conditions to the Corporation are detailed in every sales contract and the negotiation management is under the charge of the Vice Presidency of Marketing.

In general, the Corporation's other accounts receivable have a high credit quality according to the Corporation's evaluations, based on each debtor's solvency analysis and payment history.

The maximum exposure to credit risk as of December 31, 2019 is represented by the financial asset items presented in the Corporation's Statement of Financial Position.

The Corporation's accounts receivable do not include customers with balances that could be classified as a significant concentration of debt and would represent a material exposure for Codelco. This exposure is distributed among a large number of clients and other counterparties.

In the customer items, the provisions, which are not significant, are included based on the review of the outstanding balances and characteristics of the clients, destined to cover eventual insolvencies.

In explanatory note 2, trade and other receivables presents past due balances that have not been impaired.

The Corporation estimates that unimpaired amounts overdue over 30 days are recoverable based on clients' historical payment behavior and their existing credit ratings.

As of December 31, 2019 and 2018, there are no receivable balances that have been renegotiated.

Codelco works with major banks, which have high national and international ratings, and continually assesses them; therefore, the risk that could affect the availability of the Corporation's funds and financial instruments is not significant.

Also, in some cases, to minimize credit risk, the Corporation has contracted credit insurance policies through which it transfers to third parties the commercial risk associated with some aspects of its business.

During the year ended December 31, 2019 and 2018, no guarantees have been executed to ensure the collection of third party debt.

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



**28. DERIVATIVES CONTRACTS**

The Corporation has entered into transactions to hedge cash flows, to minimize the risk of foreign exchange rate variations and sales price variations, detailed as follows:

whose positive fair value, net of taxes, amounts to ThUS\$19,792.

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

**a. Hedges**

The Corporation has taken measures to protect itself from exchange rate and interest rate variations,

**December 31, 2019**

HEDGED ITEM	BANK	TYPE OF DERIVATIVE CONTRACT	MATURITY	CURRENCY	AMOUNT	FINANCIAL OBLIGATION: HEDGING INSTRUMENT THUS\$	FAIR VALUE OF HEDGING INSTRUMENTS THUS\$	ASSET	LIABILITY
					THUS\$			THUS\$	THUS\$
Bond UF Mat. 2025	Credit Suisse (EE.UU)	Swap	4/1/2025	US\$	260,890	208,519	75,608	329,480	(253,872)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US\$	336,399	409,650	(73,114)	380,570	(453,684)
Bond EUR Mat. 2024	Deutsche Bank (Inglaterra)	Swap	7/9/2024	US\$	336,399	409,680	(72,756)	380,583	(453,339)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US\$	378,101	406,212	6,976	461,581	(454,605)
Bond AUD Mat. 2039	Santander (Chile)	Swap	8/22/2039	US\$	49,013	49,266	(1,558)	54,509	(56,067)
Bond HKD Mat. 2034	HSBC Bank USA N.A. (EE.UU)	Swap	11/7/2034	US\$	64,220	63,792	(703)	64,220	(64,923)
<b>Total</b>					<b>1,425,022</b>	<b>1,547,119</b>	<b>(65,547)</b>	<b>1,670,943</b>	<b>(1,736,490)</b>



December 31, 2018

HEDGED ITEM	BANK	TYPE OF DERIVATIVE CONTRACT	MATURITY	CURRENCY	AMOUNT	FINANCIAL OBLIGATION: HEDGING INSTRUMENT	FAIR VALUE OF HEDGING INSTRUMENTS	ASSET	LIABILITY
					THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
Bond UF Mat. 2025	Credit Suisse (USA)	Swap	4/1/2025	US\$	273,765	208,519	84,365	334,180	(249,815)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US\$	343,170	409,650	(53,592)	388,339	(441,931)
Bond EUR Mat. 2024	Deutsche Bank (England)	Swap	7/9/2024	US\$	343,170	409,680	(53,170)	388,339	(441,509)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US\$	396,761	406,212	23,335	458,627	(435,292)
<b>Total</b>					<b>1,356,866</b>	<b>1,434,061</b>	<b>938</b>	<b>1,569,485</b>	<b>(1,568,547)</b>

As of December 31, 2019, the Corporation does not maintain cash deposit guarantee balances.

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

The notional amounts are detailed below:

DECEMBER 31, 2019	NOTIONAL AMOUNT OF CONTRACTS WITH FINAL MATURITY							NON-CURRENT TOTAL THUS\$
	CURRENCY	LESS THAN 90 DAYS THUS\$	MORE THAN 90 DAYS THUS\$	CURRENT TOTAL THUS\$	1 TO 3 YEARS THUS\$	3 TO 5 YEARS THUS\$	MORE THAN 5 YEARS THUS\$	
Currency derivatives	ThUS\$	13,156	48,151	61,307	122,611	122,611	1,629,037	1,874,259

**b. Cash flows hedging contracts and commercial policy adjustment**

The Corporation enters into metals hedging activities. Such results increase or decrease the total sales revenue based on the market prices of the metals. As of December 31, 2019, these operations generated a gain of ThUS\$10,935.

**b.1. Commercial flexibility operations of copper contracts**

The purpose of these contracts is to adjust the price of shipments to the price defined in the Corporation's related policy, defined in accordance with the London Metal Exchange (LME). As of December 31, 2019, the Corporation performed derivative market transactions of copper that represent 432,800 metric tons of fine copper. These hedging operations are performed as part of the Corporation's commercial policy.

The current contracts as of December 31, 2019, present a negative fair value of ThUS\$815 and their final result will only be known at their maturity, offsetting the hedging transactions with revenue from the sale of the hedged products.

The transactions settled as of year ended December 31, 2019 resulted in a net positive effect on net income of ThUS\$11,960, which is comprised of the amounts received for sales contracts

for ThUS\$10,464 and the amounts net off against purchases contracts for ThUS\$1,496.

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

As of December 31, 2019, the Corporation maintains derivative contracts for the sale of gold and silver of ThOZT 2,720.

The contracts outstanding as of December 31, 2019 show a negative fair value of ThUS\$1. The final result will only be known at the expiration of such operations, after offsetting between hedging and income from the sale of the goods. These hedging operations expire up until April 2020.

The operations completed between January 1 and December 31, 2019, generated a negative effect on results of ThUS\$1,025, corresponding to values per physical sales contracts for a negative amount of ThUS\$1,025.

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

The Corporation does not possess cash flow hedges backed by future production as of December 31, 2019.

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



**DECEMBER 31, 2019**

**MATURITY DATE**

<b>THUS\$</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>UPCOMING</b>	<b>TOTAL</b>
Flex Com Cobre (Asset)	1,315	525	-	-	-	-	1,840
Flex Com Cobre (Liability)	(1,799)	(844)	(12)	-	-	-	(2,655)
Flex Com Gold/Silver	(1)	-	-	-	-	-	(1)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
<b>Total</b>	<b>(485)</b>	<b>(319)</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(816)</b>

**DECEMBER 31, 2018**

**MATURITY DATE**

<b>THUS\$</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>UPCOMING</b>	<b>TOTAL</b>
Flex Com Cobre (Asset)	43,539	13,969	993	-	-	-	58,501
Flex Com Cobre (Liability)	(56)	(62)	-	-	-	-	(118)
Flex Com Gold/Silver	(671)	-	-	-	-	-	(671)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
<b>Total</b>	<b>42,812</b>	<b>13,907</b>	<b>993</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,712</b>



DECEMBER 31, 2019	MATURITY DATE						TOTAL
	2020	2021	2022	2023	2024	UPCOMING	
ALL FIGURES IN THOUSANDS OF METRIC TONS OUNCES							
Copper Futures [MT]	335.65	96.65	0.50	-	-	-	432.80
Gold/Silver Futures [ThOZ]	2.72	-	-	-	-	-	2.72
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

DECEMBER 31, 2018	MATURITY DATE						TOTAL
	2019	2020	2021	2022	2023	UPCOMING	
ALL FIGURES IN THOUSANDS OF METRIC TONS OUNCES							
Copper Futures [MT]	300.10	110.45	10.30	-	-	-	420.85
Gold/Silver Futures [ThOZ]	349.57	-	-	-	-	-	349.57
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

**29. CONTINGENCIES AND RESTRICTIONS**

**a) Litigations and contingencies**

There are various lawsuits and legal actions initiated by or against the Corporation, which derive from its operations and the industry in which it operates.

In general, these are civil, tax, labor and mining litigations, all related to the Corporation’s activities.

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

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

- Tax proceedings: There is a tax proceeding for liquidation No.141 of tax year 2015 and Exempt Resolution No. 89 of 2016 issued by the Internal Revenue Service (SII), for which the Corporation presented the corresponding appeals, which

were received and resolved in favor of the Tax and Customs Courts, a resolution that was appealed by the SII.

- Labor proceedings: Labor proceedings brought by the workers of the Andina Division against the Corporation with regard to occupational diseases (silicosis).
- Mining proceedings and others arising from the Operation: The Corporation has been participating, and will probably continue to participate, as plaintiff and defendant in given court proceedings involving its mining operation and activities, through which it seeks to exercise certain actions or set up certain defenses in relation to given mining concessions that have been established or are in the process of being established, as well as also with regard to its other activities. These proceedings currently do not involve any given amount and do not have any essential effect on Codelco’s development.
- At the date of issuance of these financial statements, the Codelco faces various lawsuits and legal actions against it for a total of approximately US\$306 million corresponding to 372 cases. According to the estimate made by the legal advisors of the Corporation, 298 cases, which represent 80.11% of the universe, have associated probable loss results amounting to ThUS\$49,684. There are also 61 cases, representing 16.4% for an amount of ThUS\$34,981, for which it is more likely than not, that the ruling will not be against the Corporation.



- Lawsuit under administrative law: On August 2, 2017, a Nullity in Public Law claim was filed in the 25th Civil Court of Santiago against Audit Report No. 900 of 2016, issued by the General Comptrollership of the Republic on May 10, 2017. At this date, the discussion stage has been completed and the evidence submitting stage should start soon.

For litigation with a probable unfavorable outcome for the Corporation, the necessary provisions has been recognized as “provisions for legal proceedings.”

**b) Other Commitments**

- On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, CuPIC, in which both companies have an equal equity interest. A 15-year copper cathode sales contract to that associated company was agreed upon, as well as a purchase contract from Minmetals to CupiC for the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid for by the buyer at a price formed by a fixed re-adjustable component plus a variable component, which depends on current copper prices at the time of shipment.

During the first quarter of 2006 and on the basis of the negotiated financial terms, financing contracts were formalized with the China Development Bank allowing CuPIC to make the US\$550 million advance payment to Codelco in March 2006.

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

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

Subsequently, on March 14, 2012, CuPIC paid off its debt to the abovementioned bank. As of December 31, 2017. Codelco does not hold any indirect guarantee regarding its participation in this associated company.

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

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

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

- Copper sales contract modifications from Codelco to CUPIC signed in 2006, which establishes the reduction of half of the outstanding tonnage to deliver to this company and in which Codelco pays to CUPIC the amount of ThUS\$99,330.

- Reduction of share capital in CuPIC, equivalent to the 50% of the Codelco International shares in said company and by which CuPIC repays to Codelco the amount of ThUS\$99,330.

- Waiver of Codelco to any dividends associated with the profits generated by CuPIC from January 1, 2016 and the date of signing the agreement.

- Additionally, the cessation of dividends reception as a consequence of the removal of the Codelco share in the ownership of CuPIC since 2016, led to a reduction of the net profit estimated to Codelco until the end of the contract signed with that company (year 2021). This implied that such contract qualifies as an onerous contract, according to IAS 37, which negatively impacts on earnings before tax of Codelco in ThUS\$22,184 (negative net tax effect of ThUS\$6,599 as of April 7, 2016).

- Regarding the financing agreement signed on August 23, 2012, between the subsidiary, GacruX Inversiones SpA and Mitsui & Co. Ltd. for the acquisition of the 24.5% stake in Anglo American Sur S.A. which was subsequently amended on October 31, 2012, a pledge is included over the shares that the subsidiary has on Acrux Inversiones SpA (shared participation

with Mitsui and minority shareholder in Anglo American Sur S.A.), in order to ensure compliance with the obligations that the financial agreement contemplates.

This pledge extends to the right to collect and receive from Acrux dividends which have been agreed in the corresponding meetings of shareholders of the company and any other distributions paid or payable to GacruX respect of the pledged shares.

On December 22, 2017 according to archive No. 12326 / 2017, it was established that, GacruX, the Creditor and the Guarantee Agent, the latter representing the Guaranteed Parties, modified, by virtue of the Merger (see Note 2d), the Contract of Pledge and the Modified Pledge Agreement as to the pledge on transferable securities and the commercial pledge, as well as the restrictions and prohibitions established in the Pledge Contract and in the Modified Pledge Contract, making it subject to, by virtue of the Merger, to two thousand thirteen million two hundred and forty-five thousand four hundred and seventy-three shares pledge issued by BecruX, owned by GacruX, hereinafter the “Pledged BecruX Shares.”

- Law 19.993 dated December 17, 2004, authorized the purchase of the Refinery and Smelter Las Ventanas assets from ENAMI, establishing that the Corporation must ensure that the smelting and refining capacity required is maintained, without any restriction and limitation, for treating the products of the small and medium mining sector sent by ENAMI,



under the form of toll production or another form agreed upon by the parties.

- iv. Obligations with the public for bond issues means that the Corporation must meet certain restrictions related to limits on pledges and leaseback transactions on its principal assets and on its ownership interest in subsidiaries.

The Corporation has complied with these conditions as of December 31, 2019 and 2018.

- v. On January 20, 2010, the Corporation signed two energy supply contracts with Colbún S.A., which includes energy and power sales and purchases for a total of 510 MW of power. The contract provides a discount for that unconsumed energy from Codelco's SIC divisions with respect to the amount of contracted power. The discount is equivalent to the value of the sale of that energy on the spot market.

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

- Contract No.1 for 176 MW, current until December 2029
- Contract No.2 for 334 MW, current until December 2044. This contract is based on energy production from Colbún's Santa María thermal power station, which is currently in operation. This plant is coal-fired, and therefore the electric energy tariff rate

applied for the energy supplied to Codelco is linked to the price of coal.

Both of these contracts comply with Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

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

These contracts have maturity dates in 2029 and 2044.

- vi. On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA S.A. (associate until January 2011), which matured in August 2017.

For the electric power supply of the Chuquicamata's work center, there are three contracts:

- Engie for a 15-year term from January 2010, that is maturing in December 2024, for 200 MW capacity, and another contract for a 200 MW capacity which was signed in January 2018 and will be effective as of January 2025 with maturity in December 2035.
- CTA effective from 2012 for 80 MW capacity, maturity in 2032.

- vii. On August 26, 2011, Codelco signed two energy supply contracts with AESGener. The first one for the Minister Hales division for a 99 MW capacity and the second contract for the Radomiro Tomic work center, for a maximum capacity of 145 MW. Both contracts will mature in 2028.

- viii. On November 11, 2011, Law No. 20551 was published in the Official Journal, which regulates the tasks and closure of mining facilities. Additionally, on November 22, 2012, the Supreme Decree No. 41 of the Minister of Mining, which approves the Regulations of this Law, was published in the Diario Oficial.

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



The Corporation, in accordance with the mentioned regulation, provided to SERNAGEOMIN the Mine Closure Plan (ARO) for all of the Codelco operating divisions in 2014, which were approved in 2015 in accordance with the provisions of the Act.

The mine closure plans delivered to SERNAGEOMIN were developed by invoking the transitional regime of the Act, which was specified for the affected mining companies under the general application procedure (extraction capacity > 10,000 tons per month), and

which, at the date of enactment of the Law, will abide in operation and move forward with a mine closure plan previously approved under Mine Safety Regulations Supreme Decree No. 132.

The Corporation considers that the accounting liability recorded caused by this obligation differs from the law's requirement, mainly by differences concerning the horizon that is considered for the projection of flows, in which the law requires the determination of the obligations in terms of mineral

reserves, while the financial-accounting approach incorporates some of its mineral resources. Therefore, the discount rate established by law, may differ from that used by the Corporation under the criteria set out in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and described in Note 2, letter p) of Main Accounting Policies.

As of December 31, 2019, the Corporation has agreed guarantees for an annual amount of U.F. 27,892,917 to comply with the aforementioned Law

No. 20.551. The following table details the main given guarantees:

TRANSMITTER	MINE SITE	AMOUNT	CURRENCY	DATE	MATURITY DATE	EMISSION RATE %	THUS\$
Banco Estado	Radomiro Tomic	3,232,980	UF	11/8/2019	11/10/2020	0.09	122,239
Banco Itau	Ministro Hales	1,845,954	UF	11/6/2019	11/13/2020	0.09	69,796
Banco de Chile	Chuquicamata	4,191,593	UF	11/26/2019	11/26/2020	0.10	158,485
Banco Santander	El Teniente	5,000,000	UF	11/29/2019	12/2/2020	0.15	189,051
Banco Itau	El Teniente	2,367,016	UF	11/28/2019	12/2/2020	0.15	89,497
Banco Bci	El Teniente	1,800,000	UF	11/29/2019	12/2/2020	0.18	68,058
Banco Estado	Gabriela Mistral	1,978,180	UF	12/11/2019	12/15/2020	0.11	74,795
Banco Itau	Salvador	2,700,000	UF	8/8/2018	2/18/2020	0.10	102,087
Banco Santander	Salvador	611,647	UF	2/6/2019	2/18/2020	0.15	23,126
Banco Estado	Andina	3,310,724	UF	4/22/2019	5/3/2020	0.07	125,179
Banco Estado	Ventana	400,043	UF	12/19/2019	10/7/2020	0.10	15,126
Banco Bci	Ventana	454,782	UF	12/18/2019	10/7/2020	0.18	17,195
<b>Total</b>		<b>27,892,919</b>					<b>1,054,634</b>





CREDITOR OF THE GUARANTEE	TYPE OF GUARANTEE	CURRENCY	12/31/2019	12/31/2018	
			MATURITY	THUS\$	THUS\$
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	7	-
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	3/1/2020	1,409	-
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	6/30/2020	2	-
General Directorate of Maritime Territory	Maritime concession	CLP	7/15/2020	230	-
Ministry of Public Works	Building project	UF	12/31/2019	22,364	-
General Directorate of Maritime Territory	Building project	CLP	3/1/2019	-	1,783
Ministry of Public Works	Building project	UF	10/1/2019	-	566
Ministry of Public Works	Building project	UF	10/2/2021	516	-



CREDITOR OF THE GUARANTEE	TYPE OF GUARANTEE	CURRENCY	12/31/2019	12/31/2018	
			MATURITY	THUS\$	THUS\$
Viability management	Building project	UF	3/1/2020	1	-
Viability management	Building project	UF	3/1/2020	1	-
Viability management	Building project	UF	3/1/2020	1	-
Viability management	Building project	UF	3/1/2020	1	-
Viability management	Building project	UF	4/22/2020	4	-
Viability management	Building project	UF	2/18/2020	1	-
Viability management	Building project	UF	4/8/2024	4	-
Viability management	Building project	UF	3/10/2020	2	-
Viability management	Building project	UF	3/10/2020	2	-
Viability management	Building project	UF	3/10/2020	4	-
Ministry of national goods	Project of exploitation	UF	6/19/2020	8	-
Ministry of national goods	Project of exploitation	UF	6/19/2020	8	-
Ministry of national goods	Project of exploitation	UF	6/19/2020	8	-
Oriente Copper Netherlands B.V.	Pledge on shares	US\$	11/1/2032	877,813	877,813
Sernageomin	Environmental	UF	3/18/2019	-	17,920
Sernageomin	Environmental	UF	5/9/2019	-	137,355
Sernageomin	Environmental	UF	6/13/2019	-	73,210
Sernageomin	Environmental	UF	6/13/2019	-	11,980
Sernageomin	Environmental	UF	6/1/2019	-	110,322



CREDITOR OF THE GUARANTEE	TYPE OF GUARANTEE	CURRENCY	12/31/2019	12/31/2018	
			MATURITY	THUS\$	THUS\$
Sernageomin	Environmental	UF	6/1/2019	-	273,875
Sernageomin	Environmental	UF	5/25/2019	-	192,789
Sernageomin	Environmental	UF	5/25/2019	-	103,290
Sernageomin	Environmental	UF	5/12/2019	-	39,150
Sernageomin	Environmental	UF	5/12/2019	-	38,215
Sernageomin	Environmental	UF	5/25/2019	-	96,395
Sernageomin	Environmental	UF	11/11/2019	122,239	-
Sernageomin	Environmental	UF	11/14/2019	69,796	-
Sernageomin	Environmental	UF	11/14/2019	158,485	-
Sernageomin	Environmental	UF	11/27/2019	189,051	-
Sernageomin	Environmental	UF	11/27/2019	89,497	-
Sernageomin	Environmental	UF	11/27/2019	68,058	-
Sernageomin	Environmental	UF	12/2/2019	74,795	-
Sernageomin	Environmental	UF	12/2/2019	102,087	-
Sernageomin	Environmental	UF	12/15/2019	23,126	-
Sernageomin	Environmental	UF	2/18/2020	125,179	-
Sernageomin	Environmental	UF	5/3/2020	15,126	-
Sernageomin	Environmental	UF	9/18/2020	17,195	-
<b>Total</b>				<b>1,957,167</b>	<b>1,974,663</b>

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

GUARANTEES RECEIVED FROM THIRD PARTIES		
DIVISION	12/31/19 THUS\$	12/31/18 MUS\$
Andina	418	3,891
Chuquica-mata	375	2,445
Casa Matriz	887,051	803,719
Salvador	387	1,311
El Teniente	447	4,137
Ventanas	52	105
<b>Total</b>	<b>888,730</b>	<b>815,608</b>

**31. BALANCES IN FOREIGN CURRENCY****a) Assets by Type of Currency**

<b>CATEGORY</b>	<b>12/31/19 THUS\$</b>	<b>12/31/18 THUS\$</b>
<b>LIQUID ASSETS</b>	<b>1,476,056</b>	<b>1,460,534</b>
US Dollars	1,385,451	1,383,897
Euros	49,773	25,482
Other currencies	4,674	4,547
Non-indexed Ch\$	34,367	46,129
U.F.	1,791	479
<b>Cash and cash equivalents</b>	<b>1,303,105</b>	<b>1,229,125</b>
US Dollars	1,212,657	1,152,715
Euros	49,773	25,482
Other currencies	4,674	4,547
Non-indexed Ch\$	34,348	46,109
U.F.	1,653	272
<b>Other current financial assets</b>	<b>172,951</b>	<b>231,409</b>
US Dollars	172,794	231,182
Euros	-	-

<b>CATEGORY</b>	<b>12/31/19 THUS\$</b>	<b>12/31/18 THUS\$</b>
Other currencies	-	-
Non-indexed Ch\$	19	20
U.F.	138	207
<b>Short and long term receivables</b>	<b>2,723,280</b>	<b>2,409,835</b>
US Dollars	2,042,514	1,789,757
Euros	112,649	62,857
Other currencies	384	320
Non-indexed Ch\$	547,809	482,180
U.F.	19,924	74,721
<b>Trade and other receivables</b>	<b>2,588,268</b>	<b>2,212,209</b>
US Dollars	2,006,046	1,676,862
Euros	112,649	62,580
Other currencies	384	320
Non-indexed Ch\$	450,304	398,966
U.F.	18,885	73,481



CATEGORY	12/31/19 THUS\$	12/31/18 THUS\$
<b>RIGHTS RECEIVABLES, NON-CURRENT</b>	<b>98,544</b>	<b>84,731</b>
US Dollars	-	-
Euros	-	277
Other currencies	-	-
Non-indexed Ch\$	97,505	83,214
U.F.	1,039	1,240
<b>Due from related companies, current</b>	<b>20,874</b>	<b>92,365</b>
US Dollars	20,874	92,365
Euros	-	-
Other currencies	-	-
Non-indexed Ch\$	-	-
U.F.	-	-
<b>Due from related companies, non-current</b>	<b>15,594</b>	<b>20,530</b>
US Dollars	15,594	20,530
Euros	-	-
Other currencies	-	-
Non-indexed Ch\$	-	-
U.F.	-	-
<b>Rest of assets</b>	<b>36,145,275</b>	<b>33,220,436</b>
US Dollars	35,353,960	32,171,442

CATEGORY	12/31/19 THUS\$	12/31/18 THUS\$
Euros	191	705
Other currencies	65,714	279
Non-indexed Ch\$	86,056	377,119
U.F.	639,354	670,891
<b>Total assets</b>	<b>40,344,611</b>	<b>37,090,805</b>
US Dollars	38,781,925	35,345,096
Euros	162,613	89,044
Other currencies	70,772	5,146
Non-indexed Ch\$	668,232	905,428
U.F.	661,069	746,091



## b) Liability by type of currency

CURRENT LIABILITY BY CURRENCY	12/31/2019		12/31/2018	
	UP TO 90 DAYS	90 DAYS TO 1 YEAR	UP TO 90 DAYS	90 DAYS TO 1 YEAR
	THUS\$	THUS\$	THUS\$	THUS\$
<b>Current liabilities</b>	<b>3,031,838</b>	<b>891,119</b>	<b>3,049,854</b>	<b>489,558</b>
US Dollars	1,874,286	812,946	1,824,181	452,648
Euros	84,339	(7,238)	107,341	408
Other currencies	10,280	5,180	9,826	-
Non-indexed Ch\$	1,041,933	73,518	1,088,536	31,419
U.F.	21,000	6,713	19,970	5,083
<b>Other current financial liabilities</b>	<b>508,466</b>	<b>869,885</b>	<b>412,451</b>	<b>459,826</b>
US Dollars	468,557	812,910	396,148	452,635
Euros	7,236	(7,238)	7,404	408
Other currencies	813	5,180	34	-
Non-indexed Ch\$	21,818	52,661	879	1,700
U.F.	10,042	6,372	7,986	5,083
<b>Bank loans</b>	<b>326,228</b>	<b>339,916</b>	<b>5,739</b>	<b>399,132</b>
US Dollars	326,228	339,916	5,683	398,724
Euros	-	-	-	408
Other currencies	-	-	-	-
Non-indexed Ch\$	-	-	-	-
U.F.	-	-	56	-
<b>Obligations</b>	<b>146,757</b>	<b>425,830</b>	<b>401,174</b>	<b>34,255</b>
US Dollars	132,851	419,842	387,578	34,255
Euros	7,236	-	7,404	-
Otras monedas	783	5,988	-	-
\$ no reajustables	-	-	-	-
U.F.	5,887	-	6,192	-

<b>Finance lease</b>	<b>35,111</b>	<b>92,650</b>	<b>5,167</b>	<b>16,343</b>
US Dollars	9,478	27,224	2,887	9,560
Euros	-	-	-	-
Other currencies	30	242	-	-
Non-indexed Ch\$	21,448	52,661	542	1,700
U.F.	4,155	12,523	1,738	5,083
<b>Others</b>	<b>370</b>	<b>11,489</b>	<b>371</b>	<b>10,096</b>
US Dollars	-	25,928	-	10,096
Euros	-	(7,238)	-	-
Other currencies	-	(1,050)	34	-
Non-indexed Ch\$	370	-	337	-
U.F.	-	(6,151)	-	-
<b>Other current liabilities</b>	<b>2,523,372</b>	<b>21,234</b>	<b>2,637,403</b>	<b>29,732</b>
US Dollars	1,405,729	36	1,428,033	13
Euros	77,103	-	99,937	-
Other currencies	9,467	-	9,792	-
Non-indexed Ch\$	1,020,115	20,857	1,087,657	29,719
U.F.	10,958	341	11,984	-



NON-CURRENT LIABILITY BY CURRENCY	12/31/2019				12/31/2018			
	1 TO 3 YEARS	3 TO 5 YEARS	5 TO 10 YEARS	MORE THAN 10 YEARS	1 TO 3 YEARS	3 TO 5 YEARS	5 TO 10 YEARS	MORE THAN 10 YEARS
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
<b>Non-Current liabilities</b>	<b>7,366,038</b>	<b>1,204,628</b>	<b>5,517,333</b>	<b>10,698,988</b>	<b>6,804,312</b>	<b>2,260,258</b>	<b>5,142,419</b>	<b>8,000,535</b>
US Dollars	6,868,702	366,261	5,249,173	8,965,313	6,396,888	2,114,245	4,160,204	6,918,087
Euros	-	666,384	(672,798)	-	14	-	(7,832)	-
Other currencies	788	-	-	608,656	1	-	-	-
Non-indexed Ch\$	456,079	154,879	247,001	548,174	390,088	141,392	277,356	505,603
U.F.	40,469	17,104	693,957	576,845	17,321	4,621	712,691	576,845
<b>Other non-current financial liabilities</b>	<b>2,053,813</b>	<b>1,079,441</b>	<b>5,259,536</b>	<b>8,145,433</b>	<b>1,710,559</b>	<b>2,118,866</b>	<b>4,847,087</b>	<b>5,997,998</b>
US Dollars	1,950,557	366,261	5,224,934	7,536,777	1,702,164	2,114,245	4,142,228	5,997,998
Euros	-	666,384	(672,798)	-	-	-	(7,832)	-
Other currencies	378	-	-	608,656	-	-	-	-
Non-indexed Ch\$	75,474	29,692	13,538	-	219	-	-	-
U.F.	27,404	17,104	693,862	-	8,176	4,621	712,691	-
<b>Bank loans</b>	<b>1,195,172</b>	<b>-</b>	<b>668,991</b>	<b>544,104</b>	<b>548,454</b>	<b>677,507</b>	<b>298,250</b>	<b>582,867</b>
US Dollars	1,195,172	-	668,991	544,104	548,454	677,507	298,250	582,867
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	-	-	-	-	-	-	-	-
<b>Obligations</b>	<b>637,298</b>	<b>998,572</b>	<b>4,380,159</b>	<b>7,601,329</b>	<b>1,065,419</b>	<b>1,414,296</b>	<b>4,415,461</b>	<b>5,415,131</b>
US Dollars	637,298	332,188	3,715,011	6,992,673	1,065,419	1,414,296	3,034,864	5,415,131
Euros	-	666,384	-	-	-	-	678,446	-
Other currencies	-	-	-	608,656	-	-	-	-
\$ no reajustables	-	-	-	-	-	-	-	-
U.F.	5.887	-	6.192	-	-	-	-	-



NON-CURRENT LIABILITY BY CURRENCY	12/31/2019				12/31/2018			
	1 TO 3 YEARS	3 TO 5 YEARS	5 TO 10 YEARS	MORE THAN 10 YEARS	1 TO 3 YEARS	3 TO 5 YEARS	5 TO 10 YEARS	MORE THAN 10 YEARS
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
<b>Finance Lease</b>	<b>162,842</b>	<b>80,869</b>	<b>61,399</b>	-	<b>32,714</b>	<b>27,063</b>	<b>26,552</b>	-
US Dollars	59,589	34,073	19,400	-	24,322	22,442	16,012	-
<b>Euros</b>	-	-	-	-	-	-	-	-
Other currencies	378	-	-	-	-	-	-	-
Non-indexed Ch\$	75,471	29,692	13,538	-	216	-	-	-
U.F.	27,404	17,104	28,461	-	8,176	4,621	10,540	-
<b>Others</b>	<b>58,501</b>	-	<b>148,987</b>	-	<b>63,972</b>	-	<b>106,824</b>	-
US Dollars	58,498	-	821,532	-	63,969	-	793,102	-
Euros	-	-	(672,798)	-	-	-	(686,278)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	3	-	-	-	3	-	-	-
U.F.	-	-	253	-	-	-	-	-
<b>Other liabilities non-current</b>	<b>5,312,225</b>	<b>125,187</b>	<b>257,797</b>	<b>2,553,555</b>	<b>5,093,753</b>	<b>141,392</b>	<b>295,332</b>	<b>2,002,537</b>
US Dollars	4,918,145	-	24,239	1,428,536	4,694,724	-	17,976	920,089
Euros	-	-	-	-	14	-	-	-
Other currencies	410	-	-	-	1	-	-	-
Non-indexed Ch\$	380,605	125,187	233,463	548,174	389,869	141,392	277,356	505,603
U.F.	13,065	-	95	576,845	9,145	-	-	576,845



### 32. SANCTIONS

As of December 31, 2019 and 2018, neither Codelco Chile nor its Directors and Managers have been sanctioned by the CMF or any other administrative authorities.

### 33. ENVIRONMENTAL EXPENDITURES

Each of Codelco's operations is subject to national, regional and local regulations related to protection of the environment and natural resources, including standards relating to water, air, noise and disposal and transportation of dangerous residues, among others. Chile has

introduced environmental regulations that have obligated companies, including Codelco, to carry out programs to reduce, control or eliminate relevant environmental impacts. Codelco has executed and shall continue to execute a series of environmental projects to comply with these regulations.

Pursuant to the Letter of Values approved in 2010, Codelco is governed by a series of internal policies and regulations that frame its commitment to the environment, among which is the Corporate Sustainable Development Policy (2016).

The environmental management systems of the divisions, structure their efforts in order to comply with the commitments assumed by the corporation's environmental policies, incorporating elements of planning, operating, verifying and reviewing activities. As of December 31, 2019, Codelco is implementing a strategic change process in all divisions to manage the aspects and risks associated with environmental matters, under a corporate management system issued by Head Office, seeking to obtain the ISO 14001: 2015 certification.

In accordance with Supreme Decree D.S. No. 28, the Corporation is carrying out its environmental, maintenance and operating plans for its smelting plants.

To comply with the Circular No. 1901 of 2008 of the CMF, the details of the Corporation's main expenditures related to the environment during the years ended December 31, 2019 and 2018, respectively, and the projected future expenses are stated below.

ENTITY	PROYECT NAME	PROYECT STATUS	DISBURSEMENTS 12/31/2019			12/31/2018	FUTURE COMMITTED DISBURSEMENTS	
			AMOUNT THUS\$	ASSET/ EXPENSE	ASSET / EXPENDITURE ITEM	AMOUNT THUS\$	AMOUNT THUS\$	ESTIMATED DATE
<b>Chuquicamata</b>								
Codelco Chile	Talambre dam capacity extension, 8th stage	In Progress	76,611	Asset	P, P & E	148,715	65,157	2020
Codelco Chile	Emergency restoration system dust control crushing plant 2/3	Finished	-	Asset	P, P & E	345	-	-
Codelco Chile	Replacement of circulation pot 1A and 2A	In Progress	14,033	Asset	P, P & E	1,370	6,690	2020
Codelco Chile	Construction installation surplus management	In Progress	761	Asset	P, P & E	-	65	2019
Codelco Chile	Replacement of water treatment plant	In Progress	8,944	Asset	P, P & E	-	4,822	2019
Codelco Chile	Replacement gas management system	In Progress	9,671	Asset	P, P & E	745	1,724	2020
Codelco Chile	Acid plant tranformation 3-4 DC/DA	In Progress	160,546	Asset	P, P & E	200,844	7,291	2020
Codelco Chile	Enablement refining gas treatment system	In Progress	50,009	Asset	P, P & E	26,973	28,504	2020
Codelco Chile	Dryer replacement n ° 5 fuco	In Progress	39,136	Asset	P, P & E	23,204	16,603	2020
Codelco Chile	Management feeding and transport powders	Finished	-	Asset	P, P & E	1,363	-	-



ENTITY	PROJECT NAME	PROJECT STATUS	DISBURSEMENTS 12/31/2019		ASSET / EXPENDITURE ITEM	12/31/2018	FUTURE COMMITTED DISBURSEMENTS		
			AMOUNT THUS\$	ASSET/ EXPENSE		AMOUNT THUS\$	AMOUNT THUS\$	ESTIMATED DATE	
Codelco Chile	Construction Relle Res Dom-Asim Montec	In Progress	2,181	Asset	P, P & E	599	8,408	2020	
Codelco Chile	Construction IX stage Talambre tranque	In Progress	9,542	Asset	P, P & E	6,063	1,601	2019	
Codelco Chile	Construction 8 Seg Montecristo	In Progress	11,393	Asset	P, P & E	799	7,875	2020	
Codelco Chile	Acid plants	In Progress	35,823	Expenditure	Adm. Expense	30,989	-	2019	
Codelco Chile	Solid waste	In Progress	2,388	Expenditure	Adm. Expense	6,595	-	2019	
Codelco Chile	Tailings	In Progress	23,153	Expenditure	Adm. Expense	23,047	-	2019	
Codelco Chile	Water treatment plant	In Progress	25,143	Expenditure	Adm. Expense	17,501	-	2019	
Codelco Chile	Environmental monitoring	In Progress	2,152	Expenditure	Adm. Expense	3,811	-	2019	
Codelco Chile	Normalization drainage system drill hole	In Progress	4,551	Asset	P, P & E	-	6,747	2020	
Codelco Chile	Standard handling / feeding / transport powder	In Progress	61	Asset	P, P & E	-	21,595	2021	
<b>Total Chuquicamata</b>			<b>476,098</b>			<b>492,963</b>	<b>177,082</b>		
<b>Salvador</b>									
Codelco Chile	Improved integration of the gas process	In Progress	87,710	Asset	P, P & E	91,755	45,224	2020	
Codelco Chile	Concentrator filter plant construction	Finished	-	Asset	P, P & E	28	-	-	
Codelco Chile	Water capture improvement	Finished	-	Asset	P, P & E	147	-	-	
Codelco Chile	Tailings	In Progress	3,141	Expenditure	Adm. Expense	2,008	-	2019	
Codelco Chile	Acid plants	In Progress	51,131	Expenditure	Adm. Expense	29,677	-	2019	
Codelco Chile	Solid waste	In Progress	1,472	Expenditure	Adm. Expense	902	-	2019	
Codelco Chile	Water treatment plant	In Progress	855	Expenditure	Adm. Expense	687	-	2019	



ENTITY	PROYECT NAME	PROYECT STATUS	DISBURSEMENTS 12/31/2019		ASSET / EXPENDITURE ITEM	12/31/2018		FUTURE COMMITTED DISBURSEMENTS	
			AMOUNT THUS\$	ASSET/ EXPENSE		AMOUNT THUS\$	AMOUNT THUS\$	ESTIMATED DATE	
Codelco Chile	Overhaul thickeners tailings sal-proy	In Progress	3,413	Asset	P, P & E	1,443	510	2019	
Codelco Chile	Dangerous substances warehouse	In Progress	301	Asset	P, P & E	82	-	2019	
Codelco Chile	Bell replacement	In Progress	23,639	Asset	P, P & E	11,185	5,664	2020	
Codelco Chile	Ditch hazardous waste	In Progress	785	Asset	P, P & E	62	-	2019	
Codelco Chile	DRPA Emergency	In Progress	4,564	Asset	P, P & E	177	22,295	2020	
Codelco Chile	Compliance DS43 storage dangerous substances	In Progress	68	Asset	P, P & E	-	2,213	2020	
<b>Total Salvador</b>			<b>177,079</b>			<b>138,153</b>	<b>75,906</b>		
<b>Andina</b>									
Codelco Chile	Drain water treatment	Finished	-	Asset	P, P & E	171	-	-	
Codelco Chile	Water Normative Phase 2	Finished	-	Asset	P, P & E	1,274	-	-	
Codelco Chile	Construction site emergency plan	In Progress	3,886	Asset	P, P & E	11,176	541	2019	
Codelco Chile	Construction site emergency plan	Finished	-	Asset	P, P & E	5,975	-	-	
Codelco Chile	Improved water internal tip E2	In Progress	256	Asset	P, P & E	2,620	-	2019	
Codelco Chile	Construction early alert plan	Finished	-	Asset	P, P & E	-	-	-	
Codelco Chile	Implementation in RCA compliance wells (Hydraulic Barrier)	Finished	-	Asset	P, P & E	3,010	-	-	
Codelco Chile	Catchment water drainage hill black	In Progress	306	Asset	P, P & E	2,301	-	2019	
Codelco Chile	Construction canal outline DL east	In Progress	5,133	Asset	P, P & E	6,136	9,725	2021	
Codelco Chile	Standard fuel supply system	Finished	-	Asset	P, P & E	258	-	-	
Codelco Chile	Construction site emergency plan	In Progress	4,436	Asset	P, P & E	7,942	3,675	2020	
Codelco Chile	Oo Sbr Level 640 Msnm Tranq	Finished	-	Asset	P, P & E	16,720	-	-	
Codelco Chile	Expansion dam	In Progress	49,430	Asset	P, P & E	-	63,343	2020	



ENTITY	PROJECT NAME	PROJECT STATUS	DISBURSEMENTS 12/31/2019		ASSET / EXPENDITURE ITEM	12/31/2018	FUTURE COMMITTED DISBURSEMENTS	
			AMOUNT THUS\$	ASSET/ EXPENSE		AMOUNT THUS\$	AMOUNT THUS\$	ESTIMATED DATE
Codelco Chile	Construction Structure and instruments	In Progress	378	Asset	P, P & E	-	2,972	2020
Codelco Chile	Water injection system	In Progress	761	Asset	P, P & E	-	89	2019
Codelco Chile	construction of pits containment of spills	In Progress	441	Asset	P, P & E	-	804	2020
Codelco Chile	Valve and works rating	In Progress	1,097	Asset	P, P & E	-	4,037	2020
Codelco Chile	Collection tower construction No. 5	In Progress	336	Asset	P, P & E	-	173	2019
Codelco Chile	Solid waste	In Progress	2,833	Expenditure	Adm. Expense	2,735	-	2019
Codelco Chile	Water treatment plant	In Progress	4,063	Expenditure	Adm. Expense	3,927	-	2019
Codelco Chile	Trailing	In Progress	65,557	Expenditure	Adm. Expense	68,220	-	2019
Codelco Chile	Acid drainage	In Progress	27,615	Expenditure	Adm. Expense	30,894	-	2019
Codelco Chile	Environmental monitoring	In Progress	882	Expenditure	Adm. Expense	554	-	2019
Codelco Chile	Sustainability and external matters management	In Progress	2,410	Expenditure	Adm. Expense	2,880	-	2019
Codelco Chile	DLN conditioning works	In Progress	8	Asset	P, P & E	-	18,667	2021
Codelco Chile	Construction works mitigation water shortage	In Progress	7,605	Asset	P, P & E	-	20,638	2021
Codelco Chile	Excavation operation improvement	In Progress	34	Asset	P, P & E	-	3,645	2021
Codelco Chile	Water dispatch tunnel modification	In Progress	34	Asset	P, P & E	-	6,969	2021
	<b>Total Andina</b>		<b>177,501</b>			<b>166,793</b>	<b>135,278</b>	
	<b>Subtotal</b>		<b>830,678</b>			<b>797,909</b>	<b>388,266</b>	



ENTITY	PROJECT NAME		DISBURSEMENTS 12/31/2019			12/31/2018		FUTURE COMMITTED DISBURSEMENTS	
			AMOUNT THUS\$	ASSET/ EXPENSE	ASSET / EXPENDITURE ITEM	AMOUNT THUS\$	AMOUNT THUS\$	ESTIMATED DATE	FECHA ESTIMADA
<b>El Teniente</b>									
Codelco Chile	Construction of 7th phase of Carén	In Progress	58,357	Asset	P, P & E	27,866	234,149	2022	
Codelco Chile	Construction of 6th phase of Carén	Finished	-	Asset	P, P & E	-	-	-	
Codelco Chile	Construction of slag treatment plant	In Progress	122,158	Asset	P, P & E	108,854	98,653	2020	
Codelco Chile	Construction of slag treatment plant	Finished	-	Asset	P, P & E	19,749	-	-	
Codelco Chile	Smelting emissions network	In Progress	26,393	Asset	P, P & E	51,273	2,236	2020	
Codelco Chile	Smoke capacity reduction	Finished	-	Asset	P, P & E	5,579	-	-	
Codelco Chile	Smoke capacity reduction	In Progress	11,412	Asset	P, P & E	38,749	1,944	2019	
Codelco Chile	Construction of slag treatment plant	In Progress	843	Asset	P, P & E	1,650	1,611	2020	
Codelco Chile	Acid plants	In Progress	66,348	Expenditure	Adm. Expense	66,294	-	2019	
Codelco Chile	Solid waste	In Progress	2,929	Expenditure	Adm. Expense	4,460	-	2019	
Codelco Chile	Water treatment plant	In Progress	13,786	Expenditure	Adm. Expense	16,688	-	2019	
Codelco Chile	Tailings	In Progress	65,003	Expenditure	Adm. Expense	66,632	-	2019	
Codelco Chile	Well construction and hydrogeology modification Colihue - Cauquenes	In Progress	18	Asset	P, P & E	-	4,868	2022	
Codelco Chile	Improvement of the container washing system form fiter plants	In Progress	231	Asset	P, P & E	-	451	2020	
<b>Total El Teniente</b>			<b>367,478</b>			<b>407,794</b>	<b>343,912</b>		
<b>Gabriela Mistral</b>									
Codelco Chile	Environmental monitoring	In Progress	54	Expenditure	Adm. Expense	6	-	2019	
Codelco Chile	Solid waste	In Progress	2,031	Expenditure	Adm. Expense	2,420	-	2019	
Codelco Chile	Environmental consultancy	In Progress	131	Expenditure	Adm. Expense	2,087	-	2019	



ENTITY	PROYECT NAME		DISBURSEMENTS 12/31/2019			12/31/2018		FUTURE COMMITTED DISBURSEMENTS	
			AMOUNT THUS\$	ASSET/ EXPENSE	ASSET / EXPENDITURE ITEM	AMOUNT THUS\$	AMOUNT THUS\$	ESTIMATED DATE	FECHA ESTIMADA
Codelco Chile	Water treatment plant	In Progress	1	Expenditure	Adm. Expense	106	-	2019	
Codelco Chile	Garbage dump extension	In Progress	25,270	Asset	P, P & E	7,446	9,137	2020	
Codelco Chile	Improved dust collection system	In Progress	382	Asset	P, P & E	61	-	2019	
<b>Total Gabriela Mistral</b>			<b>27,869</b>			<b>12,126</b>	<b>9,137</b>		
<b>Ventanas</b>									
Codelco Chile	Construction new warehouse of concentrate	Finished	-	Asset	P, P & E	2,072	-	-	
Codelco Chile	Acid plants	In Progress	24,694	Expenditure	Adm. Expense	30,514	-	2019	
Codelco Chile	Solid waste	In Progress	1,689	Expenditure	Adm. Expense	1,908	-	2019	
Codelco Chile	Environmental monitoring	In Progress	1,362	Expenditure	Adm. Expense	1,586	-	2019	
Codelco Chile	Water treatment plant	In Progress	5,573	Expenditure	Adm. Expense	5,340	-	2019	
Codelco Chile	Distribution system replacement	In Progress	770	Asset	P, P & E	2,072	569	2019	
Codelco Chile	Main chimney implementation	In Progress	474	Asset	P, P & E	-	714	2020	
Codelco Chile	implementation of abatement water system	In Progress	239	Asset	P, P & E	-	725	2020	
Codelco Chile	Stockpile improvement	In Progress	525	Asset	P, P & E	-	828	2020	
Codelco Chile	Improvement closure facilities and crusher belts	In Progress	219	Asset	P, P & E	-	722	2020	
Codelco Chile	Stabilized road operations	In Progress	211	Asset	P, P & E	-	447	2020	
<b>Total Ventanas</b>			<b>35,756</b>			<b>43,492</b>	<b>4,005</b>		
<b>Radomiro Tomic</b>									
Codelco Chile	Solid waste	In Progress	2,031	Expenditure	Adm. Expense	1,132	-	2019	
Codelco Chile	Environmental monitoring	In Progress	54	Expenditure	Adm. Expense	725	-	2019	
Codelco Chile	Water treatment plant	In Progress	1	Expenditure	Adm. Expense	949	-	2019	
<b>Total Radomiro Tomic</b>			<b>2,086</b>			<b>2,806</b>	<b>-</b>		



ENTITY	PROYECT NAME		DISBURSEMENTS 12/31/2019			12/31/2018		FUTURE COMMITTED DISBURSEMENTS	
			AMOUNT THUS\$	ASSET/ EXPENSE	ASSET / EXPENDITURE ITEM	AMOUNT THUS\$	AMOUNT THUS\$	ESTIMATED DATE	FECHA ESTIMADA
<b>Ministro Hales</b>									
Codelco Chile	Solid waste	In Progress	1,961	Expenditure	Adm. Expense	664	-	2019	
<b>Codelco Chile</b>	<b>Environmental monitoring</b>	<b>In Progress</b>	<b>-</b>	<b>Expenditure</b>	<b>Adm. Expense</b>	<b>664</b>	<b>-</b>	<b>2019</b>	
<b>Codelco Chile</b>	<b>Water treatment plant</b>	<b>In Progress</b>	<b>159</b>	<b>Expenditure</b>	<b>Adm. Expense</b>	<b>180</b>	<b>-</b>	<b>2019</b>	
Codelco Chile	Pit drainage wells mine	In Progress	3,148	Asset	P, P & E	10	3,213	2020	
Codelco Chile	Implementation monitoring acuifero pit	In Progress	173	Asset	P, P & E	11	2,866	2020	
Codelco Chile	Silice bam extension and dome control room	In Progress	45	Asset	P, P & E	-	4,130	2021	
<b>Total Ministro Hales</b>			<b>5,486</b>			<b>1,529</b>	<b>10,209</b>		
<b>Ecometales Limited</b>									
Codelco Chile	Smelting powders leaching plant	In Progress	730	Expenditure	Adm. Expense	613	548	2020	
Codelco Chile	Smelting powders leaching plant	In Progress	7	Expenditure	Adm. Expense	8	8	2020	
<b>Total Ecometales Limited</b>			<b>737</b>			<b>621</b>	<b>556</b>		
<b>Subtotal</b>			<b>439,412</b>			<b>468,368</b>	<b>367,819</b>		
<b>Total</b>			<b>1,270,090</b>			<b>1,266,277</b>	<b>756,085</b>		



### 34. SUBSEQUENT EVENTS

- On January 7, 2020, the Corporation reported an essential fact that on such date Don Roberto Ecclefield Escobar, current Vice President of Marketing has submitted his resignation to the Corporation, which will become effective on February 1, 2020.
- On January 7, 2020, the Corporation reported as an essential fact that Codelco accessed the international financial markets, through the placement of bonds in New York for US\$1 billion for 10 years and US\$1 billion for 30 years, through a reopening of the 30-year bond issued in September 2019, with yields of 3.175% and 3.958%, respectively. The rates represent spreads of 135 and 165 basis points on the American Treasury bond in each term. With this operation, Codelco's net debt is not increased and a new step is taken to a sustainable financing of the investment portfolio, in accordance with the guidelines given by the Board of Directors with respect to progress in the materialization of structural projects while maintaining a solid financial position. La transacción de emisión fue liderada por los bancos HSBC Securtires (USA) Inc., JP Morgan Securities LLC, BofA Securities, and Scotia Capital (USA) Inc.  
  
The issuance was led by banks HSBC Securtires (USA) Inc., JP Morgan Securities LLC, BofA Securities, and Scotia Capital (USA) Inc.
- On January 9, 2020, the Corporation reported as an essential fact, in accordance with the

provisions of Circular No. 1,072, detail of the financing operation carried out on January 7, 2020.

- On January 29, 2020, the Corporation reported as an essential fact that S.E. the President of the Republic has designated as Director of Codelco, Mr. Rodrigo Cerda Norambuena, replacing Mr. Ignacio Briones Rojas.
- On January 31, 2020, the Corporation reported as an essential fact that Ms. Lorena Ferreiro Vidal has been appointed as Codelco's Legal Counselor from March 1, 2020.  
  
From such date, Ms. María Francisca Dominguez M. finishing practicing as Interim Legal Counselor and will continue serving as Legal Director of the Corporation.
- On January 31, 2020, the Corporation reported as an essential fact, the creation of the Vice Presidency of Smelters and Refinery, reporting to the Executive President. From March 2020, Mr. José Sanhueza Reyes, who served up to such date, as General Manager of the Ventanas Division, was appointed Vice President in charge. Likewise, from such date, Mr. Gerardo Sanchez, is appointed as General Manager of the Ventanas Division.
- On February 28, 2020 and in relation to PE - 015/2020 dated January 31, 2020, the Corporation reported as an essential fact, that Mr. Gerardo Sánchez Sepúlveda will continue to serve as Manager of the Caletones Foundry of the El Teniente Division, for such reason, as

of March 1, 2020, Mr. Cristián Cortés Egaña will assume in an interim capacity the position of General Manager of the Ventanas Division.

- On March 2, 2020, the Corporation reported as an essential fact, the appointment of Don Patricio Vergara Lara, as Vice President of Mining Resources and Development Management, from April 20, 2020.
- On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic that has resulted in a series of public health and emergency measures that have been put in place and are underway to combat the spread of the virus. The duration and impact of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact of the duration and severity of these developments in future periods.  
  
For several weeks now, Codelco has been permanently monitoring the aforementioned outbreak, its constant evolution, eventual impact on the Corporation's financial and operational indicators, possible effects on our workers, clients, suppliers, as well as collaborating with government actions that are being taken to reduce its spread, with no material impact observed to date on its ability to meet its financial, production or sale commitments. The foregoing is without prejudice to the impact on world demand for copper, which has meant a decrease in the price, which is public knowledge.  
  
Particularly, in relation to the Corporation's liquidity levels, and as a result of the last financing

carried out in January this year, the Corporation finds itself in a solid cash position, which allows it to absorb the short-term negative impacts on the price of copper.

Thus, we cannot currently estimate the overall duration of any resulting adverse impact on our business, financial condition and / or results of operations as well as its degree of materiality. However, given some scenarios that could materialize in the coming months, we cannot rule out that our financial results may be negatively affected by this contingency.

- On March 23, the Ministry of Finance issued Ordinary Letter No. 843, which modifies the payment method of the Law 13,196 funds to meet national needs generated by the COVID-19 crisis.

Said Official Letter establishes the full amount of funds owed to the Treasury for the application of Law No. 13,196, equivalent to ThUS\$240,168 (contribution for December 2019, January and February 2020), before March 31 this year. Subsequently and from the month of April, the Corporation should carry out the monthly transfer of the corresponding resources according to their recordkeeping, within a period not exceeding the last day of the month following its booking.

Before the amendment established in this document, the payment method of the funds associated to Law 13,196, consisted in an annual payment no later than December 15 of each year.



- On March 25, the Corporation announced that it will temporarily suspend some of its projects, as part of the measures to prevent the spread of Coronavirus. The suspension will be carried out gradually starting from March 25 and will last for 15 days. Specifically, it deals with the construction of the remaining works of the Chuquicamata Underground Mine Project, the early works of Rajo Inca and the assembly works of Traspaso Andina. This measure has no impact on the production of the respective divisions that maintain operational continuity with the largest sanitary safeguards.

**Octavio Araneda Osés**  
Chief Executive Officer

**Alejandro Rivera Stambuk**  
Chief Financial Officer

Management of the Corporation is not aware of other significant events of a financial nature or of any other nature that could affect these financial statements, occurring between January 1, 2020 and the date of issue of these consolidated financial statements as of March 26, 2020.

**Javier Tapia Ávila**  
Accounting and Finance  
Control Manager

**Juan Ogas Cabrera**  
Accounting Director



# RATIO ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

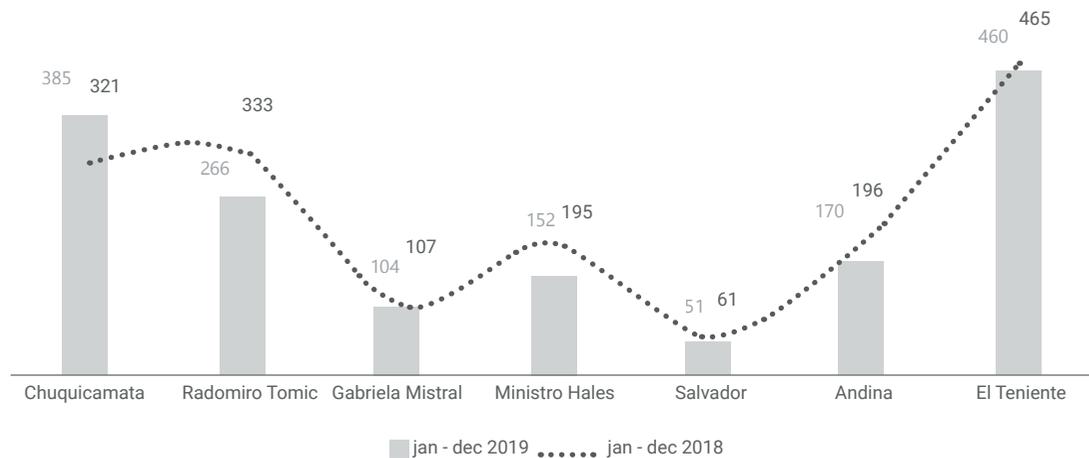
The purpose of this document is to provide the analysis of the Consolidated Financial Statements of Corporación Nacional del Cobre de Chile (Codelco) for the year 2019 and its comparison to the year 2018.

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

### 1. PRODUCTION

PRODUCTION JANUARY - DECEMBER IN THFMT



Graphic 1: Plant Production of FMT.

During the period from January through December 2019, total production of fine copper by Codelco Chile from its operating divisions, representing 83% of total revenue, amounted to ThFMT 1,588, reflecting a decrease of 5% compared to the production generated during 2018.

hardness, greater depth of deposits, among others). These are factors that Codelco seeks to offset permanently through management actions and/or improvements in the factor productivity of the resources used.

At divisional level, the negative variation is presented by the drops in production recorded in the Salvador (-16%), Radomiro Tomic (-20%), Gabriela Mistral (-3%), Andina (-13%), Ministro Hales (-22%) and El Teniente (-1%) divisions, which collectively represented a decrease in production of ThFMT 154. In the Chuquicamata Division an increase of 20% was recorded (+ ThFMT 64 of higher production).

It should be noted that in the results of this productive management, a combination of factors exists that occur in mining and adversely affect mining exploitation in the divisions with older deposits (e.g. decline in ore grade, increased rock



## 2. Physical sales volume

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

DELIVERIES	12/31/2019 FMT	12/31/2018 FMT	VARIANCE FMT	VARIANCE %
Own copper	1,577	1,628	(51)	-3.1%
Own copper, third party minerals	227	210	17	8.1%
<b>Sales of own copper, own and third party minerals</b>	<b>1,804</b>	<b>1,838</b>	<b>(34)</b>	<b>-1.9%</b>
Copper acquired from third parties	172	296	(124)	-41.9%
<b>Total own and third party copper sales</b>	<b>1,976</b>	<b>2,134</b>	<b>(158)</b>	<b>-7.4%</b>
Own molybdenum	24	25	(1)	-4.0%

Table 2: Total Physical Sales of Copper and Molybdenum.

During 2019, total physical sales of own copper (ThFMT 1,804) processed in Codelco's plants, mainly from own ore (87%) and to a lesser extent from third party ore (13%), recorded a decrease of 1.8% compared to 2018. In this regard, total deliveries of Codelco's own copper recorded a decrease of 3.1% (ThFMT -51), whereas the physical own copper sales using minerals from third parties showed an increase of 8.1%.

Adding copper acquired from third parties, we reach a total volume of physical sales of ThFMT 1,976, which compared to the same period of the prior year, represents a decrease of 7.4% (ThFMT -158).

In addition, as of December 31, 2019, the volume of molybdenum delivered showed a decrease of 4.0% (ThFMT -1).

**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 years between January and December 31, 2019 and 2018

CONCEPT	12/31/2019 MUS\$	12/31/2018 MUS\$	VARIANCE %
Revenue from sales of own copper	10,393	11,195	-7%
Revenue from sales of third party copper	1,006	1,901	-47%
Revenue from sales of molybdenum	596	651	-8%
Revenue from sales of other products and services	520	538	-3%
Results from future market	9	24	-63%
<b>Total Revenue</b>	<b>12,524</b>	<b>14,309</b>	<b>-12%</b>
Cost of own copper sold	(8,418)	(8,646)	-3%
Cost of third party copper sold	(996)	(1,881)	-47%
Cost of molybdenum sold	(206)	(194)	6%
Cost of other products and services sold	(431)	(474)	-9%
<b>Total Cost of Sales</b>	<b>(10,051)</b>	<b>(11,195)</b>	<b>-10%</b>
<b>Gross Profit</b>	<b>2,473</b>	<b>3,114</b>	<b>-21%</b>
Other income and other expenses per function (without Law No. 13.196)	(452)	(882)	-49%
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	-	-	0%
Law No. 13.196	(936)	(1,108)	-16%
Distribution expenses	(17)	(18)	-6%
Administrative expenses	(409)	(465)	-12%
Other gains (losses)	23	21	10%
<b>Gains (losses) from operating activities</b>	<b>682</b>	<b>663</b>	<b>3%</b>
Finance income	37	51	-27%
Finance costs	(479)	(463)	3%
Share of profit of associates and joint ventures accounted for using the equity method of accounting	13	119	-89%
Foreign currency translation differences	154	178	-13%
<b>Profit (loss) before taxes</b>	<b>407</b>	<b>547</b>	<b>-26%</b>
Income tax (benefit) expense	(393)	(357)	10%
<b>Consolidated profit (loss)</b>	<b>15</b>	<b>190</b>	<b>-92%</b>
Profit (loss) attributable to non-controlling interests	8	34	-76%
<b>Codelco net profit (loss)</b>	<b>7</b>	<b>156</b>	<b>-96%</b>



CONCEPT	12/31/2019 MUS\$	12/31/2018 MUS\$	VARIANCE %
Profit (loss) before income taxes and Law No. 13.196 attributable to Codelco Chile (Surplus)	1,340	1,606	-17%
Profit (loss) before income tax and Law No. 13.196, Consolidated (Surplus)	1,344	1,656	-19%
EBIT (Earnings Before Interests and Taxes)	888	1,010	-12%
EBITDAL (Earnings Before Interests, Taxes, Depreciation, Amortization and Law No. 13.196)	4,043	4,696	-14%
EBITDA Margin	32%	33%	

(\*) FOR THE PURPOSES OF THE CALCULATION OF EBITDAL ACCUMULATED AS OF 2018, WE HAVE EXCLUDED WRITE-OFFS AND IMPAIRMENT OF US\$ 396 MILLION PRESENTED IN THE CONSOLIDATED FINANCIAL STATEMENTS REPORT.

Table 3: Consolidated profit or loss as of December 31, 2019 and 2018.



As of December 31, 2019, profit before income tax and Law No. 13,196 (Surplus) attributable to Codelco Chile, generated profit of MUS\$ 1,340, lower than the surplus attributable to Codelco Chile recorded in 2018 (variance: MUS\$ -266).

Such negative variance recorded in the generation of surplus is mainly reflected by a lower gross margin, caused by the negative variance in the price of copper, the effect of the decrease in physical sales of copper and molybdenum and by the lower profit obtained in investments in associates.

Gross profit amounted to MUS\$ 2,473, which is lower by MUS\$ 641 compared to the prior year. Such negative variance is explained - as indicted above - by lower revenue, which is an effect caused by the lower production obtained during the year and the negative variance in the price of copper<sup>1</sup> and molybdenum<sup>1</sup>.

In addition, the variance in production costs is noted in the table below.

COST CATEGORY (US\$/LB)	JAN - DEC 2019	JAN - DEC 2018	VAR (%)
Total costs	233.5	245.1	-4.7%
Net cost to cathode (C3)	224.1	230.5	-2.8%
Direct cash cost (C1)	141.6	139.1	1.8%

Table 4: Production costs as of December 31, 2019 and 2018.

At the cash cost (C1) level, the industry's main indicator, there is an increase of 1.8% compared to the same period of the prior year mainly explained by lower production and lower sales of by-products, upward pressures that were mitigated by lower costs and savings, the higher exchange rate and the new accounting standards associated with IFRS16 Leases. In addition, at total costs and net cost to cathode (C3) level, there was a decrease of 4.7% and 2.8%, respectively.

#### 4. OTHER INCOME AND EXPENSES PER FUNCTION

As of December 31, 2019, other expenses and income per function (which also adds tax under Law No. 13,196), generated a negative result of MUS\$ 1,388, which is lower by MUS\$ 602 compared to 2018 (MUS\$ 1,990).

This net variance of MUS\$ 602, is composed of the following:

1) Variance of +MUS\$ 172, associated with the lower expense accrued for the tax under Law No.13.196, which levies 10% on the return from exports of copper and own by-products. During 2019 and 2018, the expense for such concept amounted to MUS\$ 936 and MUS\$ 1,108, respectively.

2) Net variance of +MUS\$430, associated with the positive result from the sale of interest in GNL and other non-operating income, the accounting effects of write-offs associated with investment projects and recording of impairment at the Ventanas Division recognized during 2018 and which in 2019 have not been recorded, the lower expense recognized during

2019 for end of collective bargaining agreement bonuses and which added, offset the higher fixed operating expenses related to the low production recorded in 2019.

#### 5. SURPLUS - PROFIT (LOSS) BEFORE TAXES AND NET PROFIT (LOSS)

As of December 31, 2019, profit before income taxes and tax under Law No.13,196 (surplus) attributable to Codelco Chile, reached a profit of MUS\$ 1,340, which is lower than the surplus generated in 2018 (MUS\$ 1,606). The negative variance when comparing both profit amounts (variance: MUS\$ -266), is mainly explained by lower operating income which are partially offset by higher non-operating income and expense.

In addition, profit before taxes (income tax and specific tax on mining activities) amounted to profit of MUS\$ 407; whereas profit after tax attributable to Codelco Chile, recorded a profit of MUS\$ 7. During

2019, a positive result was recognized for non-controlling interest of MUS\$8.

The return on assets and return on equity for the same period without considering the tax burden, tax under Law No. 13,196, interest, depreciation and amortization is 10.0% and 35.9%, respectively.

<sup>1</sup> Average LME copper price for Jan-Dec 2019: \$US/lb 274.99; for Jan-Dec 2018: \$US/lb 272.14 (variance: -8.02%).



## II. CONSOLIDATED STATEMENT OF FINANCIAL

CAPTION	12/31/2019 MUS\$	12/31/2018 MUS\$	VARIANCE %
Current assets	6,050	5,828	3.8%
Non-current assets	34,295	31,263	9.7%
<b>Total Assets</b>	<b>40,345</b>	<b>37,091</b>	<b>8.8%</b>
Current liabilities	3,923	3,539	10.9%
Non-current liabilities	24,787	22,208	11.6%
<b>Total Liabilities</b>	<b>28,710</b>	<b>25,747</b>	<b>11.5%</b>
Equity	11,635	11,344	2.6%
<b>Total Liabilities and Equity</b>	<b>40,345</b>	<b>37,091</b>	<b>8.8%</b>

Table 5: Consolidated statement of financial position as of December 31, 2019 and 2018.

From total assets as of December 31, 2019, items of current assets represent 15% whereas the remaining percentage is composed of non-current assets, being "Property, Plant and Equipment" the caption, which has the most significant representation (87%) with respect to this last asset category.

From total liabilities and equity as of December 31, 2019, current liabilities represents 10%. Non-current liabilities and equity represent 61% and 29%, respectively.

## I. ASSETS

As of December 31, 2019, current assets amounted to MUS\$ 6,050, mainly composed of current inventories of MUS\$ 1,921 (32%), trade and other receivables of MUS\$ 2,588 (43%), cash and cash equivalents of MUS\$ 1,303 (22%) and the difference is composed of other current asset accounts.

In relation to current inventories, there is a net decrease of MUS\$ 122, resulting from the lower volume recorded in finished product inventories,

mainly from own copper and molybdenum ores. For products in process, an increase of MUS\$ 12 is recorded, mainly from copper in process; whereas for materials in warehouse, the increase was MUS\$101 for materials and supplies used in operations.

As of December 31, 2019, inventories of affiliates recorded a positive variance of MUS\$1.

As of December 31, 2019, inventories, current are detailed as follows:

INVENTORY	DECEMBER 2019-MUS\$	DECEMBER 2018-MUS\$	VARIANCE D19/D18-MUS\$
Finished products	209	443	(234)
Products in process	1,146	1,134	12
Warehouse	549	448	101
<b>Total Inventories - Codelco</b>	<b>1,904</b>	<b>2,025</b>	<b>(121)</b>
Consolidation of subsidiaries	18	17	1
<b>Total Inventories</b>	<b>1,921</b>	<b>2,043</b>	<b>(122)</b>

Table 6: Inventories as of December 31, 2019 and 2018.



The table below presents items of Property, plant and equipment as of December 31, 2019:

PROPERTY, PLANT AND EQUIPMENT	12/31/2019 MUS\$	12/31/2018 MUS\$	VAR D19/D18
Construction in progress, gross	6,234	8,809	-29.2%
Land, gross	173	174	-1%
Buildings, gross	5,964	5,403	10.4%
Plant and equipment, gross	19,218	15,894	20.9%
Facilities and fixtures, gross	59	59	0%
Motor vehicles, gross	2,080	2,063	0.8%
Land improvements, gross	6,504	5,620	15.7%
Mining operations, gross	8,751	7,215	21.3%
Mine development, gross	4,547	4,117	10.4%
Assets by right of use	690	-	0%
Other assets, gross	1,166	1,379	-15.5%
<b>Total property, plant and equipment, gross</b>	<b>55,386</b>	<b>50,733</b>	<b>9.2%</b>
<b>Total accumulated depreciation</b>	<b>25,686</b>	<b>23,978</b>	<b>7.1%</b>
<b>NET VALUE</b>	<b>29,700</b>	<b>26,755</b>	<b>11.0%</b>

Table 7: Property, plant and equipment as of December 31, 2019 and 2018.

In net terms, the caption property, plant and equipment increased by MUS\$2,945, which is composed of: the increase of these assets of MUS\$ 4,653 less the variance in accumulated depreciation of MUS\$ 1,708. The positive variance of 11% compared to the prior year reflects

on the one hand, the increase of MUS\$ 373 due to the effect of the initial application of IFRS16 and on the other hand, the sustained progress in compliance with the execution of Codelco Chile's investment program, mainly in structural projects that aim at maintaining and/

or replacing, or increasing productive capacities of the operating divisions.

## 2. LIABILITIES

Current liabilities as of December 31, 2019 amount to MUS\$3,923 (MUS\$3,539 as of December 31, 2018) composed of other current financial liabilities of MUS\$1,378 (35%), trade and other payables of MUS\$1,421 (36%), current provisions for employee benefits of MUS\$ 436 (11%), other current provisions of MUS\$ 502 (13%), payables due to related parties of MUS\$ 137 (3%), plus other miscellaneous liabilities.

As of December 31, 2019, non-current liabilities amounted to MUS\$ 24,787 (MUS\$ 22,208 as of December 31, 2018), mainly composed of other

non-current financial liabilities of MUS\$ 16,538 (67%), deferred tax liabilities of MUS\$ 4,861 (20%), other long-term provisions of MUS\$ 2,090 (8%), non-current provisions for employee benefits of MUS\$ 1,283 (5%), plus other non-current liabilities.

Total consolidated liabilities increased by MUS\$ 2,963 (MUS\$ 28,710 as of December 2019 and MUS\$ 25,747 as of December 2019), where the main causes are explained by:

a) A net increase of MUS\$ 2,006 in bank borrowings and bonds payable as presented in the following table:

MOVEMENTS IN BANK BORROWINGS (CURRENT AND NON-CURRENT)	BONDS PAYABLE AND PROMISSORY NOTES	BANK BORROWINGS	TOTAL
<b>Beginning balance</b>	<b>12,746</b>	<b>2,512</b>	<b>15,258</b>
New debt assumed	3,543	840	4,383
Payment of debt	(2,190)	(44)	(2,234)
Payment of interest	(607)	(29)	(636)
Accrued interest, foreign currency exchange difference and others	698	(205)	493
<b>Total movements</b>	<b>1,444</b>	<b>562</b>	<b>2,006</b>
<b>Closing balance</b>	<b>14,190</b>	<b>3,074</b>	<b>17,264</b>

Table 8: Movements in bank borrowings as of December 31, 2019 and



b) A balance of MUS\$ 341 as of December 31, 2019 for obligations associated with contracts qualified as “leases” under the new accounting standard IFRS 16, which became effective beginning in 2019 and therefore, as at December 2018, were not recognized.

c) An increase of MUS\$ 490 million in the caption other long-term provisions, mainly explained by the increase in the provision for mine closure of MUS\$ 511 million as a result of the updating of calculation parameters (discount rate and others).

d) A net increase of MUS\$ 275 in the deferred tax liability, mainly explained by the increase in the effect of accelerated depreciation of US\$742 million, adjustments for provisional sales of US\$130 million and deferred financial expenses of US\$78 million; offset to a lesser extent by the increase in deferred tax assets related to the provision for mine closure of US\$331 million and the tax loss of US\$363 million.

### 3. EQUITY

As of December 31, 2019, equity amounted to MUS\$ 11,635 (MUS\$ 11,344 as of December 31, 2018), which recorded an increase of 2.6%, equivalent to MUS\$ 291.

This positive variance is mainly composed of: the capital contribution of MUS\$400 received on February 26, 2019, related to the second payment indicated in Exempt Decree No. 311, which authorizes an extraordinary capital contribution, in accordance with Law No. 20.790, and for the net profit of MUS\$15 (MUS\$ 7 attributable to Codelco Chile), and offset by the negative result in other comprehensive income (loss) and other movements (net effect) of MUS\$ 67 and the negative effect of other negative equity movements of MUS\$ 57, attributable to non-controlling interests.

## III. FINANCIAL RATIOS

LIQUIDITY	12/31/2019	12/31/2018	VARIANCE (%)
<b>Current liquidity:</b>	<b>1.54</b>	<b>1.65</b>	<b>-7%</b>
Current assets / current liabilities			
<b>Acid test:</b>	<b>1.05</b>	<b>1.07</b>	<b>-1.9%</b>
(Current assets-inventories-prepayments)/current liabilities			
INDEBTEDNESS	12/31/2019	12/31/2018	VARIANCE (%)
<b>Indebtedness ratio:</b>	<b>2.47</b>	<b>2.27</b>	<b>8.8%</b>
Total liabilities/equity (times)			
<b>Short-term to total debt:</b>	<b>0.14</b>	<b>0.14</b>	<b>0.0%</b>
Current liabilities/total liabilities			
<b>Long-term to total debt:</b>	<b>0.86</b>	<b>0.86</b>	<b>0.0%</b>
Non-current liabilities/total liabilities			
HEDGES AND PROFITABILITY RATIOS	12/31/2019	12/31/2018	VARIANCE (%)
Profit before taxes and interest / finance cost (times)	1.85	2.18	-15%
Annualized return on assets before taxes %	1.0%	1.5%	-31%
Annualized return on equity before taxes %	3.5%	4.9%	-28%
Annualized return on operating assets before taxes %	1.3%	2.2%	-40%
ACTIVITY RATIOS	12/31/2019	12/31/2018	VARIANCE (%)
Accounts receivable turnover (times)	7.34	7.98	-8.0%
Collection recovery (based on 360 days)	49	45	8.7%
Inventory turnover (times)	4.88	5.54	-11.9%
Inventory permanence (based on 360 days)	74	65	13.5%
ASSETS	12/31/2019	12/31/2018	VARIANCE (%)
<b>TOTAL ASSETS (MILLIONS OF US\$)</b>	<b>40,345</b>	<b>37,091</b>	<b>8.8%</b>

Table 9: Financial Ratios



As of December 31, 2019, the current liquidity ratio was 1.54 times; whereas for 2018 it was 1.65 times, maintaining stable payment capacity for both years,

As of December 31, 2019, Codelco Chile's total indebtedness amounted to MUS\$ 28,710 (MUS\$ 25,747 as of December 31, 2018) generating an increase of MUS\$ 2,963 in such ratio.

The percentage increase in the indebtedness ratio (variance: 8.8%), is explained by the increase in current and non-current financial liabilities that exceed in proportion the increase in equity during 2019.

## IV. STATEMENT OF CASH FLOWS

As of December 31, 2019, the net cash flow generated from operating activities shows a positive movement of MUS\$ 2,431, which is lower by MUS\$ 1,507 compared to the prior year.

For revenue, this negative variance is mainly due to the lower collection of the Codelco's sales revenue, which is an effect mainly generated by the decrease in the price and amount sold of copper and molybdenum.

Cash flows from operating activities highlight the following items:

CONCEPT	12/31/2019 MUS\$	12/31/2018 MUS\$
Cash receipts from sales of goods and rendering of services	12,554	15,429
Other cash receipts from operating activities	1,827	1,734
Cash payments to suppliers for the supply of goods and services	(7,918)	(8,871)
Finance hedges and sales	-	(30)
Dividends received	87	189
Cash payments for Law No. 13.196	(918)	(1,137)
Income taxes paid	(82)	(67)
Other cash payments for operating activities	(3,119)	(3,309)
<b>Total cash flows generated from operating activities</b>	<b>2,431</b>	<b>3,938</b>

Table 10: Cash flows from operating activities as of December 31, 2019 and 2018

In addition, as of December 31, 2019, financing activities resulted in a positive cash flow of MUS\$ 1,542 reflecting a positive variation of MUS\$ 1,664 as of the same period of prior year, mainly due to the net effect of obtaining and paying loans recorded during 2019; added to this, the capital contribution received in February

2019. During 2019, no payments of dividends have been recorded compared to the dividend settlement recorded in 2018.



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

CONCEPT	12/31/2019 MUS\$	12/31/2018 MUS\$
Proceeds from capital contributions	400	600
Total proceeds from bank borrowings	4,382	900
Repayment of bank borrowings	(2,234)	(259)
Payment of liabilities under finance lease arrangements	(148)	(27)
Interest paid	(657)	(634)
Other cash inflows (outflows)	(201)	(100)
Dividends paid	-	(602)
Total cash flows (used in) from financing activities	1,542	(122)
<b>Total cash flows (used in) from financing activities</b>	<b>1.542</b>	<b>(122)</b>

Table 11: Cash flows from financing activities as of December 31, 2019 and 2018

Finally, as of December 31, 2019, investing activities generated a negative net cash flow of MUS\$3,880, which is mainly explained by the effect on the progress of Codelco's investment program (negative cash flow of MUS\$3,953), offset by income obtained from the sale of the interest in GNL (positive cash flow of MUS\$193).

The following table is presented as part of the cash flows from investing activities:

CONCEPT	12/31/2019 MUS\$	12/31/2018 MUS\$
Other receipts from the sale of interest in joint ventures	193	22
Acquisition of property, plant and equipment	(4,102)	(3,894)
Other cash receipts (payments)	29	(81)
<b>Total cash flows from (used in) investing activities</b>	<b>(3,880)</b>	<b>(3,953)</b>

Table 12: Cash flows from investing activities as of December 31, 2019 and 2018

Considering the abovementioned cash flows and the effect on the exchange rate variance on cash and cash equivalents (negative cash flow of MUS\$ 19 and MUS\$ 83 as of December 31, 2019 and 2018, respectively) and the opening cash balances (MUS\$ 1,229 and

MUS\$ 1,449 for 2019 and 2018, respectively), a closing balance of cash and cash equivalents of MUS\$ 1,303 was obtained, which is higher than the balance of MUS\$ 1,229 determined in the prior year.

## V. MAIN DIFFERENCES BETWEEN THE CARRYING AMOUNT AND THE MARKET OR ECONOMIC VALUE OF CODELCO CHILE'S ASSETS

Codelco Chile'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 amount 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 is 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 THE MARKET

Corporación Nacional del Cobre de Chile, Codelco is the world's biggest copper producer. Its main business product are grade A copper cathodes, copper concentrates and blister copper, among other products and by-products.

During 2019, production totaled ThFMT 1,706 (including its interests held in El Abra and Anglo American Sur), representing 8% of worldwide production and 29% of domestic production. In addition, Codelco concentrates 6% of global copper reserves, contained in world-class deposits, and, with market share also of 8%, is one of the largest producers of molybdenum.

Codelco has seven mining divisions: Radomiro Tomic, Chuquicamata, Gabriela Mistral, Ministro Hales, Salvador, Andina and El Teniente. In addition to these operations, the Ventanas Division has Smelting and Refinery Facilities.

Additionally, the Codelco has interest of 49% in Sociedad Contractual Minera El Abra and is the owner of 20% of Anglo American Sur.

Codelco also holds ownership of several companies focused on exploration and technological research and development, both in Chile and abroad. As for international exploration, during 2019, Codelco performed this type of activities in Ecuador and Brazil.

As of December 2019, Codelco had consolidated

assets of US\$ 40.3 billion and consolidated equity of US\$ 11.6 billion, both figures at carrying amount.

From the nationalization of copper in 1971 through 2019, Codelco's deposits and operations have generated consolidated surplus exceeding US\$ 116 billion in currency of 2019. Because of the high prices of copper, more than 60% of this amount was generated in the period 2004-2019. Over the last sixteen years, Codelco's contributions to the Chilean Treasury have represented 8% of the Central Government's revenue, its exports were equivalent to approximately 18% of Chilean exports and its investments represented approximately 5% of total investments made in Chile.

During 2019, the surplus attributable to Codelco Chile was US\$ 1,340 million, which represents a decrease of 17% compared to the same period of prior year. This reduction is mainly explained by the lower price of copper, lower production and changes in the business product portfolio, whose negative impact was partly offset by management and expense reduction efforts, and the higher exchange rate.

During the January-December 2019 period, the price of copper recorded an average of 272 c/lb, which is 8% below that recorded for 2018. The main reasons explaining this reduction include the intensification of the trade war between the United States and China, the progressive moderation of the world economic growth prospects and the strengthening of the U.S. dollar at the international level.

Production was 6% below the 2018 level as a result of a 5% reduction in divisional production and a 9%

reduction in the combined contribution of the El Abra and Anglo American Sur mining affiliates. The lower production is mainly explained by the negative effects of the weather event that occurred in the Northern District during February and the strike in the Chuquicamata Division.

In terms of costs, at cash cost C1 level, in 2019, Codelco recorded an average of 141.6 c/lb, recording an increase of 2% compared to 2018. This change is mainly explained by lower production and lower sales of by-products, upward pressures that were mitigated by lower costs and savings, the higher exchange rate and the new accounting standards associated with IFRS16 Leases.

Together with the generation of surpluses, Codelco contributes to the development of Chile through multiple productive linkages. Codelco permanently consumes goods and services in its operations and projects, for which it develops acquisition and hiring processes and establishes collaborative relations with suppliers, which are mainly domestic companies. As a reference, during 2019, Codelco's consumption of goods and services amounted to close to US\$ 8,000 million.

Beyond the economic situation, looking at the long term, the market foundations remain attractive. The expected growth of China, India and other emerging economies, which are at development phases with greater intensity in the use of copper, and the growing relevance of renewable energies and electromobility support the future growth of copper consumption. On the supply side, the aging and decreasing wealth of the current deposits, the new requirements in terms of sustainability and social value creation, the

higher CAPEX and complexities of new projects, the absence of relevant technological breaks, and the greater geopolitical risks of the new mining districts make up a challenging scenario for producers.

Considering the market perspectives and its own challenges, Codelco has defined its mission as: to maximize in a competitive and sustainable way, Codelco's economic value and its contribution to the Government in the long term, through copper mining operations. The focus of this new strategy is on the mine site-plant business for copper production in Chile.

Nine strategic priorities emerge from the new strategy:

- Excellence in operations.
- Excellence in projects.
- Resources and reserves.
- Strengthening sustainability.
- Develop people and strengthen the organization.
- Implementing the digital transformation.
- Develop innovation.
- Reform foundries and refineries to make them competitive and independent.
- Manage non-mining assets to maximize their contribution

The nine strategic priorities generate 32 initiatives which, in turn, are translated into action plans.

In concrete terms, Codelco aims to deliver additional surpluses of US\$ 1,000 million, starting in 2021, taking 2018 as the base. In addition, Codelco has committed to reducing its investment portfolio by US\$8,000 million in 2019-2028, without neglecting the most relevant



projects. Achieving these goals will enable Codelco to position itself in the second quartile of costs in the industry and significantly reduce its financing needs.

The following is a review of the most important advances and milestones of Codelco's recent management.

With respect to Occupational Safety and Health, during 2019 the Corporation continued its work focused on: strengthening operational discipline, reducing risk exposure, increasing efficiency, simplifying processes, and preparing the organization for new projects. In spite of the efforts made, during June an accident with fatal consequences was recorded in the Pilar Norte mine of El Teniente Division. Faced with this unfortunate event, Codelco has reaffirmed its commitment to eradicate the fatalities and to establish a Zero Accidents mentality, in order to protect the lives of all its employees.

In the Environment area, Codelco is developing initiatives to reduce its environmental vulnerabilities, as well as continuing to contribute to the development of the communities and territories where its operations are located. During 2019, investment in sustainability initiatives reached US\$ 897 million. Among the challenges faced by Codelco in this area is compliance with the new capture standards for foundry emissions established by Decree No.28, which involved investments of over US\$ 2,000 million. Unfortunately, in the period January-December 2019, Codelco registered an operational incident with severe environmental consequences in El Teniente Division and an operational incident with very severe environmental consequences in Andina Division. The investigation of both cases made it possible to establish their causes, and the

necessary measures were implemented to prevent their reoccurrence.

In the area of cost control and increase in productivity, Codelco has continued to implement a number of action plans in several areas, in all Divisions and the Head Office, seeking to achieve significant progress in this area. Particularly noteworthy are the advances in reaching the technical limits of assets, the implementation of new lean (C+) practices, and the standardization, automation and centralization of processes.

In addition, in 2019, the female participation in Codelco's headcount reached 10.2%, in line with the corporate goal of 11% female participation in the total headcount by 2020. In November 2019, Codelco managed to certify 100% of its work centers in the Chilean Standard 3262, on Gender Equality and Reconciliation of Personal, Family and Work Life.

It should also be noted that, in 2019, for the fifth consecutive year, Codelco leads the Merco Talent Ranking, which recognizes the most attractive companies to work for in Chile, considering: work quality, employer's brand, and talent retention.

## 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 27 and 28 to the Financial Statements.



# DIVISIONAL STATEMENTS OF INCOME

For the year ended December 31, 2019

**Deloitte.**

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**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

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

We have audited the consolidated financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries (the "Company" or "Codelco") as of and for the year ended December 31, 2019, and have issued our report thereon dated March 26, 2020, which contained an unmodified opinion on those consolidated financial statements.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information Divisional Statements of Income is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. This supplementary information is the responsibility of the Codelco's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in Chile. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplementary information Divisional Statements of Income have been translated into English solely for the convenience of readers outside of Chile.

*Deloitte*  
March 26, 2020  
Santiago, Chile

*Mario Muñoz V.*  
Mario Muñoz V.

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**CORPORACIÓN NACIONAL DEL COBRE DE CHILE**

Divisional Statement of Income

**CHUQUICAMATA**

For the year ended December 31, 2019

Expressed in thousands of dollars - ThUS\$

<b>INCOME FROM ORDINARY ACTIVITIES</b>	
Income from sale of own copper	3,347,165
Sale of copper bought from third parties	328,384
Income from sale of by-products and other	435,877
Income from transfers	35,928
<b>TOTAL INCOME FROM ORDINARY ACTIVITIES</b>	<b>4,147,354</b>
<b>COST OF SALES</b>	
Cost of sale of own copper	(2,842,391)
Cost of sale of copper bought from third parties	(320,072)
Cost of sale of by-products and other	(224,999)
Cost of sale from transfers	(102,971)
<b>TOTAL COST OF SALES</b>	<b>(3,490,433)</b>
<b>GROSS INCOME</b>	<b>656,921</b>
Other income by function	152,969
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	123
Distribution costs	(7,524)
Administrative expenses	(115,166)
Other expenses by function	(783,068)
Other gains (losses)	7,407
Finance income	11,539
Finance costs	(78,878)
Share of profit of associates and joint ventures	
accounted for using the equity method	9,639
Foreign exchange differences	44,834
<b>PRE-TAX PROFIT (LOSS)</b>	<b>(101,204)</b>
Income tax expense	41,366
<b>PROFIT (LOSS)</b>	<b>(59,838)</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>	
<b>Profit (loss) attributable to owners of the parent</b>	<b>(63,828)</b>
Profit (loss) attributable to non-controlling interests	3,990
<b>PROFIT (LOSS)</b>	<b>(59,838)</b>

**CORPORACIÓN NACIONAL DEL COBRE DE CHILE**

Divisional Statement of Income

**RADOMIRO TOMIC**

For the year ended December 31, 2019

Expressed in thousands of dollars - ThUS\$

<b>INCOME FROM ORDINARY ACTIVITIES</b>	
Income from sale of own copper	1,658,382
Sale of copper bought from third parties	142,693
Income from sale of by-products and other	10,084
Income from transfers	0
<b>TOTAL INCOME FROM ORDINARY ACTIVITIES</b>	<b>1,811,159</b>
<b>COST OF SALES</b>	
Cost of sale of own copper	(1,244,819)
Cost of sale of copper bought from third parties	(139,032)
Cost of sale of by-products and other	(18,570)
Cost of sale from transfers	42,164
<b>TOTAL COST OF SALES</b>	<b>(1,360,257)</b>
<b>GROSS INCOME</b>	<b>450,902</b>
Other income by function	27,892
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	54
Distribution costs	(1,019)
Administrative expenses	(52,927)
Other expenses by function	(170,701)
Other gains (losses)	3,235
Finance income	4,321
Finance costs	(53,527)
Share of profit of associates and joint ventures	
accounted for using the equity method	4,209
Foreign exchange differences	7,882
<b>PRE-TAX PROFIT (LOSS)</b>	<b>220,321</b>
Income tax expense	(158,035)
<b>PROFIT (LOSS)</b>	<b>62,286</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>	
<b>Profit (loss) attributable to owners of the parent</b>	<b>60,542</b>
Profit (loss) attributable to non-controlling interests	1,744
<b>PROFIT (LOSS)</b>	<b>62,286</b>

**CORPORACIÓN NACIONAL DEL COBRE DE CHILE**

Divisional Statement of Income

**SALVADOR**

For the year ended December 31, 2019

Expressed in thousands of dollars - ThUS\$

<b>INCOME FROM ORDINARY ACTIVITIES</b>	
Income from sale of own copper	344,534
Sale of copper bought from third parties	36,292
Income from sale of by-products and other	55,725
Income from transfers	24,103
<b>TOTAL INCOME FROM ORDINARY ACTIVITIES</b>	<b>460,654</b>
<b>COST OF SALES</b>	
Cost of sale of own copper	(355,923)
Cost of sale of copper bought from third parties	(35,362)
Cost of sale of by-products and other	(30,862)
Cost of sale from transfers	(26,515)
<b>TOTAL COST OF SALES</b>	<b>(448,662)</b>
<b>GROSS INCOME</b>	<b>11,992</b>
Other income by function	27,455
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	14
Distribution costs	(1,030)
Administrative expenses	(24,203)
Other expenses by function	(136,409)
Other gains (losses)	823
Finance income	2,499
Finance costs	(17,033)
Share of profit of associates and joint ventures	
accounted for using the equity method	668
<b>Foreign exchange differences</b>	<b>8,552</b>
<b>PRE-TAX PROFIT (LOSS)</b>	<b>(126,672)</b>
Income tax expense	77,388
<b>PROFIT (LOSS)</b>	<b>(49,284)</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>	
<b>Profit (loss) attributable to owners of the parent</b>	<b>(49,727)</b>
Profit (loss) attributable to non-controlling interests	443
<b>PROFIT (LOSS)</b>	<b>(49,284)</b>

**CORPORACIÓN NACIONAL DEL COBRE DE CHILE**

Divisional Statement of Income

**ANDINA**

For the year ended December 31, 2019

Expressed in thousands of dollars - ThUS\$

<b>INCOME FROM ORDINARY ACTIVITIES</b>	
Income from sale of own copper	916,473
Sale of copper bought from third parties	84,545
Income from sale of by-products and other	69,531
Income from transfers	2,554
<b>TOTAL INCOME FROM ORDINARY ACTIVITIES</b>	<b>1,073,103</b>
<b>COST OF SALES</b>	
Cost of sale of own copper	(918,133)
Cost of sale of copper bought from third parties	(82,376)
Cost of sale of by-products and other	(29,322)
Cost of sale from transfers	(1,589)
<b>TOTAL COST OF SALES</b>	<b>(1,031,420)</b>
<b>GROSS INCOME</b>	<b>41,683</b>
Other income by function	37,156
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	32
Distribution costs	(747)
Administrative expenses	(34,521)
Other expenses by function	(113,067)
Other gains (losses)	1,917
Finance income	4,029
Finance costs	(67,868)
Share of profit of associates and joint ventures	
accounted for using the equity method	1,238
<b>Foreign exchange differences</b>	<b>16,744</b>
<b>PRE-TAX PROFIT (LOSS)</b>	<b>(113,404)</b>
Income tax expense	64,656
<b>PROFIT (LOSS)</b>	<b>(48,748)</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>	
<b>Profit (loss) attributable to owners of the parent</b>	<b>(49,780)</b>
Profit (loss) attributable to non-controlling interests	1,032
<b>PROFIT (LOSS)</b>	<b>(48,748)</b>



**CORPORACIÓN NACIONAL DEL COBRE DE CHILE**

Divisional Statement of Income

**EL TENIENTE**

For the year ended December 31, 2019

Expressed in thousands of dollars - ThUS\$

<b>INCOME FROM ORDINARY ACTIVITIES</b>	
Income from sale of own copper	2,496,486
Sale of copper bought from third parties	239,553
Income from sale of by-products and other	303,216
Income from transfers	1,330
<b>TOTAL INCOME FROM ORDINARY ACTIVITIES</b>	<b>3,040,585</b>
<b>COST OF SALES</b>	
Cost of sale of own copper	(1,594,447)
Cost of sale of copper bought from third parties	(233,408)
Cost of sale of by-products and other	(116,396)
Cost of sale from transfers	6,770
<b>TOTAL COST OF SALES</b>	<b>(1,937,481)</b>
<b>GROSS INCOME</b>	<b>1,103,104</b>
Other income by function	77,615
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	91
Distribution costs	(3,113)
Administrative expenses	(69,204)
Other expenses by function	(347,655)
Other gains (losses)	5,431
Finance income	1,928
Finance costs	(181,765)
Share of profit of associates and joint ventures	
accounted for using the equity method	5,865
Foreign exchange differences	55,147
<b>PRE-TAX PROFIT (LOSS)</b>	<b>647,444</b>
Income tax expense	(471,271)
<b>PROFIT (LOSS)</b>	<b>176,173</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>	
<b>Profit (loss) attributable to owners of the parent</b>	<b>173,246</b>
Profit (loss) attributable to non-controlling interests	2,927
<b>PROFIT (LOSS)</b>	<b>176,173</b>

**CORPORACIÓN NACIONAL DEL COBRE DE CHILE**

Divisional Statement of Income

**VENTANAS**

For the year ended December 31, 2019

Expressed in thousands of dollars - ThUS\$

<b>INCOME FROM ORDINARY ACTIVITIES</b>	
Income from sale of own copper	65,955
Sale of copper bought from third parties	51,894
Income from sale of by-products and other	191,522
Income from transfers	105,184
<b>TOTAL INCOME FROM ORDINARY ACTIVITIES</b>	<b>414,555</b>
<b>COST OF SALES</b>	
Cost of sale of own copper	(55,954)
Cost of sale of copper bought from third parties	(52,048)
Cost of sale of by-products and other	(198,229)
Cost of sale from transfers	(98,331)
<b>TOTAL COST OF SALES</b>	<b>(404,562)</b>
<b>GROSS INCOME</b>	<b>9,993</b>
Other income by function	6,277
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	12
Distribution costs	(1,446)
Administrative expenses	(32,592)
Other expenses by function	(34,288)
Other gains (losses)	740
Finance income	7,707
Finance costs	(12,081)
Share of profit of associates and joint ventures	
accounted for using the equity method	963
Foreign exchange differences	2,053
<b>PRE-TAX PROFIT (LOSS)</b>	<b>(52,662)</b>
Income tax expense	21,920
<b>PROFIT (LOSS)</b>	<b>(30,742)</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>	
<b>Profit (loss) attributable to owners of the parent</b>	<b>(31,143)</b>
Profit (loss) attributable to non-controlling interests	401
<b>PROFIT (LOSS)</b>	<b>(30,742)</b>



**CORPORACIÓN NACIONAL DEL COBRE DE CHILE**

Divisional Statement of Income

**GABRIELA MISTRAL**

For the year ended December 31, 2019

Expressed in thousands of dollars - ThUS\$

<b>INCOME FROM ORDINARY ACTIVITIES</b>	
Income from sale of own copper	667,802
Sale of copper bought from third parties	57,407
Income from sale of by-products and other	3,453
Income from transfers	0
<b>TOTAL INCOME FROM ORDINARY ACTIVITIES</b>	<b>728,662</b>
<b>COST OF SALES</b>	
Cost of sale of own copper	(675,277)
Cost of sale of copper bought from third parties	(55,936)
Cost of sale of by-products and other	(5,253)
Cost of sale from transfers	(1,720)
<b>TOTAL COST OF SALES</b>	<b>(738,186)</b>
<b>GROSS INCOME</b>	
	<b>(9,524)</b>
Other income by function	14,885
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	22
Distribution costs	(414)
Administrative expenses	(40,263)
Other expenses by function	(86,578)
Other gains (losses)	1,301
Finance income	2,419
Finance costs	(17,861)
Share of profit of associates and joint ventures	0
accounted for using the equity method	1,693
Foreign exchange differences	6,764
<b>PRE-TAX PROFIT (LOSS)</b>	<b>(127,556)</b>
Income tax expense	85,509
<b>PROFIT (LOSS)</b>	<b>(42,047)</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>	
<b>Profit (loss) attributable to owners of the parent</b>	<b>(42,747)</b>
Profit (loss) attributable to non-controlling interests	700
<b>PROFIT (LOSS)</b>	<b>(42,047)</b>

**CORPORACIÓN NACIONAL DEL COBRE DE CHILE**

Divisional Statement of Income

**MINISTRO HALES**

For the year ended December 31, 2019

Expressed in thousands of dollars - ThUS\$

<b>INCOME FROM ORDINARY ACTIVITIES</b>	
Income from sale of own copper	906,623
Sale of copper bought from third parties	80,200
Income from sale of by-products and other	31,135
Income from transfers	0
<b>TOTAL INCOME FROM ORDINARY ACTIVITIES</b>	<b>1,017,958</b>
<b>COST OF SALES</b>	
Cost of sale of own copper	(731,270)
Cost of sale of copper bought from third parties	(78,143)
Cost of sale of by-products and other	(13,219)
Cost of sale from transfers	13,093
<b>TOTAL COST OF SALES</b>	<b>(809,539)</b>
<b>GROSS INCOME</b>	
	<b>208,419</b>
Other income by function	16,441
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	30
Distribution costs	(1,776)
Administrative expenses	(40,358)
Other expenses by function	(76,072)
Other gains (losses)	1,818
Finance income	2,429
Finance costs	(50,294)
Share of profit of associates and joint ventures	0
accounted for using the equity method	2,366
Foreign exchange differences	11,941
<b>PRE-TAX PROFIT (LOSS)</b>	<b>74,944</b>
Income tax expense	(57,056)
<b>PROFIT (LOSS)</b>	<b>17,888</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>	
<b>Profit (loss) attributable to owners of the parent</b>	<b>16,908</b>
Profit (loss) attributable to non-controlling interests	980
<b>PROFIT (LOSS)</b>	<b>17,888</b>

**CORPORACION NACIONAL DEL COBRE DE CHILE**

CONSOLIDATED DIVISIONAL STATEMENT OF INCOME

For the year ended December 31, 2019

Expressed in thousands of dollars – ThUS\$

ESTADO DE RESULTADOS	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	C. MATRIZ	CONSOLIDADO	ADJUSTMENTS	TOTAL
<b>INCOME FROM ORDINARY ACTIVITIES</b>												
Income from sale of own copper	3,347,165	1,658,382	344,534	916,473	2,496,486	65,955	667,802	906,623	-	10,403,420	-	10,403,420
Sale of copper bought from third parties	328,384	142,693	36,292	84,545	239,553	51,894	57,407	80,200	-	1,020,968	-	1,020,968
Income from sale of by-products and other	435,877	10,084	55,725	69,531	303,216	191,522	3,453	31,135	-	1,100,543	-	1,100,543
Income from transfers	35,928	-	24,103	2,554	1,330	105,184	-	-	-	169,099	(169,099)	-
<b>TOTAL INCOME FROM ORDINARY ACTIVITIES</b>	<b>4,147,354</b>	<b>1,811,159</b>	<b>460,654</b>	<b>1,073,103</b>	<b>3,040,585</b>	<b>414,555</b>	<b>728,662</b>	<b>1,017,958</b>	<b>-</b>	<b>12,694,030</b>	<b>(169,099)</b>	<b>12,524,931</b>
<b>COST OF SALES</b>												
Cost of sale of own copper	(2,842,391)	(1,244,819)	(355,923)	(918,133)	(1,594,447)	(55,954)	(675,277)	(731,270)	-	(8,418,214)	-	(8,418,214)
Cost of sale of copper bought from third parties	(320,072)	(139,032)	(35,362)	(82,376)	(233,408)	(52,048)	(55,936)	(78,143)	-	(996,377)	-	(996,377)
Cost of sale of by-products and other	(224,999)	(18,570)	(30,862)	(29,322)	(116,396)	(198,229)	(5,253)	(13,219)	-	(636,850)	-	(636,850)
Income (Cost of sales) from transfers	(102,971)	42,164	(26,515)	(1,589)	6,770	(98,331)	(1,720)	13,093	-	(169,099)	169,099	-
<b>TOTAL COST OF SALES</b>	<b>(3,490,433)</b>	<b>(1,360,257)</b>	<b>(448,662)</b>	<b>(1,031,420)</b>	<b>(1,937,481)</b>	<b>(404,562)</b>	<b>(738,186)</b>	<b>(809,539)</b>	<b>-</b>	<b>(10,220,540)</b>	<b>169,099</b>	<b>(10,051,441)</b>
<b>GROSS INCOME</b>	<b>656,921</b>	<b>450,902</b>	<b>11,992</b>	<b>41,683</b>	<b>1,103,104</b>	<b>9,993</b>	<b>(9,524)</b>	<b>208,419</b>	<b>-</b>	<b>2,473,490</b>	<b>-</b>	<b>2,473,490</b>
Other income by function	152,969	27,892	27,455	37,156	77,615	6,277	14,885	16,441	-	360,690	-	360,690
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	123	54	14	32	91	12	22	30	-	378	-	378
Distribution costs	(7,524)	(1,019)	(1,030)	(747)	(3,113)	(1,446)	(414)	(1,776)	-	(17,069)	-	(17,069)
Administrative expenses	(115,166)	(52,927)	(24,203)	(34,521)	(69,204)	(32,592)	(40,263)	(40,358)	-	(409,234)	-	(409,234)
Other expenses by function	(783,068)	(170,701)	(136,409)	(113,067)	(347,655)	(34,288)	(86,578)	(76,072)	-	(1,747,838)	-	(1,747,838)
Other gains (losses)	7,407	3,235	823	1,917	5,431	740	1,301	1,818	-	22,672	-	22,672
Finance income	11,539	4,321	2,499	4,029	1,928	7,707	2,419	2,429	-	36,871	-	36,871
Finance costs	(78,878)	(53,527)	(17,033)	(67,868)	(181,765)	(12,081)	(17,861)	(50,294)	-	(479,307)	-	(479,307)
Share of profit of associates and joint ventures												
accounted for using the equity method	9,639	4,209	668	1,238	5,865	963	1,693	2,366	(13,438)	13,203	-	13,203
<b>Foreign exchanges differences</b>	<b>44,834</b>	<b>7,882</b>	<b>8,552</b>	<b>16,744</b>	<b>55,147</b>	<b>2,053</b>	<b>6,764</b>	<b>11,941</b>	<b>-</b>	<b>153,917</b>	<b>-</b>	<b>153,917</b>
<b>PRE-TAX PROFIT (LOSS)</b>	<b>(101,204)</b>	<b>220,321</b>	<b>(126,672)</b>	<b>(113,404)</b>	<b>647,444</b>	<b>(52,662)</b>	<b>(127,556)</b>	<b>74,944</b>	<b>(13,438)</b>	<b>407,773</b>	<b>-</b>	<b>407,773</b>
Income tax expenses	41,366	(158,035)	77,388	64,656	(471,271)	21,920	85,509	(57,056)	2,278	(393,245)	-	(393,245)
<b>PROFIT (LOSS)</b>	<b>(59,838)</b>	<b>62,286</b>	<b>(49,284)</b>	<b>(48,748)</b>	<b>176,173</b>	<b>(30,742)</b>	<b>(42,047)</b>	<b>17,888</b>	<b>(11,160)</b>	<b>14,528</b>	<b>-</b>	<b>14,528</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>												
Profit (loss) attributable to owners of the parent	(63,828)	60,542	(49,727)	(49,780)	173,246	(31,143)	(42,747)	16,908	(6,834)	6,637	-	6,637
Profit (loss) attributable to non- controlling interests	3,990	1,744	443	1,032	2,927	401	700	980	(4,326)	7,891	-	7,891
<b>PROFIT (LOSS)</b>	<b>(59,838)</b>	<b>62,286</b>	<b>(49,284)</b>	<b>(48,748)</b>	<b>176,173</b>	<b>(30,742)</b>	<b>(42,047)</b>	<b>17,888</b>	<b>(11,160)</b>	<b>14,528</b>	<b>-</b>	<b>14,528</b>



**GUIDELINES FOR THE PREPARATION OF DIVISIONAL STATEMENTS OF INCOME**

Pursuant to the Corporation's by-laws, the Divisional Statements of Income are prepared in accordance with the International Financial Reporting Standards and the following internal guidelines:

Note 1. Inter-divisional transfers. The interdivisional transfers of products and services were carried out and recorded at negotiated prices similar to those prevailing 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 allocated to divisional income from transfers to other divisions.

Note 2. Allocation of Corporate Income and Expenses. Income and expenses controlled by the Head Office and affiliates are added to the direct income and expenses of the divisions, according to current guidelines established for the year, as shown in the Statement of Allocation 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 on 10% upon returns in foreign currency for the sale of its copper production abroad, including by-products, and its allocation by Division is as follows:

DIVISION	THUS\$
Chuquicamata	304,321
Radomiro Tomic	148,096
Salvador	32,023
Andina	89,524
El Teniente	222,475
Ventanas	18,931
Gabriela Mistral	64,906
Ministro Hales	55,323
<b>Total Law No. 13196</b>	<b>935,599</b>



# STATEMENT OF ALLOCATION OF INCOME AND EXPENSES CONTROLLED

by Head Office and Affiliates to the Divisions  
For the year ended December 31, 2019

**Deloitte.**

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**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

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

We have audited the consolidated financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries (the "Company" or "Codelco") as of and for the year ended December 31, 2019, and have issued our report thereon dated March 26, 2020, which contained an unmodified opinion on those consolidated financial statements.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information Statement of Allocation of Income and Expenses Controlled by Head Office and Affiliates to the Division is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. This supplementary information is the responsibility of the Codelco's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in Chile. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplementary information Statement of Allocation of Income and Expenses Controlled by Head Office and Affiliates to the Division have been translated into English solely for the convenience of readers outside of Chile.

*Deloitte*  
March 26, 2020  
Santiago, Chile

*Mario Muñoz V.*  
Mario Muñoz V.

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**STATEMENT OF ALLOCATION OF INCOME AND EXPENSES CONTROLLED BY HEAD OFFICE AND AFFILIATES TO THE DIVISION**

Corresponding to the period between January 1 and December 31, 2018

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

	TOTAL	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	C. MATRIZ
	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
Sales operations Head Office and affiliates	998,932	326,369	142,526	36,250	84,445	239,272	32,624	57,340	80,106	-
Cost of sales Head Office and affiliates	(1,006,291)	(328,772)	(143,576)	(36,518)	(85,067)	(241,036)	(32,863)	(57,763)	(80,696)	-
Other income by function	150,416	52,469	19,075	6,962	13,155	35,418	4,424	8,007	10,906	-
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	378	123	54	14	32	91	12	22	30	-
Distribution costs	(5,643)	(1,844)	(805)	(204)	(477)	(1,352)	(184)	(324)	(453)	-
Administrative expenses	(192,624)	(64,715)	(24,866)	(10,290)	(18,017)	(23,357)	(24,108)	(12,128)	(15,143)	-
Other expenses by function	(87,877)	(37,755)	(5,332)	(8,153)	(6,238)	(20,948)	(1,837)	(2,735)	(4,879)	-
Other gains (losses) by function	22,672	7,407	3,235	823	1,917	5,431	740	1,301	1,818	-
Finance income (losses)	37,090	12,748	4,418	2,410	3,778	1,054	7,505	2,401	2,776	-
Finance costs	(44,055)	(14,467)	(6,183)	(1,724)	(3,800)	(9,628)	(2,182)	(2,561)	(3,510)	-
Participation in the gains (losses) of										
Share of profit of associates and joint ventures accounted for using the equity method	16,062	9,639	4,209	1,071	2,493	7,066	963	1,693	2,366	(13,438)
Foreign exchange differences	(21,366)	(7,265)	(2,653)	(1,255)	(2,096)	(1,591)	(3,533)	(1,349)	(1,624)	-
Income taxes	37,095	11,397	4,939	1,294	2,998	8,185	1,157	2,055	2,791	2,278
<b>Total income (expenses) controlled by the Head Office and affiliates</b>	<b>(95,211)</b>	<b>(34,666)</b>	<b>(4,959)</b>	<b>(9,320)</b>	<b>(6,877)</b>	<b>(1,395)</b>	<b>(17,282)</b>	<b>(4,041)</b>	<b>(5,512)</b>	<b>(11,160)</b>
<b>Total income (expenses) controlled by the Head Office and affiliates attributable to non-controlling interests</b>	<b>7,891</b>	<b>3,990</b>	<b>1,744</b>	<b>443</b>	<b>1,032</b>	<b>2,927</b>	<b>401</b>	<b>700</b>	<b>980</b>	<b>(4,326)</b>
<b>Total income (expenses) controlled by the Head Office and affiliates attributable to the owners of the parent company</b>	<b>(103,102)</b>	<b>(38,656)</b>	<b>(6,703)</b>	<b>(9,763)</b>	<b>(7,909)</b>	<b>(4,322)</b>	<b>(17,683)</b>	<b>(4,741)</b>	<b>(6,492)</b>	<b>(6,834)</b>
<b>Total income (expenses) controlled by the Head Office and affiliates</b>	<b>(95,211)</b>	<b>(34,666)</b>	<b>(4,959)</b>	<b>(9,320)</b>	<b>(6,877)</b>	<b>(1,395)</b>	<b>(17,282)</b>	<b>(4,041)</b>	<b>(5,512)</b>	<b>(11,160)</b>



**CRITERIA FOR THE ALLOCATION 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 allocated 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 and affiliates**

Allocation to Divisions is made in proportion to the ordinary income of each Division.

**2. Other income, by function**

- Other income, by function, associated and identified with each particular Division is directly allocated.
- The recognition of realized profits and other income by function of affiliates is allocated to in proportion to the ordinary income of each Division.
- The remaining other income is allocated in proportion to the aggregate of the balances within line items “other income” and “finance income” of the respective Divisions.

**3. Distribution costs**

- Expenses associated and identified with each Division are directly allocated.
- Distribution costs of affiliates are allocated in proportion to the ordinary income of each Division.

**4. Administrative expenses**

- Administrative expenses recorded in cost centers identified with each Division are directly allocated.
- Administrative expenses recorded in cost centers associated with the sales function and administrative expenses of affiliates are allocated in proportion to the ordinary income of each Division.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in relation to the accounting balances of materials in the warehouse of each Division.

The remaining expenses recorded in cost centers are allocated 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 directly allocated.
- Pre-investment study expenses and other expenses by function of affiliates are allocated in proportion to the ordinary income of each Division.

**6. Other profits**

- Other profits associated and identified with each Division in particular are directly allocated.
- Other affiliate profits are allocated in proportion to the ordinary income of each Division.

**7. Finance income**

- Finance income associated and identified with each Division in particular is directly allocated.
- Finance income of affiliates is allocated in proportion to the ordinary income of each Division.
- Remaining finance income is allocated in relation to the operational cash expenditures of each Division.

**8. Finance costs**

- Finance costs associated and identified with each Division in particular are directly allocated.
- Finance costs of affiliates are allocated in proportion to the ordinary income of each Division.
- Finance costs of affiliates and Head Office are allocated in proportion to the administrative costs of each Division.9. Participación en las ganancias (pérdidas) de Asociadas y negocios conjuntos, que se contabilizan utilizando el método de la participación.

**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 directly allocated.
- Participation in the profits or losses of related companies and joint ventures of affiliates is allocated in proportion to the ordinary income of each Division.

**10. Foreign exchange differences**

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

**11. Chilean tax contribution Law No. 13196**

- The contribution amount is allocated and recognized based on the taxable billed amounts and the export of copper and by-products recorded at each Division (See Note 2 of the Consolidated Divisional Statements of Income).

**12. Income (expenses) from income taxes**

- First category income tax, D.L. 2398 tax, and the specific tax on mining activities, are allocated based on the pre-tax income of each Division, considering for these purposes the abovementioned allocated of income and expenses of the Head Office and affiliates.
- Other tax expenses are allocated 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 STATEMENT OF FINANCIAL POSITION

As of December 31, 2019

2019	CHILE COPPER LTD. CONSOLIDADO	CODELCO KUPFERHANDEL CMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	CÍA. CONTRACTUAL MINERA LOS ANDES	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES CACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.	CODELCO TEC SPA	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISALUD SPA	CLÍNICA SAN LORENZO LTDA. CONSOLIDADO	FUSAT CONSOLIDADO	SALAR DE MARICUNGA SPA	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA.	ANGLO AMERICAN SUR S.A. (1)
	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS
<b>SUMMARIZED STATEMENT OF FINANCIAL POSITION</b>																							
<b>ASSETS</b>																							
Total current assets	9,634	45,644	6,631	32,387	6,359	6,309	10,356	918	1,326	227,367	6,212	7,213	178	6,524	1,776	3,939	36,178	2,326	19,711	286	4	33,396	1,099,695
Total non-current assets	98	-	430	113,250	721	432	1,845	82	10,655	2,855,708	86,986	993	511	5,347	292	849	8,594	1,124	32,257	-	3,355	483,648	4,083,739
<b>TOTAL ASSETS</b>	<b>9,732</b>	<b>45,644</b>	<b>7,061</b>	<b>145,637</b>	<b>7,080</b>	<b>6,741</b>	<b>12,201</b>	<b>1,000</b>	<b>11,981</b>	<b>3,083,075</b>	<b>93,198</b>	<b>8,206</b>	<b>689</b>	<b>11,871</b>	<b>2,068</b>	<b>4,788</b>	<b>44,772</b>	<b>3,450</b>	<b>51,968</b>	<b>286</b>	<b>3,359</b>	<b>517,044</b>	<b>5,183,434</b>
<b>LIABILITIES</b>																							
Total current liabilities	3,672	1,069	3,161	6,308	901	7,538	5,707	99	2,967	157,345	5,985	1,639	72	4,791	6,826	3,983	30,454	4,317	24,624	24	115	10,376	531,089
Total non-current liabilities	1,855	-	355	11,705	110	-	1,846	-	8,872	554,890	65,557	1,512	467	12,067	1,436	849	3,078	721	39,606	-	-	382,049	1,405,144
<b>TOTAL LIABILITIES</b>	<b>5,527</b>	<b>1,069</b>	<b>3,516</b>	<b>18,013</b>	<b>1,011</b>	<b>7,538</b>	<b>7,553</b>	<b>99</b>	<b>11,839</b>	<b>712,235</b>	<b>71,542</b>	<b>3,151</b>	<b>539</b>	<b>16,858</b>	<b>8,262</b>	<b>4,832</b>	<b>33,532</b>	<b>5,038</b>	<b>64,230</b>	<b>24</b>	<b>115</b>	<b>392,425</b>	<b>1,936,233</b>
<b>EQUITY</b>																							
Equity attributable to owners of the parent	3,836	44,575	3,545	127,624	6,069	(797)	4,627	901	148	1,451,076	21,656	5,055	145	(4,987)	(6,194)	(44)	11,240	(1,588)	(12,250)	262	3,244	124,619	3,247,201
Non-controlling interests	369	-	-	-	-	-	21	-	(6)	919,764	-	-	5	-	-	-	-	-	(12)	-	-	-	-
<b>TOTAL EQUITY</b>	<b>4,205</b>	<b>44,575</b>	<b>3,545</b>	<b>127,624</b>	<b>6,069</b>	<b>(797)</b>	<b>4,648</b>	<b>901</b>	<b>142</b>	<b>2,370,840</b>	<b>21,656</b>	<b>5,055</b>	<b>150</b>	<b>(4,987)</b>	<b>(6,194)</b>	<b>(44)</b>	<b>11,240</b>	<b>(1,588)</b>	<b>(12,262)</b>	<b>262</b>	<b>3,244</b>	<b>124,619</b>	<b>3,247,201</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>9,732</b>	<b>45,644</b>	<b>7,061</b>	<b>145,637</b>	<b>7,080</b>	<b>6,741</b>	<b>12,201</b>	<b>1,000</b>	<b>11,981</b>	<b>3,083,075</b>	<b>93,198</b>	<b>8,206</b>	<b>689</b>	<b>11,871</b>	<b>2,068</b>	<b>4,788</b>	<b>44,772</b>	<b>3,450</b>	<b>51,968</b>	<b>286</b>	<b>3,359</b>	<b>517,044</b>	<b>5,183,434</b>
<b>SUMMARIZED STATEMENTS OF INCOME</b>																							
Gross (Loss) Profit	511	(81)	2,034	5,911	2,764	-	2,072	-	210	7,597	9,645	1,289	-	1,494	(1,216)	-	854	1,370	19,339	-	-	(18,438)	183,173
Other incomes (expenses) and profits (losses)	(339)	7,988	(1,475)	(17,113)	(1,672)	(3,685)	(4,334)	(13)	(4,885)	(6,938)	(4,100)	(1,842)	(27)	(1,199)	(344)	(8)	(446)	(1,740)	(20,373)	(24)	(44)	(13,881)	(5,110)
<b>Profit (loss) for the period before tax</b>	<b>172</b>	<b>7,907</b>	<b>559</b>	<b>(11,202)</b>	<b>1,092</b>	<b>(3,685)</b>	<b>(2,262)</b>	<b>(13)</b>	<b>(4,675)</b>	<b>659</b>	<b>5,545</b>	<b>(553)</b>	<b>(27)</b>	<b>295</b>	<b>(1,560)</b>	<b>(8)</b>	<b>408</b>	<b>(370)</b>	<b>(1,034)</b>	<b>(24)</b>	<b>(44)</b>	<b>(32,319)</b>	<b>178,063</b>
(Expenses) Income taxes	(36)	(730)	(153)	-	(277)	-	(397)	-	(3)	(534)	(1,485)	(19)	-	(2)	-	-	-	(33)	(180)	-	-	8,659	(65,216)
<b>PROFIT (LOSS)</b>	<b>136</b>	<b>7,177</b>	<b>406</b>	<b>(11,202)</b>	<b>815</b>	<b>(3,685)</b>	<b>(2,659)</b>	<b>(13)</b>	<b>(4,678)</b>	<b>125</b>	<b>4,060</b>	<b>(572)</b>	<b>(27)</b>	<b>293</b>	<b>(1,560)</b>	<b>(8)</b>	<b>408</b>	<b>(403)</b>	<b>(1,214)</b>	<b>(24)</b>	<b>(44)</b>	<b>(23,660)</b>	<b>112,847</b>
<b>STATEMENTS OF CASH FLOWS – DIRECT METHOD</b>																							
Cash flow provided by (used in) operating activities	91	24,829	30	(5,017)	1,575	(3)	(5,283)	-	(17)	84,426	500	(625)	(30)	156	(433)	-	(885)	(271)	3,385	-	-	7,012	437,765
Cash flows provided by (used in) investing activities	19	35	-	(11,846)	(10)	-	(11)	-	(1,421)	(42,403)	458	-	-	(15)	-	-	244	(204)	(2,315)	-	-	(7,691)	(288,129)
Cash flows provided by (used in) financing activities	-	(400)	-	16,567	(857)	-	3,549	-	1,640	(128,413)	(15,032)	-	-	(295)	(1)	-	-	-	(368)	-	-	(576)	(310,878)
<b>Net increase (decrease) in cash and cash equivalents before foreign exchange difference</b>	<b>110</b>	<b>24,464</b>	<b>30</b>	<b>(296)</b>	<b>708</b>	<b>(3)</b>	<b>(1,745)</b>	<b>-</b>	<b>202</b>	<b>(86,390)</b>	<b>(14,074)</b>	<b>(625)</b>	<b>(30)</b>	<b>(154)</b>	<b>(434)</b>	<b>-</b>	<b>(641)</b>	<b>(475)</b>	<b>702</b>	<b>-</b>	<b>-</b>	<b>(1,255)</b>	<b>(161,242)</b>
Effects of exchange rate changes on cash and cash equivalents	146	(368)	-	(1,382)	(96)	-	(479)	-	(2)	-	(12)	(116)	(9)	(42)	(15)	-	1,631	(10)	(333)	-	-	(663)	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>256</b>	<b>24,096</b>	<b>30</b>	<b>(1,678)</b>	<b>612</b>	<b>(3)</b>	<b>(2,224)</b>	<b>-</b>	<b>200</b>	<b>(86,390)</b>	<b>(14,086)</b>	<b>(741)</b>	<b>(39)</b>	<b>(196)</b>	<b>(449)</b>	<b>-</b>	<b>990</b>	<b>(485)</b>	<b>369</b>	<b>-</b>	<b>-</b>	<b>(1,918)</b>	<b>(161,242)</b>
Cash and cash equivalents at beginning of period	4,168	20,826	3,804	17,239	4,137	259	9,653	-	536	92,279	16,803	4,593	154	712	578	-	-	544	4,036	-	4	14,263	492,634
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>4,424</b>	<b>44,922</b>	<b>3,834</b>	<b>15,561</b>	<b>4,749</b>	<b>256</b>	<b>7,429</b>	<b>-</b>	<b>736</b>	<b>5,889</b>	<b>2,717</b>	<b>3,852</b>	<b>115</b>	<b>516</b>	<b>129</b>	<b>-</b>	<b>990</b>	<b>59</b>	<b>4,405</b>	<b>-</b>	<b>4</b>	<b>12,345</b>	<b>331,392</b>



**SUMMARIZED STATEMENTS OF CHANGES IN EQUITY**

As of December 31, 2019

2019	CHILE COPPER LTDA. CONSOLIDADO	CODELCO KUPFERHANDEL GMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	CÍA. CONTRACTUAL MINERA LOS ANDES	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES GACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.	CODELCO TEC SPA	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTD.A.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISALUD SPA	CLÍNICA SAN LORENZO LTD.A. CONSOLIDADO	FUSAT CONSOLIDADO	SALAR DE MARICUNGA SPA	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTD.A.	ANGLO AMERICAN SUR S.A. (1)
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$
<b>SUMMARIZED STATEMENTS OF CHANGES IN EQUITY</b>																							
<b>Initial Balance as of</b>																							
<b>01/01/2019</b>																							
Issued Capital	1	3,432	-	128,542	2,000	27,678	1,424	1,000	17,490	167,784	32,596	53,913	-	3,432	381	358	-	14	146	286	4,628	217,343	1,240,736
Other Reserves	75	-	1,706	2,090	(380)	-	304	-	(2)	3,507,759	-	4,715	-	(301)	(33)	-	-	(48)	8,788	-	-	(97)	(37,253)
Accumulated retained earnings	3,497	34,704	1,434	(306)	3,725	(30,838)	3,632	(86)	(14,140)	(2,213,234)	3,515	(53,001)	143	(8,084)	(5,124)	(394)	-	(1,037)	(17,577)	-	(1,340)	(68,997)	1,948,135
Equity attributable to owners of the parent	3,573	38,136	3,140	130,326	5,345	(3,160)	5,360	914	3,348	1,462,309	36,111	5,627	143	(4,953)	(4,776)	(36)	-	(1,071)	(8,643)	286	3,288	148,249	3,151,618
Non-controlling interests	352	-	-	-	-	-	23	-	(4)	969,203	-	-	1	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EQUITY</b>	<b>3,925</b>	<b>38,136</b>	<b>3,140</b>	<b>130,326</b>	<b>5,345</b>	<b>(3,160)</b>	<b>5,383</b>	<b>914</b>	<b>3,344</b>	<b>2,431,512</b>	<b>36,111</b>	<b>5,627</b>	<b>144</b>	<b>(4,953)</b>	<b>(4,776)</b>	<b>(36)</b>	<b>-</b>	<b>(1,071)</b>	<b>(8,643)</b>	<b>286</b>	<b>3,288</b>	<b>148,249</b>	<b>3,151,618</b>
<b>Changes in equity</b>																							
Issued Capital	-	(68)	-	8,822	-	6,043	3,513	-	1,475	-	(15,000)	-	-	(246)	(27)	-	-	(1)	(10)	-	-	-	-
Other Reserves	6	-	-	(322)	(91)	-	(93)	-	-	(3,453)	-	-	37	15	(26)	-	-	8	(651)	-	-	30	(17,264)
Accumulated retained earnings	257	6,507	405	(11,202)	815	(3,680)	(4,153)	(13)	(4,675)	(7,780)	545	(572)	(35)	197	(1,365)	(8)	-	(524)	(2,946)	(24)	(44)	(23,660)	112,847
Equity attributable to owners of the parent	263	6,439	405	(2,702)	724	2,363	(733)	(13)	(3,200)	(11,233)	(14,455)	(572)	2	(34)	(1,418)	(8)	-	(517)	(3,607)	(24)	(44)	(23,630)	95,583
Non-controlling interests	17	-	-	-	-	-	(2)	-	(2)	(49,439)	-	-	4	-	-	-	-	-	(12)	-	-	-	-
<b>TOTAL EQUITY</b>	<b>280</b>	<b>6,439</b>	<b>405</b>	<b>(2,702)</b>	<b>724</b>	<b>2,363</b>	<b>(735)</b>	<b>(13)</b>	<b>(3,202)</b>	<b>(60,672)</b>	<b>(14,455)</b>	<b>(572)</b>	<b>6</b>	<b>(34)</b>	<b>(1,418)</b>	<b>(8)</b>	<b>-</b>	<b>(517)</b>	<b>(3,619)</b>	<b>(24)</b>	<b>(44)</b>	<b>(23,630)</b>	<b>95,583</b>
<b>Final Balance as of</b>																							
<b>31/12/2019</b>																							
Issued Capital	1	3,364	-	137,364	2,000	33,721	4,937	1,000	18,965	167,784	17,596	53,913	-	3,186	354	358	4,273	13	136	286	4,628	217,343	1,240,736
Other Reserves	81	-	1,706	1,768	(471)	-	211	-	(2)	3,504,306	-	4,715	37	(286)	(59)	-	-	(40)	8,137	-	-	(67)	(54,517)
Accumulated retained earnings	3,754	41,211	1,839	(11,508)	4,540	(34,518)	(521)	(99)	(18,815)	(2,221,014)	4,060	(53,573)	108	(7,887)	(6,489)	(402)	6,967	(1,561)	(20,523)	(24)	(1,384)	(92,657)	2,060,982
Equity attributable to owners of the parent	3,836	44,575	3,545	127,624	6,069	(797)	4,627	901	148	1,451,076	21,656	5,055	145	(4,987)	(6,194)	(44)	11,240	(1,588)	(12,250)	262	3,244	124,619	3,247,201
Non-controlling interests	369	-	-	-	-	-	21	-	(6)	919,764	-	-	5	-	-	-	-	-	(12)	-	-	-	-
<b>TOTAL EQUITY</b>	<b>4,205</b>	<b>44,575</b>	<b>3,545</b>	<b>127,624</b>	<b>6,069</b>	<b>(797)</b>	<b>4,648</b>	<b>901</b>	<b>142</b>	<b>2,370,840</b>	<b>21,656</b>	<b>5,055</b>	<b>150</b>	<b>(4,987)</b>	<b>(6,194)</b>	<b>(44)</b>	<b>11,240</b>	<b>(1,588)</b>	<b>(12,262)</b>	<b>262</b>	<b>3,244</b>	<b>124,619</b>	<b>3,247,201</b>



**SUMMARIZED STATEMENT OF FINANCIAL POSITION**

As of December 31, 2018

2018	CHILE COPPER LTD. CONSOLIDADO	CODELCO KUPFERHANDEL GMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	CIÁ CONTRACTUAL MINERA LOS ANDES	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTD.A.	INVERSIONES MINERAS CACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.	CODELCO TEC SPA	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTD.A.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RÍO BLANCO LTD.A.	ISAPRE CHUQUICAMATA LTD.A.	CLÍNICA SAN LORENZO LTD.A. CONSOLIDADO	FUSAT CONSOLIDADO	SALAR DE MARICUNGA SPA	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTD.A.	ANGLO AMERICAN SUR S.A. (1)
	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	THUS\$	MUS\$
<b>SUMMARIZED STATEMENT OF FINANCIAL POSITION</b>																								
<b>ASSETS</b>																								
Total current assets	6,972	72,787	4,428	30,658	5,675	287	9,955	918	1,269	361,568	19,966	10,847	238	5,102	1,192	4,133	4,154	4,934	4,393	26,172	286	4	45,815	1,164,724
Total non-current assets	96	711	15	118,378	214	432	1,102	82	15,202	2,839,764	91,228	492	623	4,527	341	4,239	1,752	3,709	969	32,753	-	3,381	485,791	4,104,271
<b>TOTAL ASSETS</b>	<b>7,068</b>	<b>73,498</b>	<b>4,443</b>	<b>149,036</b>	<b>5,889</b>	<b>719</b>	<b>11,057</b>	<b>1,000</b>	<b>16,471</b>	<b>3,201,332</b>	<b>111,194</b>	<b>11,339</b>	<b>861</b>	<b>9,629</b>	<b>1,533</b>	<b>8,372</b>	<b>5,906</b>	<b>8,643</b>	<b>5,362</b>	<b>58,925</b>	<b>286</b>	<b>3,385</b>	<b>531,606</b>	<b>5,268,995</b>
<b>LIABILITIES</b>																								
Total current liabilities	3,143	35,209	1,302	8,530	544	65	4,693	86	4,447	176,742	5,639	3,975	97	2,069	4,804	4,169	2,416	4,080	5,703	24,911	-	97	12,309	890,874
Total non-current liabilities	-	153	1	10,180	-	3,814	981	-	8,680	593,078	69,444	1,737	620	12,513	1,505	4,239	458	633	730	42,657	-	-	371,048	1,226,503
<b>TOTAL LIABILITIES</b>	<b>3,143</b>	<b>35,362</b>	<b>1,303</b>	<b>18,710</b>	<b>544</b>	<b>3,879</b>	<b>5,674</b>	<b>86</b>	<b>13,127</b>	<b>769,820</b>	<b>75,083</b>	<b>5,712</b>	<b>717</b>	<b>14,582</b>	<b>6,309</b>	<b>8,408</b>	<b>2,874</b>	<b>4,713</b>	<b>6,433</b>	<b>67,568</b>	<b>-</b>	<b>97</b>	<b>383,357</b>	<b>2,117,377</b>
<b>EQUITY</b>																								
Equity attributable to owners of the parent	3,573	38,136	3,140	130,326	5,345	(3,160)	5,360	914	3,348	1,462,309	36,111	5,627	143	(4,953)	(4,776)	(36)	3,032	3,930	(1,071)	(8,643)	286	3,288	148,249	3,151,618
Non-controlling interests	352	-	-	-	-	-	23	-	(4)	969,203	-	-	1	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EQUITY</b>	<b>3,925</b>	<b>38,136</b>	<b>3,140</b>	<b>130,326</b>	<b>5,345</b>	<b>(3,160)</b>	<b>5,383</b>	<b>914</b>	<b>3,344</b>	<b>2,431,512</b>	<b>36,111</b>	<b>5,627</b>	<b>144</b>	<b>(4,953)</b>	<b>(4,776)</b>	<b>(36)</b>	<b>3,032</b>	<b>3,930</b>	<b>(1,071)</b>	<b>(8,643)</b>	<b>286</b>	<b>3,288</b>	<b>148,249</b>	<b>3,151,618</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,068</b>	<b>73,498</b>	<b>4,443</b>	<b>149,036</b>	<b>5,889</b>	<b>719</b>	<b>11,057</b>	<b>1,000</b>	<b>16,471</b>	<b>3,201,332</b>	<b>111,194</b>	<b>11,339</b>	<b>861</b>	<b>9,629</b>	<b>1,533</b>	<b>8,372</b>	<b>5,906</b>	<b>8,643</b>	<b>5,362</b>	<b>58,925</b>	<b>286</b>	<b>3,385</b>	<b>531,606</b>	<b>5,268,995</b>
<b>SUMMARIZED STATEMENTS OF INCOME</b>																								
<b>Gross (Loss) Profit</b>	<b>476</b>	<b>2,351</b>	<b>1,896</b>	<b>7,358</b>	<b>2,597</b>	<b>-</b>	<b>7,087</b>	<b>-</b>	<b>(31)</b>	<b>8,691</b>	<b>9,022</b>	<b>3,226</b>	<b>-</b>	<b>1,341</b>	<b>(440)</b>	<b>-</b>	<b>(61)</b>	<b>914</b>	<b>1,775</b>	<b>18,039</b>	<b>-</b>	<b>-</b>	<b>(16,152)</b>	<b>563,596</b>
<b>Other incomes (expenses) and profits (losses)</b>	<b>(302)</b>	<b>13,788</b>	<b>(1,508)</b>	<b>(14,694)</b>	<b>(1,590)</b>	<b>(4,617)</b>	<b>(4,743)</b>	<b>-</b>	<b>(3,010)</b>	<b>77,243</b>	<b>(4,242)</b>	<b>(3,062)</b>	<b>(44)</b>	<b>(1,382)</b>	<b>(631)</b>	<b>(15)</b>	<b>582</b>	<b>(706)</b>	<b>(1,834)</b>	<b>(20,808)</b>	<b>-</b>	<b>(61)</b>	<b>(13,763)</b>	<b>(3,895)</b>
Profit (loss) for the period before tax	174	16,139	388	(7,336)	1,007	(4,617)	2,344	-	(3,041)	85,934	4,780	164	(44)	(41)	(1,071)	(15)	521	208	(59)	(2,769)	-	(61)	(29,915)	559,701
(Expenses) Income taxes	(11)	(7,921)	(141)	-	(284)	-	(723)	-	(37)	(12,296)	(1,265)	(11)	-	42	77	-	-	(32)	(418)	514	-	-	7,720	(174,805)
<b>PROFIT (LOSS)</b>	<b>163</b>	<b>8,218</b>	<b>247</b>	<b>(7,336)</b>	<b>723</b>	<b>(4,617)</b>	<b>1,621</b>	<b>-</b>	<b>(3,078)</b>	<b>73,638</b>	<b>3,515</b>	<b>153</b>	<b>(44)</b>	<b>1</b>	<b>(994)</b>	<b>(15)</b>	<b>521</b>	<b>176</b>	<b>(477)</b>	<b>(2,255)</b>	<b>-</b>	<b>(61)</b>	<b>(22,195)</b>	<b>384,896</b>
<b>STATEMENTS OF CASH FLOWS – DIRECT METHOD</b>																								
Cash flow provided by (used in) operating activities	246	23,379	889	2,694	997	-	(3,070)	-	390	140,302	590	1,419	(46)	280	301	-	(15)	(1,255)	(508)	1,163	(286)	(1)	4,175	941,478
<b>Cash flows provided by (used in) investing activities</b>	<b>12</b>	<b>22,294</b>	<b>-</b>	<b>(9,741)</b>	<b>(13)</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>(1,682)</b>	<b>2,695</b>	<b>410</b>	<b>48</b>	<b>-</b>	<b>(122)</b>	<b>-</b>	<b>-</b>	<b>(54)</b>	<b>(858)</b>	<b>82</b>	<b>(1,434)</b>	<b>-</b>	<b>-</b>	<b>(9,858)</b>	<b>(239,594)</b>
Cash flows provided by (used in) financing activities	-	(24,188)	(2)	8,049	-	-	1,200	-	688	(204,961)	-	1,475	-	(375)	(11)	-	-	-	(176)	(841)	286	-	(2,576)	(629,702)
<b>Net increase (decrease) in cash and cash equivalents before foreign exchange difference</b>	<b>258</b>	<b>21,485</b>	<b>887</b>	<b>1,002</b>	<b>984</b>	<b>-</b>	<b>(1,805)</b>	<b>-</b>	<b>(604)</b>	<b>(61,964)</b>	<b>1,000</b>	<b>2,942</b>	<b>(46)</b>	<b>(217)</b>	<b>290</b>	<b>-</b>	<b>(69)</b>	<b>(2,113)</b>	<b>(602)</b>	<b>(1,112)</b>	<b>-</b>	<b>(1)</b>	<b>(8,259)</b>	<b>72,182</b>
Effects of exchange rate changes on cash and cash equivalents	(270)	(660)	-	(2,892)	27	(34)	(1,152)	-	(7)	-	(94)	(139)	(22)	(101)	(63)	-	(79)	(202)	(94)	(575)	-	-	(2,171)	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(12)</b>	<b>20,825</b>	<b>887</b>	<b>(1,890)</b>	<b>1,011</b>	<b>(34)</b>	<b>(2,957)</b>	<b>-</b>	<b>(611)</b>	<b>(61,964)</b>	<b>906</b>	<b>2,803</b>	<b>(68)</b>	<b>(318)</b>	<b>227</b>	<b>-</b>	<b>(148)</b>	<b>(2,315)</b>	<b>(696)</b>	<b>(1,687)</b>	<b>-</b>	<b>(1)</b>	<b>(10,430)</b>	<b>72,182</b>
Cash and cash equivalents at beginning of period	4,180	1	2,917	19,129	3,126	293	12,610	-	1,147	154,243	15,897	1,790	222	1,030	351	-	717	3,175	1,240	5,723	-	5	24,693	420,452
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>4,168</b>	<b>20,826</b>	<b>3,804</b>	<b>17,239</b>	<b>4,137</b>	<b>259</b>	<b>9,653</b>	<b>-</b>	<b>536</b>	<b>92,279</b>	<b>16,803</b>	<b>4,593</b>	<b>154</b>	<b>712</b>	<b>578</b>	<b>-</b>	<b>569</b>	<b>860</b>	<b>544</b>	<b>4,036</b>	<b>-</b>	<b>4</b>	<b>14,263</b>	<b>492,634</b>
Efectivo y equivalentes al efectivo al principio del periodo	4,180	1	2,917	19,129	3,126	293	12,610	-	1,147	154,243	15,897	1,790	222	1,030	351	-	717	3,175	1,240	5,723	-	5	24,693	420,452
<b>Efectivo y equivalentes al efectivo al final del periodo</b>	<b>4,168</b>	<b>20,826</b>	<b>3,804</b>	<b>17,239</b>	<b>4,137</b>	<b>259</b>	<b>9,653</b>	<b>-</b>	<b>536</b>	<b>92,279</b>	<b>16,803</b>	<b>4,593</b>	<b>154</b>	<b>712</b>	<b>578</b>	<b>-</b>	<b>569</b>	<b>860</b>	<b>544</b>	<b>4,036</b>	<b>-</b>	<b>4</b>	<b>14,263</b>	<b>492,634</b>



**SUMMARIZED STATEMENTS OF CHANGES IN EQUITY**

As of December 31, 2018

2018	CHILE COPPER LTD. CONSOLIDADO	CODELCO KUPPERHANDEL GMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	CIÁ. CONTRACTUAL MINERA LOS ANDES	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES MINERAS CACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.	CODELCO TEC SPA	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	SALAR DE MARICUNGA SPA	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOUBDENO LTDA.	ANGLO AMERICAN SUR S.A. (1)
	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	THUSS	MUSS

**SUMMARIZED STATEMENTS OF CHANGES IN EQUITY**

<b>Initial Balance as of 01/01/2018</b>																								
Issued Capital	1	3,607	-	120,493	2,000	21,635	236	1,000	15,978	167,784	32,596	53,913	-	3,880	431	358	873	1,244	16	165	-	4,628	105,220	1,240,736
Other Reserves	80	-	1,706	3,173	185	-	274	-	(3)	3,508,511	-	4,715	-	(263)	(13)	-	-	-	(117)	10,087	-	-	(144)	(33,492)
Accumulated retained earnings	3,590	28,110	1,350	7,030	2,718	(26,187)	2,570	(86)	(9,708)	(2,252,841)	1,789	(53,154)	211	(5,960)	(3,894)	(380)	2,050	3,083	3	(13,712)	-	(1,279)	(46,802)	2,269,244
<b>Equity attributable to owners of the parent</b>	<b>3,671</b>	<b>31,717</b>	<b>3,056</b>	<b>130,696</b>	<b>4,903</b>	<b>(4,552)</b>	<b>3,080</b>	<b>914</b>	<b>6,267</b>	<b>1,423,454</b>	<b>34,385</b>	<b>5,474</b>	<b>211</b>	<b>(2,343)</b>	<b>(3,476)</b>	<b>(22)</b>	<b>2,923</b>	<b>4,327</b>	<b>(98)</b>	<b>(3,460)</b>	<b>-</b>	<b>3,349</b>	<b>58,274</b>	<b>3,476,488</b>
Non-controlling interests	365	-	-	-	-	-	7	-	(4)	1,007,493	-	-	2	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EQUITY</b>	<b>4,036</b>	<b>31,717</b>	<b>3,056</b>	<b>130,696</b>	<b>4,903</b>	<b>(4,552)</b>	<b>3,087</b>	<b>914</b>	<b>6,263</b>	<b>2,430,947</b>	<b>34,385</b>	<b>5,474</b>	<b>213</b>	<b>(2,343)</b>	<b>(3,476)</b>	<b>(22)</b>	<b>2,923</b>	<b>4,327</b>	<b>(98)</b>	<b>(3,460)</b>	<b>-</b>	<b>3,349</b>	<b>58,274</b>	<b>3,476,488</b>
<b>Changes in equity</b>																								
Issued Capital	-	(175)	-	8,049	-	6,043	1,188	-	1,512	-	-	-	-	(448)	(50)	-	(101)	(143)	(2)	(19)	286	-	112,123	-
Other Reserves	(5)	-	-	(1,083)	(565)	-	30	-	1	(752)	-	-	-	(38)	(20)	-	-	-	69	(1,299)	-	-	47	(3,761)
Accumulated retained earnings	(93)	6,594	84	(7,336)	1,007	(4,651)	1,062	-	(4,432)	39,607	1,726	153	(68)	(2,124)	(1,230)	(14)	210	(254)	(1,040)	(3,865)	-	(61)	(22,195)	(321,109)
<b>Equity attributable to owners of the parent</b>	<b>(98)</b>	<b>6,419</b>	<b>84</b>	<b>(370)</b>	<b>442</b>	<b>1,392</b>	<b>2,280</b>	<b>-</b>	<b>(2,919)</b>	<b>38,855</b>	<b>1,726</b>	<b>153</b>	<b>(68)</b>	<b>(2,610)</b>	<b>(1,300)</b>	<b>(14)</b>	<b>109</b>	<b>(397)</b>	<b>(973)</b>	<b>(5,183)</b>	<b>286</b>	<b>(61)</b>	<b>89,975</b>	<b>(324,870)</b>
Non-controlling interests	(13)	-	-	-	-	-	16	-	-	(38,290)	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EQUITY</b>	<b>(111)</b>	<b>6,419</b>	<b>84</b>	<b>(370)</b>	<b>442</b>	<b>1,392</b>	<b>2,296</b>	<b>-</b>	<b>(2,919)</b>	<b>565</b>	<b>1,726</b>	<b>153</b>	<b>(69)</b>	<b>(2,610)</b>	<b>(1,300)</b>	<b>(14)</b>	<b>109</b>	<b>(397)</b>	<b>(973)</b>	<b>(5,183)</b>	<b>286</b>	<b>(61)</b>	<b>89,975</b>	<b>(324,870)</b>
<b>Final Balance as of 31/12/2018</b>																								
Issued Capital	1	3,432	-	128,542	2,000	27,678	1,424	1,000	17,490	167,784	32,596	53,913	-	3,432	381	358	772	1,101	14	146	286	4,628	217,343	1,240,736
Other Reserves	75	-	1,706	2,090	(380)	-	304	-	(2)	3,507,759	-	4,715	-	(301)	(33)	-	-	-	(48)	8,788	-	-	(97)	(37,253)
Accumulated retained earnings	3,497	34,704	1,434	(306)	3,725	(30,838)	3,632	(86)	(14,140)	(2,213,234)	3,515	(53,001)	143	(8,084)	(5,124)	(394)	2,260	2,829	(1,037)	(17,577)	-	(1,340)	(68,997)	1,948,135
<b>Equity attributable to owners of the parent</b>	<b>3,573</b>	<b>38,136</b>	<b>3,140</b>	<b>130,326</b>	<b>5,345</b>	<b>(3,160)</b>	<b>5,360</b>	<b>914</b>	<b>3,348</b>	<b>1,462,309</b>	<b>36,111</b>	<b>5,627</b>	<b>143</b>	<b>(4,953)</b>	<b>(4,776)</b>	<b>(36)</b>	<b>3,032</b>	<b>3,930</b>	<b>(1,071)</b>	<b>(8,643)</b>	<b>286</b>	<b>3,288</b>	<b>148,249</b>	<b>3,151,618</b>
Non-controlling interests	352	-	-	-	-	-	23	-	(4)	969,203	-	-	1	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EQUITY</b>	<b>3,925</b>	<b>38,136</b>	<b>3,140</b>	<b>130,326</b>	<b>5,345</b>	<b>(3,160)</b>	<b>5,383</b>	<b>914</b>	<b>3,344</b>	<b>2,431,512</b>	<b>36,111</b>	<b>5,627</b>	<b>144</b>	<b>(4,953)</b>	<b>(4,776)</b>	<b>(36)</b>	<b>3,032</b>	<b>3,930</b>	<b>(1,071)</b>	<b>(8,643)</b>	<b>286</b>	<b>3,288</b>	<b>148,249</b>	<b>3,151,618</b>



# RELEVANT EVENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

The Corporation has reported to the Chilean Financial Market Commission (CMF) the following relevant events occurred during the periods between January and December 2019 and 2018:

## 1. CHANGES IN THE BOARD OF DIRECTORS, EXECUTIVES AND THE ORGANIZATIONAL STRUCTURE

- On February 28, 2018, Codelco reported as an essential event the resignation from Codelco of Messrs. Rodrigo Toro, Vice-president of Commercialization and Juan Carlos Avendaño, the Manager of the Salvador Division.

Accordingly, beginning on April 1, 2018 Mr. Roberto Ecclefield Escobar took office as Vice-president of Commercialization who was formerly the Manager of Copper Sales, whereas Mr. Christian Toutin Navarro, formerly the Manager of Operations of the Chuquicamata Division took office as the General Manager of the Salvador Division from March 1, of the current year.

- On April 18, 2018, Codelco communicated as an essential event that Mr. André Sougarret Larroquete the General Manager of El Teniente Division was appointed the Executive Vice-president of Enami from April 27 and accordingly, Mr. Nicolás Rivera Rodríguez, the former Manager of Operations of El Teniente Division took office as the Acting General Manager of such Division from the aforementioned date.

- On April 26, 2018, Codelco communicated as an essential event that Mr. Nicolás Rivera Rodríguez was appointed as the General Manager of El Teniente Division from April 27, 2018.

- On May 25, 2018, Codelco communicated as an essential event that the President of the Republic, Sebastián Piñera, appointed Mr. Juan Benavides Feliú as the Chairman of the Board of Directors of Codelco and also appointed Messrs. Hernán de Solminihac Tampier and Ignacio Briones Rojas as directors.

- On September 28, 2018, Codelco communicated as an essential event that beginning on December 1, 2018, Mr. Marcelo Alvarez Jara the current Corporate manager of Labor Relations will assume as Vice-president of Human Resources replacing Mr. Daniel Sierra Parra who currently has such position.

- On December 27, 2018, Codelco communicated as an essential event the resignation of Mr. Patricio Chávez Inostroza the Vice-president of Corporate Affairs and Sustainability. Accordingly, beginning on February 18, 2019 Mr. Renato Fernández Baeza will take office in such position.

- On January 16, 2019, Codelco communicated as an essential event that, beginning on that date, Mr. Patricio Chávez Inostroza will no longer work as the Vice President of Corporate Affairs and Sustainability of Codelco. Because of this and notwithstanding the Essential Event communicated on December 27, 2018, José Pesce Rosenthal took office as interim from such date. Mr. Pesce also maintained his position as Vice President of Mining Resources Management and Development.

- On February 1, 2019, Codelco communicated as an essential event the retirement from Codelco of Mr. Ricardo Montoya Peredo, general manager of the Gabriela Mistral Division Accordingly, beginning on February 1, 2019, Gustavo Córdova Alfaro, who through the present date had been the Mine Manager of the Gabriela Mistral Division took office as interim General Manager of the Gabriela Mistral Division.

- On March 1, 2019, Codelco reported as an essential event that the following senior executives were appointed beginning on April 1, 2019:

- Jaime Rivera Machado as general manager of the Andina Division.

- Andres Music Garrido as general manager of the Ministro Hales Division.  
- Sergio Herbage Lundín as general manager of the Gabriela Mistral Division.

- On March 1, 2019, the creation of the Vice-Presidency of Technology, under the Executive Chairman was reported as an essential event. Alvaro García González was appointed as the Vice-President in charge of this Vice-Presidency beginning on March 11, 2019.

- On May 27, 2019, Codelco communicated as an essential event that H.E. the President of the Republic appointed Isidoro Palma Penco and Juan Enrique Morales Jaramillo as members of Codelco's Board of Directors for a new four-year term, beginning on May 11.

- On July 12, 2019, Codelco reported as an essential event that its Board of Directors appointed Octavio Araneda Osés, as Executive Chairman of Codelco, who took office beginning on September 1, 2019, replacing Nelson Pizarro Contador, who submitted his voluntary resignation to Codelco, which became effective beginning on that same date.



- On July 26, 2019, Codelco reported as an essential event fact that the following senior executives were appointed beginning on September 1, 2019:

- Mauricio Barraza Gallardo, as Vice-President of South Central Operations
- Nicolás Rivera Rodriguez, as general manager of the Chuquicamata Division.
- Andrés Music Garrido, as general manager of El Teniente Division.

- On August 29, 2019, Codelco communicated as an essential event that Rodrigo Barrera Páez was appointed as General Manager of the Ministro Hales Division beginning on September 1, 2019.

- On 8 October 2019, Codelco communicated as an essential event that Nicolai Bakovic Hudig, Codelco's legal advisor, would cease to provide services to Codelco beginning on December 1, 2019.

- On October 28, 2019, Codelco communicated as an essential event that, on that date, Ignacio Briones submitted his resignation to the position of Director of Corporación Nacional del Cobre de Chile, in accordance with the provisions of article 8C letter b) of the Decree Law No. 1.350. In accordance with the provisions of such Decree Law No. 1.350 in its article 8, the President of the Republic is entitled to appoint the new member of the Board of Directors.

- On November 29, 2019, the following changes in Management were communicated as essential events:

- That considering the end of the employment contract of José Pesce Rosenthal, Vice-President of

Mining Resources Management and Development, beginning on such date Antonio Bonani Rizzolli was appointed as interim Manager of Mining Resources of El Teniente Division.

- That, in addition to that already informed in note PE- 182/2019 dated October 8, 2019, María Francisca Domínguez Meza, who holds the position of interim Legal Director, assumed beginning on such date as Interim Legal Counsel of Codelco.

## 2. SHAREHOLDERS' MEETINGS

- On April 4, 2018, Codelco communicated that the Board of Directors opted to summon to a meeting for April 26, 2018 at 11:00 am at the Company's office located at Huérfanos 1270, piso 11, Santiago, Chile to address the matters usually analyzed at Ordinary Shareholders' Meetings.

At such meeting the shareholders will address the following matters:

1. Conducting an analysis of Codelco's position, Report of the External Auditors, Annual Report, Balance Sheet and other financial statements as of December 31, 2017.
2. Appointment of Codelco's external auditors and risk raters for 2018.
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 2018.

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 a shareholders' meeting and adopting the related agreements.

The Company's financial statements as of December 31, 2017 and 2017 Annual Report have been published in Codelco's web site [www.codelco.com](http://www.codelco.com) and <https://www.codelco.com/memoria2017/>

- On April 26, 2018, it has been communicated as an essential event that at Codelco's Ordinary Shareholders' Meeting conducted on the same day with the attendance of Messrs. Ministers of Finance and Mining representing the President of the Republic of Chile, the following agreements were reached:

1. The shareholders approved the Annual Report, Balance Sheet and other financial statements for the year ended December 31, 2017 and the Report of External Auditors on such report for that year.
2. The shareholders appointed Deloitte as Codelco's external auditors for 2018.
3. The shareholders appointed Feller Rate, Fitch Rating, Moody's, and Standard & Poor's as Codelco's risk raters for 2018.

4. The shareholders appointed La Tercera 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 Financial Market Commission (CMF) (formerly the Chilean 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 of the Public Company Act.

6. The activities of the Board of Directors' Committee and expenses incurred by the Board of Directors and Board of Directors' Committee during 2017 were informed.

7. The Shareholders were informed of and analyzed the Progress of the 2014 - 2018 Business and Development Plan, established by Law No. 20.790.

- On April 5, 2019, Codelco reported that its Board of Directors decided to call a meeting for April 29, 2019, at 4:00 p.m. at the Company's offices located at Huérfanos 1270, Piso 11, Santiago, to discuss matters to be addressed at an ordinary shareholders' meeting.

The following matters are to be discussed at such meeting:

1. Conducting an analysis of Codelco's position, Report of the External Auditors, Annual Report, Balance Sheet and other financial statements as of December 31, 2018.



2. Appointment of Codelco's external auditors and risk raters for 2019.

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 2018.

6. Follow-up of the 2014-2019 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 a shareholders' meeting and adopting the related agreements.

The Company's financial statements as of December 31, 2018 and 2018 Annual Report have been published in Codelco's web site [www.codelco.com](http://www.codelco.com) and <https://www.codelco.com/memoria2018/>

- On April 26, 2019, it has been communicated as an essential event that at Codelco's Ordinary Shareholders' Meeting conducted on April 29, 2019 with the attendance of Messrs. Ministers of Finance and Mining representing the President of the Republic of Chile, the following agreements were reached:

1. The shareholders approved the Annual Report, Balance Sheet and other financial statements for the year ended December 31, 2018 and the Report of External Auditors on such report for that year.

2. The shareholders appointed Deloitte as Codelco's external auditors for 2019.

3. The shareholders appointed Feller Rate, Fitch Rating, Moody's, and Standard & Poor's and Japan Credit Rating Agency as Codelco's risk raters for 2019.

4. The shareholders appointed La Tercera 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 Financial Market Commission (CMF) (formerly the Chilean 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 of the Public Company Act.

6. The activities of the Board of Directors' Committee and expenses incurred by the Board of Directors and Board of Directors' Committee during 2018 were informed.

7. The Shareholders were informed of and analyzed the Progress of the 2014 - 2019 Business and Development Plan, established by Law No. 20.790.

### 3. FINANCING

- On April 30, 2018, Codelco communicated as an essential event that the Company issued an international bond of US\$ 600 million at 30 years in the Formosa market in Taiwan at a rate of 4.85%.

The issuance was led by HSBC Bank (Taiwan) Limited, BNP Paribas and Taipei Branch.

The bond issuance does not consider an increase in Codelco's net debt. Such transaction will allow to decrease the financial burden at short and medium-term, optimizing the debt maturity profile and making it more consistent with the generation of expected cash flows from the investment plan.

Access to this new capital market, not only allows extending the basis of investors but also provides a prepayment option to the issuance amount providing more financial flexibility.

Note that the Company's main developments highlight the structural projects Chuquicamata Underground Mine, El Teniente Mine New Level and Andina Transfer, will allow to extend the life of the Company by approximately 50 years.

- On May 11, 2018, Codelco communicated as an essential event, as established in Circular No. 1.072, the detail of the financing transaction performed on April 30, 2018.

- On January 28, 2019, it has been communicated as an essential event that Codelco had access to international markets through an issuance for US\$ 1,300 million in New York for 30 years. The issue denominated in U.S. dollars had a yield of 4.815%.

This transaction will provide greater financial headroom to invest in its structural projects, the first of which, Chuquicamata Subterránea (Chuquicamata Underground Mine) will commence operating this year.

The issue will allow Codelco to alleviate its debt repayment profile for the 2020-2025 period and extend part of its financial commitments to 30 years, making the payment date coincide with the years in which, in addition Chuquicamata Subterránea, Nuevo Nivel Mina (New Mine Level), Traspaso Andina (Andina Transfer) and Rajo Inca (Inca Mine Pit) sites will also be in full production.

This transaction does not increase Codelco's net debt and is a new step in the sustainable financing of the investment portfolio, in line with the guidelines provided by the Board of Directors regarding progress in the materialization of structural projects and maintaining a sound financial position.

In New York, Codelco launched an offer to purchase its U.S. dollar-denominated bonds maturing between 2020 and 2025. The purchase offer targets two groups of bonds. The first includes those maturing in 2020, 2021, and 2022, and the offer was for an aggregate amount of up to US\$ 1,907 million, which relates to the total maturities of those bonds. Upon completion of such group and for the remaining amount of US\$ 1,907 million, an offer will be submitted sequentially for the bonds maturing in 2025 and 2023.

The issuance was led by HSBC Securities (USA) Inc, JP Morgan Securities LLC, Citigroup Global Markets Inc., and Scotiabank.



- On February 8, 2019, it was communicated as an essential event, in accordance with the provisions of Circular Letter No. 1,072, the detail of the financing operation performed on January 28, 2019.

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

In addition to complement such transactions, Codelco entered into a 10-year, US\$300 million bilateral loan agreement with Export Development Canada.

Accordingly through these three financing transactions, Codelco efficiently secures the resources to invest in its structural projects. The first of these, Chuquicamata Subterránea, commenced operations at the end of April.

- On August 19, 2019, it was communicated as an essential event, details of the bond placement abroad performed on August 8, 2019, in accordance with the provisions of Circular No. 1,072, regarding the financing operation.

- On September 23, 2019, it was reported as an essential event that Codelco made an issue and placement of bonds in the North American market, which will allow it to finance its structural projects, while alleviating its debt repayment profile for the period 2020-2023.

Accordingly, Codelco performed a successful bond placement for US\$ 1,100 million at 10 years and US\$ 900 million at 30 years, with yields of 3.02% and

3.71%, respectively. The rates obtained represent spreads of 130 and 155 basis points over the U.S. Treasury bond in each term. Orders were received from more than 250 investors, and there was an oversubscription of four times.

Together with the placement, Codelco launched a purchase offer for an aggregate amount of up to US\$639 million for the bonds maturing in 2020, 2021, 2022, and 2023.

The bond issuance and repurchase transaction is led by HSBC Securities (USA) Inc, JP Morgan Securities LLC, BofA Securities, Inc. and Scotiabank.

- On September 24, 2019, a detail of the bond placement abroad performed on September 23, 2019 was communicated as an essential event, in accordance with the provisions of Circular Letter No. 1,072, regarding the financing operation.

- On November 20, 2019, a detail of the bond placement abroad performed on September 23, 2019 was disclosed as an essential event, in accordance with the provisions of Circular Letter No. 1,072, which complements notes PE171/2019 and PE 172/2019 dated September 23 and 24, 2019, respectively.

#### 4. CONTINGENCIES, STRIKES AND DISRUPTION OF ACTIVITIES

- On July 30, 2018, Codelco communicated as an essential event that a group of union representatives of the Role B unions 1, 2 and 3 of Chuquicamata Division prevented access to the mine site without affecting the normal operations of the other district divisions. The effects of such disruption in production

and profit or loss cannot be currently be quantified as it will depend on its scope and extension.

- On February 8, 2019, it was reported as an essential event that due to the climate phenomenon that is affecting the north area of Chile, Codelco had to disrupt part of the work in the Chuquicamata and Ministro Hales Divisions.

The progressive resumption of operations will take place once weather conditions allow it. In the interim, all mitigation actions have been taken to minimize the effects of this shutdown. It has been estimated that, with the background existing up to that time, this situation would not cause a material or significant impact on Codelco's profit or loss for 2019.

- On June 18, 2019, it was reported as an essential event, that within the framework of a collective bargaining process, unions Nos. 1, 2 and 3 of the Chuquicamata Division, which bring together approximately 3,200 workers, began the legal strike, from the first shift of Friday, June 14, from which time, the division has continued its operations. However, during the night of yesterday, there were incidents at the access points to the Division, preventing the transit of 6 transportation vehicles transporting employees who were finishing their shift, trying to block the entrance to the operation of employees and contractors who were not participating in the strike.

Finally, the effects of this strike cannot yet be quantified, as they will depend, on the one hand, on the scope and extension of the aforementioned stoppage and, on the other hand, on the continuation of the use of illegal measures such as the blocking

of access points, and considering such scenario Codelco is assessing the filing of legal actions.

- On June 28, 2019, it was reported as an essential event that the employees of the Chuquicamata Division's Role B Nos.1, 2 and 3 unions accepted the "improved final offer" after approval with 77%, 74% and 81% of the votes respectively. The above, within the framework of the regulated collective negotiations that began in April this year, in three separate tables.

About 3,200 workers from unions Nos. 1, 2 and 3 returned to their usual work on shift A on Friday, June 28.

Finally, note that efforts are being made to recover the lower production caused by this shutdown, with several mitigation actions being adopted at the Chuquicamata Division.

#### 5. SHARE PACKAGES ACQUISITION OR DISPOSAL

- On August 6, 2019, it was reported as an essential event that on that same date, the sale of Codelco's interest in GNL Mejillones S.A. was completed. (37%) to GNL Ameris IPM SpA, for US\$193.48 million. This sale process was achieved after an international search for buyers for such interest, which had extensive involvement by different companies and investment funds, and was performed within the framework of Codelco's asset optimization process, in order to strengthen its financial position with respect to the project portfolio, focusing on its main activity, copper mining.

It should be noted that, as Codelco has an



assured energy supply in its northern divisions, the aforementioned interest had been classified by Codelco as an expendable asset.

## 6. OTHER

- On August 8, 2018, Codelco communicated as an essential event that as communicated through Essential event PE-226/14 of December 18, 2014 related to the Chuquicamata Underground Mine Project, the Board of Directors of Codelco at the Extraordinary Board of Directors' Meeting of August 7, 2018, agreed to authorize the restructuring of such project for US\$ 4,881 million (at the amount of the budget for 2017) and for a term of 74 months, which added to the early works already performed, amounts to total investment of US\$ 5,550 million.

The Project Chuquicamata Underground Mine is an integral part of the Chuquicamata Division's Business Plan and Codelco. For approval purposes, the Board of Directors considered the background submitted by the Vice-president of Projects and Chuquicamata Division both to the Investment Projects and Financing Committee and the Board of Directors and the progress and commitments assumed for the transformation process, as well as the results of the independent review conducted for such purposes.

Note that the authorization indicated above is subject to the recommendation by the Chilean Copper Commission and the Social Development Ministry.

- On October 16, 2018, the Ministry of Finance issued Exempt Decree 311 where it provides an extraordinary capital contribution to Codelco, in conformity with Law No. 20,790 of US\$ 1,000 million,

which will be performed in a first portion for US\$ 600 million and in a second portion for US\$ 400 million and which will be transferred in terms no later than December 31, 2018 and February 28, 2019.

On December 26, 2018, Codelco received the first part of the extraordinary capital contribution through Exempt Decree No. 311 issued by the Ministry of Finance in conformity with Law No. 20.790 for US\$ 600 million.

- On February 26, 2019, the second part of the extraordinary capital contribution was received through the Exempt Decree No. 311 issued by the Ministry of Finance, in accordance with Law No. 20.790 for ThUS\$ 400 million.

There are no other events that qualify as relevant occurred prior to December 31, 2019.



# ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS AND BOARD OF DIRECTORS' COMMITTEE

As of December 31, 2019

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

## 1. ADVISORY SERVICES ENGAGED BY THE BOARD OF DIRECTORS

During 2019, expenses for advisory services provided to the Board of Directors are as follows:

COMPANY	PURPOSE	AMOUNT THUS\$
Intérpretes Asociados Ltda.	Simultaneous translation in Directory June 2019	0,4
Ferrada Nehme	Legal Advice. October and November 2019	37,2
Max Huber Reprotécnica S.A.	Digitization, indexing and capture service of Codelco Directory minutes from 1976 to 2019	8,2

## 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, 2019, the following individuals are the members of the Board of Directors' Committee:

- Mr. Blas Tomic Errázuriz, ID No. 5.390.891-8, Chairman.
- Mr. Isidoro Palma Penco, ID No. 4.754.025-9, Vice-Chairman.
- Mr. Juan Enrique Morales Jaramillo, ID No. 5.078.923-3
- Mr. Paul Schiodtz Obilinovich, ID No. 7.170.719-9

## 3. BOARD OF DIRECTORS' COMMITTEE'S COMPENSATION

Fees for the years ended December 31, 2019 and 2018 are available in the Chilean Financial Market Commission (CMF) web site as part of the 2019 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 web site of the Chilean Financial Market Commission (CMF) formerly the Chilean Superintendence of Securities and Insurance (SVS), as part of the 2019 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.



# BOARD OF DIRECTORS AND MANAGEMENT COMPENSATION

As of December 31, 2019

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

During 2019 and 2018, 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	2019 THUS\$	2018 THUS\$
Blas Tomic Errázuriz	115	122
Dante Contreras Guajardo	-	34
Ghassan Dayoub Pseli	92	97
Hernán de Solminihac Tampier	92	63
Ignacio Briones Rojas	78	63
Isidoro Palma Penco	92	97
Juan Benavides Feliú	138	95
Juan Morales Jaramillo	92	97
Laura Albornoz Pollmann	-	34
Oscar Landerretche Moreno	-	51
Paul Schiodtz Obilinovich	92	97
Raimundo Espinoza Concha	92	97

## 2. COMPENSATION

NAME	2019 THUS\$	2018 THUS\$
Ghassan Dayoub Pseli	122	107
Raimundo Espinoza Concha	36	64

The remuneration of the Company's main executives for 2019 amount to THUS\$ 11,442. This amount includes a performance bonus of ThUS\$ 3,153.

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.

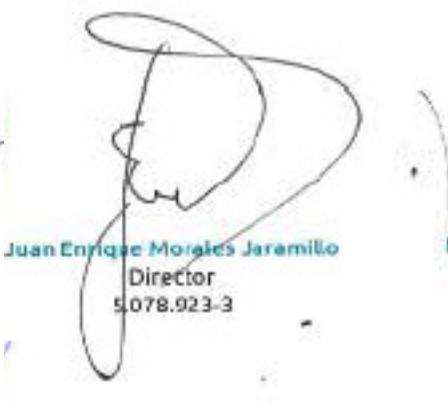
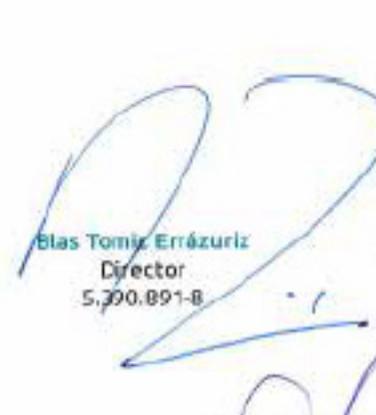
For severance indemnities, the main executives received in 2019 payments equivalent to ThUS\$ 1.619.



# SWORN STATEMENT OF RESPONSIBILITY

Annual report 2019

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 Commission for the Financial Market, we hereby declare and certify, under oath and our sole responsibility, that all information provided by Codelco in the Annual Report 2019 is true and correct

 <p>Juan Benavides Feliú Presidente del directorio 5.633.221-9</p>	 <p>Juan Enrique Morales Jaramillo Director 5.078.923-3</p>	 <p>Hernán de Solminihaq Tampier Director 6.263.304-2</p>	 <p>Blas Tomás Errázuriz Director 5.390.891-8</p>
 <p>Isidoro Palma Fenco Director 4.754.025-9</p>	 <p>Paul Schiodtz Obilinovich Director 7.170.719-9</p>	 <p>Raimundo Espinoza Concha Director 6.512.182-4</p>	 <p>Ghaïssan Dayoub Postel Director 14.695.762-5</p>



OFFICES AND REPRESENTATIVES

# WE OPERATE ON THREE CONTINENTS



Corporate  
Profile



Key  
Indicators



Our  
management



Transparency,  
integrity and  
good corporate  
governance



Transformation  
and future



Subsidiaries  
and affiliated  
companies



2019  
Consolidated  
financial  
statements



Offices and  
representatives



# OFFICES AND REPRESENTATIVES

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