



# CODELCO

Corporate Presentation

Octavio Araneda – CEO

BofA Metals, Mining & Steel Conference 2021

May 18, 2021



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As an industry standard, Codelco divides its mineral holdings into two categories, reserves and resources. Resources are ore bodies of economic value that have been identified and evaluated through exploration, reconnaissance and sampling. Reserves are the portion of the resource that can be extracted based on an economic, environmental and technological analysis set forth in the mining plan. Reserves and resources are both subdivided further, based on the degree of knowledge that Codelco has of their extent and composition. The system used by Codelco for categorizing mineral ore is according to the Chilean law (N° 20.235), which is in accordance with other systems widely used within the mining industry. The "Comisión Calificadora de Competencias en Recursos y Reservas Mineras" is the independent Chilean entity who regulates this and it is part of the Committee for Mineral Reserves International Reporting Standards (CRISCO).

The non-GAAP financial measures included in this presentation (including, without limitation, Adjusted EBIT, Adjusted EBITDA, cash cost, total costs and expenses and financial debt) are not GAAP measures of our liquidity and operating performance and should not be considered alternatives to cash flow from operating activities as a measure of liquidity or net income or operating income as measures of operating performance or any other measure derived in accordance with GAAP. The Company has prepared reconciliations of comparable GAAP to Non-GAAP measures in tables included at the end of this presentation.

# Codelco: Overview and Highlights

# Codelco is the world's largest copper producer



**1.7**  
million tons  
**copper production**  
2020

*Includes output from  
associated companies*

**\$14Bn**  
**Annual revenues**  
2020

**14%**  
**of total Chilean  
exports**  
2020

**1<sup>st</sup>**  
**copper producer**  
worldwide 2020

**A/A3/A-**  
**top rated  
mining company**  
S&P / Moody's / Fitch

Codelco is a state-owned enterprise

**49Mt**  
**6% of global  
copper reserves**  
2020

# Recent highlights

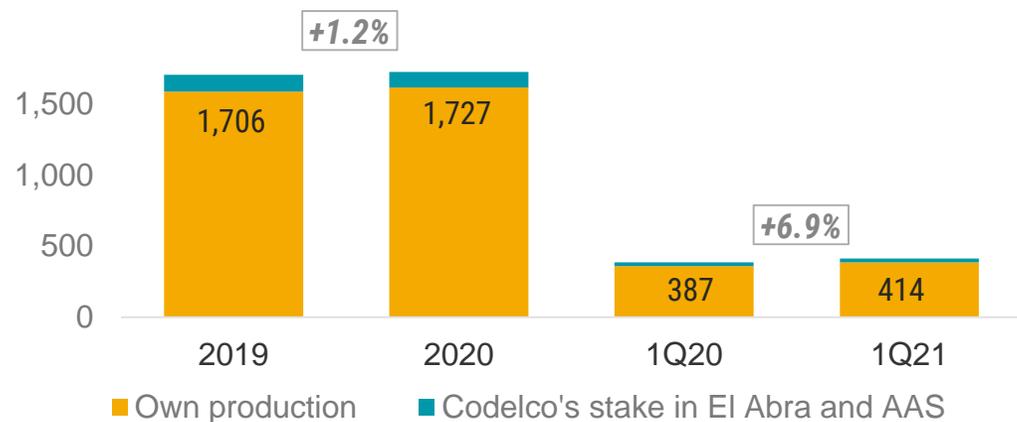


- 1. Production increases in 2020 and 1Q21 despite the pandemic**
- 2. Structural projects continue moving forward**
- 3. Transformation of Codelco remains at the core of our strategy**
- 4. Five sustainable development commitments by 2030**

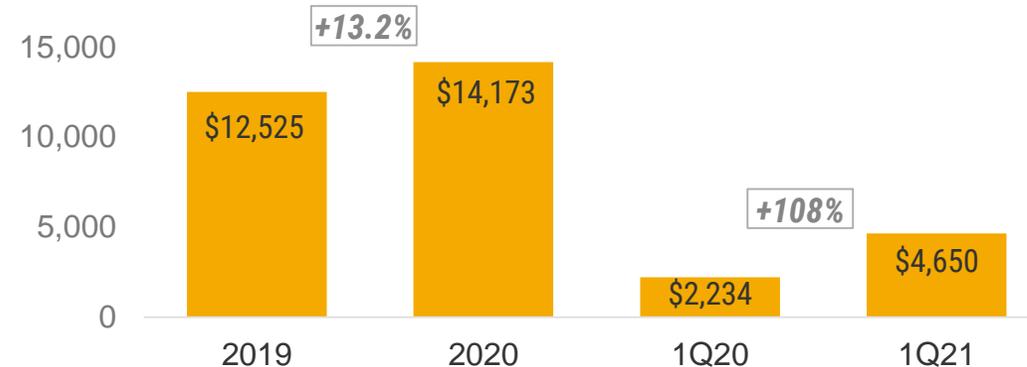
# Resilient results in 2020 and positive start 2021



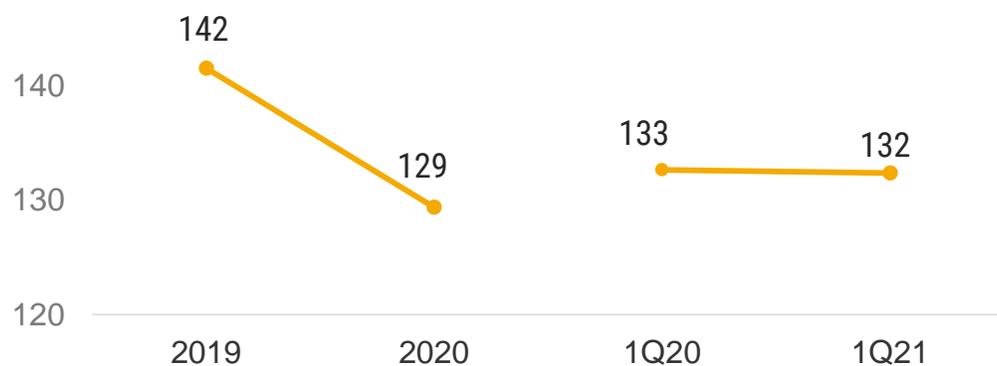
Production (kT)



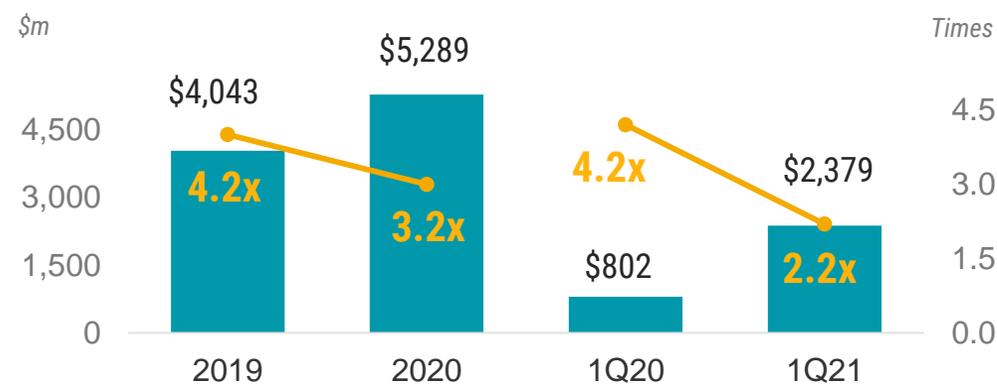
Revenues (\$m)



C1 Cash Cost (c\$)



EBITDA and Net Debt to EBITDA ratio

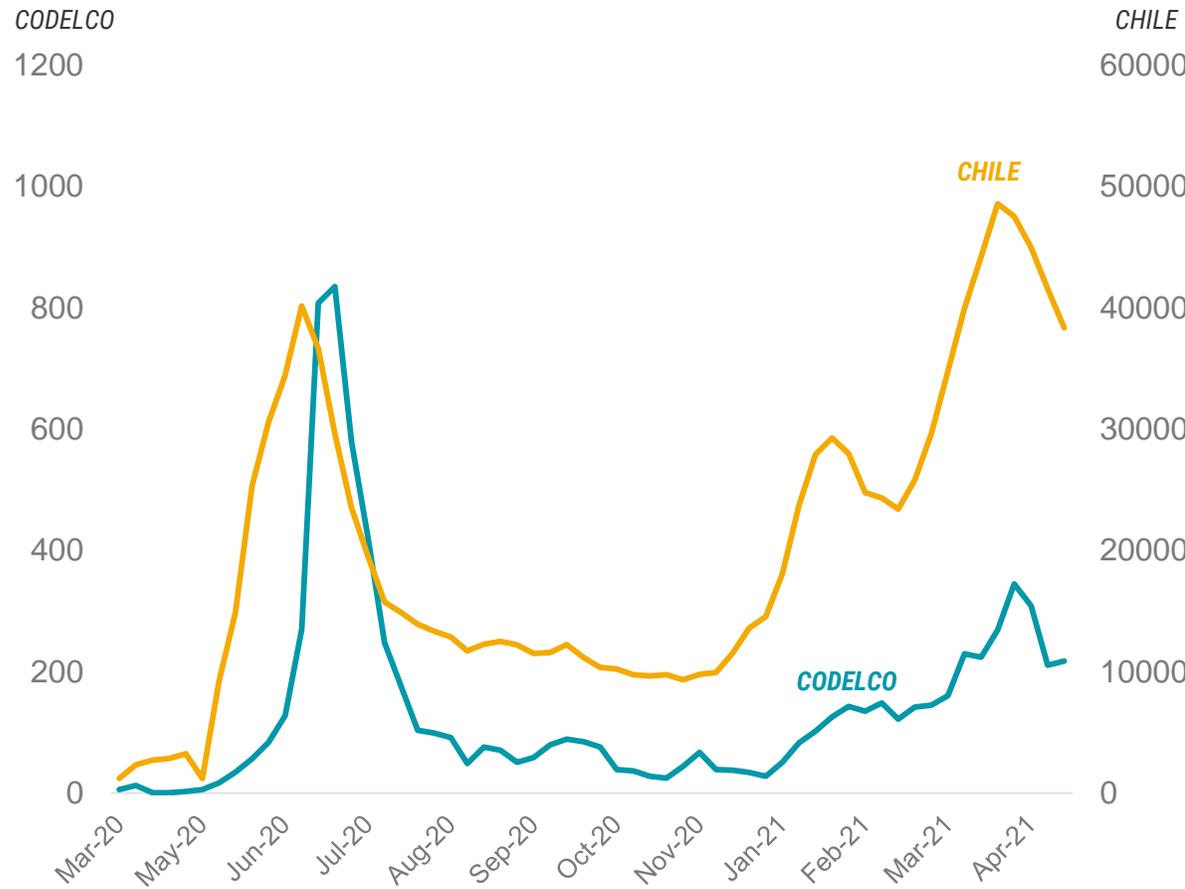


# Covid-19: Situation Status

# Covid-19: Signs of improvement across Chile and better at Codelco

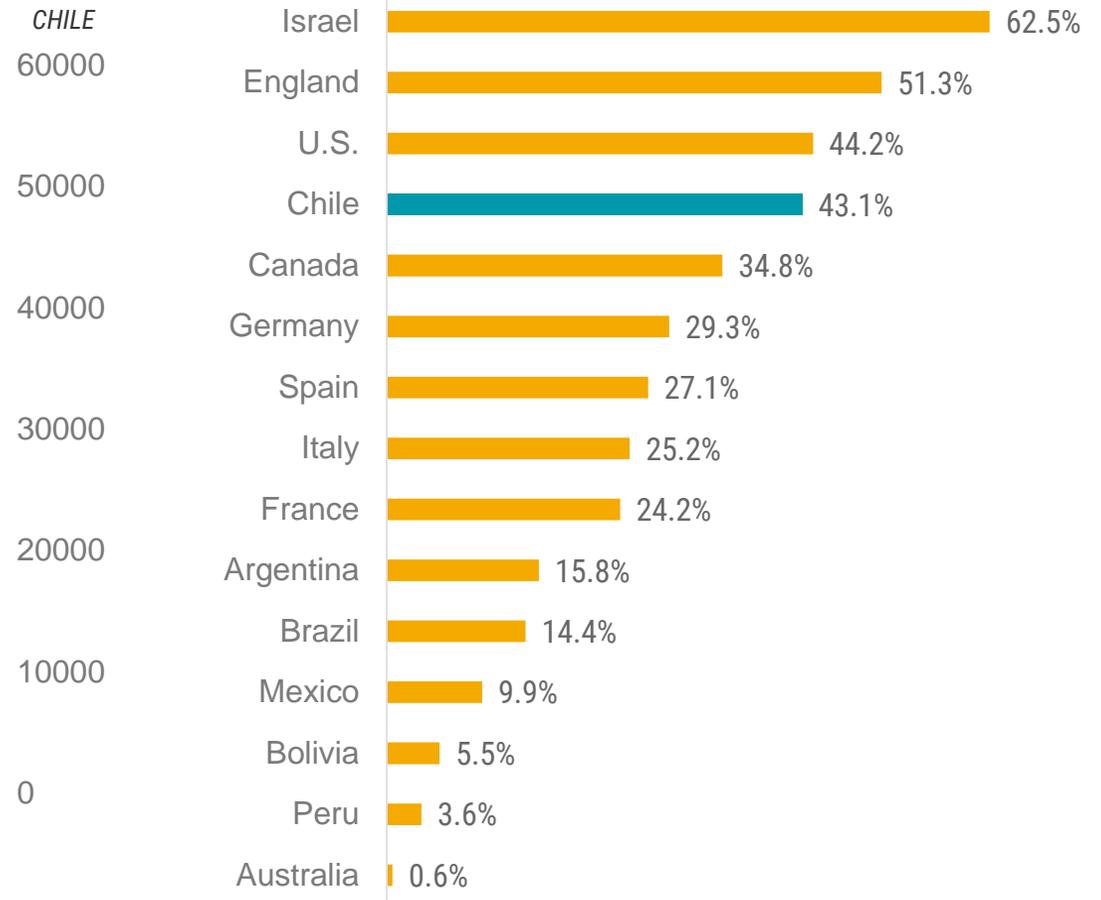


## New cases per week



Source: Ministry of Health Chile, Codelco

## Cumulative Vaccination Rate

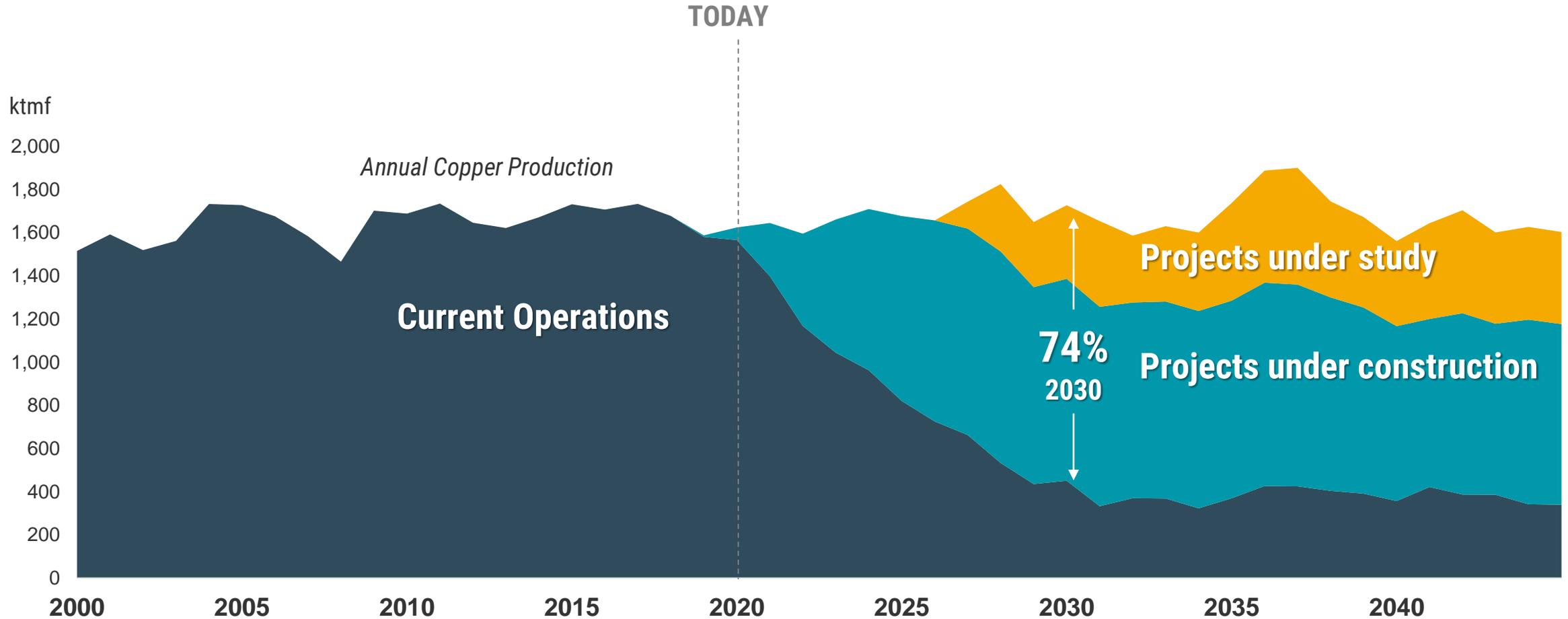


Source: Ministry of Health Chile, Worldindata.org

# Structural Projects: Importance & Progress

# Codelco's investment program is key to maintain production for the next 40 years

Structural projects account for 3/4 of expected output by 2030



# Construction of structural projects continues moving forward



## CHUQUICAMATA UNDERGROUND (2019)

From a century old open pit operation to a large scale underground mine

## ANDINA NEW TRANSFER SYSTEM (2021)

Replaces current primary crusher and ore conveyor system

Progress: 96%



## EL TENIENTE NML Diamante (2022) Andesita (2023) Andes Norte (2024)

Deepens El Teniente's mining operations

Progress: 67%

## RAJO INCA (2022)

Approved by Board of Directors in Jan-2021

Progress: 11%



# Structural projects under study are also relevant to achieve long-term production targets



## Radomiro Tomic Sulfides Phase II

Extends life of the operations by extracting sulfides

Pre-feasibility study underway



## Andina Future Development

Increases Andina's treatment capacity to 150,000 tpd

Feasibility study underway

# Transformation of Codelco

# The transformation plan unlocks the value of our operations and geological resources



**Opex**

**\$ 1 billion**

in savings (vs. 2018) starting in 2021

**Capex**

**\$ 8 billion**

equivalent to 20% of 10-year Capex plan

The plan targets to position **Codelco in the second quartile** of the global cash cost curve **and optimize the development of our structural projects**

# 10 strategic priorities guide Codelco's transformation



# Sustainability is a key driver of our decisions

Five commitments of sustainable development by 2030



**Reduce 70% of  
our Carbon  
Footprint**

*Implement 100% renewable energy matrix and e-Mobility, among others*

**Reduce 60%  
of our Water  
Footprint**

*Incorporate a desalination plant and increase water recycling*

**Recycle 65% of  
Industrial  
Waste**

*Recycle mine truck tires and solid waste from operations and projects*

**New Tailings  
Storage Facility  
Standard**

*Online monitoring of TSF physical and chemical stability*

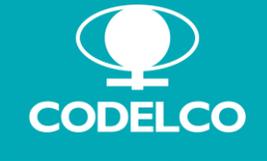
**Create  
Additional  
Social Value**

*Increase by 60% goods and services supplied by local suppliers and local workforce*

# Summary



1. **Covid-19 action plan continues to be effective** by ensuring our employees health and maintaining operational continuity
2. **Improved financial results in 2020** reflect our resilience during the crisis
3. **In 2021, we are in good position to produce 1,645 thousand tons** of copper and to achieve additional cost-reduction targets
4. **Structural projects continue advancing**, with Salvador Rajo Inca in development phase since Jan-2021
5. **Transformation of Codelco** remains at the core of our strategy
6. **Our sustainable development commitments** show the relevance of ESG in our strategy and operations



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