



FIRST HALF 2021 RESULTS

Santiago, Chile, July 30, 2021

Corporación Nacional del Cobre (CODELCO) released
its First Half Operational and Financial Report 2021

CODELCO OPERATIONAL AND FINANCIAL RESULTS JUNE 30, 2021
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Santiago, Chile, July 30, 2021

Corporación Nacional del Cobre (CODELCO) released its First Half Operational and Financial Report 2021:

- **Total copper production**, including CODELCO's stake in El Abra and Anglo American Sur, increased 6.8% to 850 ktons compared to 796 ktons in the same period of 2020. Higher production at Chuquicamata and El Teniente were the main drivers of this growth and more than offset the decline at Radomiro Tomic.
- **Direct C1 cash cost** was 134.7 cents per pound, compared to 129.9 cents per pound in the same period of 2020. Reduced operating costs and efficiencies due to a higher production volume were offset by foreign exchange rate appreciation of the Chilean peso against the U.S. dollar (in 1H21, the average exchange rate was CLP 720 per U.S. dollar compared to CLP 813 per U.S. dollar in 1H20).
- **US\$ 10.0 billion revenues** were 91.2% higher than the reported US\$ 5.2 billion in the same period of 2020. An increase in copper sales volume (+7% own copper sales) and a much higher average realized copper price were the main drivers of a positive revenue performance in this period.
- **Profit before tax** increased to US\$ 3.0 billion in the first six months of 2021 from a loss of US\$ 33 million in the same period of 2020. Additionally, Adjusted EBITDA totaled US\$5.2 billion, 174% higher than US\$ 1.9 billion in the first six months of 2020.
- **Net debt** amounted to US\$ 15.0 billion on June 30, 2021, which is 8.9% lower than net debt on June 30, 2020. Net debt to Adjusted EBITDA ratio⁽¹⁾ stood at 1.7x, down from 3.8x on June 30, 2020.
- **Operating cash flows** totaled US\$ 3.5 billion, which was 150.2% higher than cash flows from operating activities in the same period of 2020. Higher cash flows from sales of goods because of higher sales volume and copper prices were the main drivers behind the increase in operating cash flows.
- **Capex Program.** Despite the pandemic, construction of CODELCO's main projects continued moving forward in the first half of the year.
- **Collective bargaining agreements.** CODELCO reached 4 collective bargaining agreements without disrupting production in the first six months of 2021. The collective agreements did not include wage increases in real terms. There are 13 collective bargaining negotiations scheduled for the rest of 2021, involving more than 6,000 employees in Andina, El Salvador, G.Mistral, El Teniente and M. Hales.
- **Five sustainable development commitments.** In December 2020, CODELCO released five sustainability commitments. These undertakings have explicit targets set for 2030. The commitments (such as reducing carbon emissions by 70%, inland water use per ton of treated ore by 60% and recycling 65% of industrial waste) will be measured using specific performance indicators. During the first half of 2021, the Board of Directors approved the roadmaps to achieve these commitments.

FINANCIAL AND OPERATING DATA SUMMARY

	JUNE 30,		CHANGE	
	2020	2021	Amount	%
Total Copper Production ('000 mft) ⁽²⁾	796	850	54	7
Total Own Molybdenum Production ('000 mft)	13.7	11.1	(2.6)	(18.7)
Cash Cost (US\$/lb)	129.9	134.7	4.8	3.7
Total Own Copper Sales ('000 mft)	821	885	64	8
Total Molybdenum Sales ('000 mft)	14.0	11.3	(2.6)	(18.9)
LME Copper Price (US\$/lb)	249.5	412.4	162.9	65.3
Metals Week Molybdenum Price (US\$/lb)	9.0	12.7	3.7	41.2
Average Exchange Rate (CLP/US\$)	813	720	(93)	(11)
Closing Exchange Rate (CLP/US\$)	846	732	(114)	(13)
Total Revenues (US\$ million)	5,239	10,015	4,776	91
Gross Profit (US\$ million)	726	4,112	3,386	467
Gross Margin (%)	13.9	41.1	27.2	196.4
Adjusted EBITDA (US\$ million) ⁽³⁾	1,881	5,160	3,279	174
Adjusted EBITDA Margin (%)	35.9	51.5	15.6	43.4
Net Financial Debt (US\$ million) ⁽⁴⁾	16,471	14,924	(1,547)	(9)
Net Interest Expense (US\$ million)	309	297	(12)	(4)
Net Financial Debt to LTM Adjusted EBITDA	3.8x	1.7x	(2.1)	(54.2)
Adjusted EBITDA to Net Interest Expenses	6.1x	17.3x	11.3	185.3
Net Financial Debt to total Capitalization (%)	51.4	50.2	(1.2)	(2.3)
Contribution to the Chilean Treasury (US\$ million-cash flow)	463	1,537	1,074	232

1. Adjusted EBITDA is calculated by adding finance cost, income tax expense, depreciation and amortization of assets plus copper reserve law and impairment charges to profit (loss) for the period. We are including leases and the Oriente Copper Netherlands loan in our financial debt.

2. Total Production Includes Codelco's share in El Abra and Anglo American Sur.

3. Adjusted EBITDA is defined as Net Income plus Income Taxes, Royalty, Export Taxes, Interest Expenses and Depreciation and Amortization.

4. Net Financial Debt is financial Debt minus Cash and Cash Equivalents.

OPERATION: PRODUCTION, REVENUES, COST & ADJUSTED EBITDA

Consolidated Production. In the first six months of 2021, consolidated copper output, including CODELCO's stake in El Abra and Anglo American Sur, increased 6.8% to 850 ktons compared to 796 ktons in the same period of 2020. Higher production at Chuquicamata and El Teniente were the main drivers of this increase and more than offset the decline at Radomiro Tomic.

Molybdenum production decreased 18.7% from 14 ktons in the first half of 2020 to 11 ktons in the same period of 2021, mainly due to reduced production at Chuquicamata, Andina and El Teniente.

COPPER PRODUCTION (K TON)	DIVISION	1H20	1H21	Δ%
	CHUQUICAMATA	180	172	(5)%
	RADOMIRO TOMIC	126	138	9%
	MINISTRO HALES	64	99	54%
	GABRIELA MISTRAL	50	43	(15)%
	EL TENIENTE	206	227	10%
	ANDINA	92	92	(1)%
	SALVADOR	26	27	3%
	EL ABRA ⁽⁵⁾	18	18	0%
	ANGLO AMERICA SUR ⁽⁶⁾	34	37	8%
	CODELCO TOTAL	796	850	7%

5. CODELCO's figures presented for El Abra include 49% of the mine's total production (CODELCO's share of production, i.e., 49% ownership interest in the mine).

6. CODELCO's figures presented for Anglo American Sur include 20% of the mine's total production (CODELCO's share of production, i.e., 20% ownership interest in the mine).

Revenues. In the first half of 2021, US\$ 10.0 billion revenues were 91.2% higher than the reported US\$ 5.2 billion in the same period of 2020. An increase in copper sales volume (+7.0% own copper sales) and a much higher average realized copper price were the main drivers of the positive revenue performance in this period. In the case of molybdenum, revenues remained flat (18.9% lower sales volume was offset by 41.2% increase in average price).

Consolidated Costs. Unit cash costs varied with fluctuations in payable production and average realized by-product prices. In first six months of 2021, CODELCO's cash cost was 134.7 cents per pound, compared to 129.9 cents per pound in the same period of 2020. Reduced operating expenses and efficiencies because of higher production volume were offset by foreign exchange rate appreciation of the Chilean peso against the U.S. dollar (in 1H21, the average exchange rate was CLP 720 per U.S. dollar compared to CLP 813 per U.S. dollar in 1H20).

Adjusted EBITDA. CODELCO's Adjusted EBITDA totaled US\$ 5.2 billion, 174% higher than US\$ 1.9 billion in the first six months of 2020. The main driver of this improved EBITDA was a major revenue growth. Additionally, as of June 30, 2021, net debt to Adjusted EBITDA ratio stood at 1.7x, down from 3.8x on June 30, 2020. Adjusted EBITDA coverage ratio increased to 17.3x in the first half of 2021 from 6.1x in the first half of 2020.

Adjusted EBITDA is calculated by adding interest expenses, taxes, depreciation and amortization of assets plus export taxes (Copper Reserve Law) and impairment charges to profit (loss) for the period. Impairment charges include charges and reversals of charges for investment projects, research projects and investment in associates and joint ventures. Debt is defined as bonds issued plus leases and loans from financial institutions. Net debt is defined as debt net of cash and cash equivalents. Adjusted EBITDA coverage ratio is the ratio of Adjusted EBITDA to interest expenses net of finance income.

	JUNE 30,	
	2020	2021
	(in thousands of U.S.\$)	
Profit (loss) for the period	(46,366)	1,095,639
Income taxes expense	13,319	1,880,162
Interest expense	337,999	304,507
Depreciation and amortization of assets	1,164,213	1,115,492
Cooper Reserve Law	411,930	763,803
Adjusted EBITDA	1,881,095	5,159,603

CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

Chuquicamata Underground Mine: The underground mine began operations on April 30, 2019. Production ramp-up of production is making progress. As of June 30, 2021, overall progress was 97.1%. Project completion is scheduled for 4Q21.

Andina Mineral Transfer System: The project is currently under construction. Its overall

progress was 97.1% as of June 30, 2021. Full operations are scheduled for the 1Q22.

El Teniente New Mine Level (NML): As of June 30, 2021, overall progress was 68.5%. Early works at Diamante and Andesita, also part of El Teniente project portfolio, reached 71.8% and 82.6% progress, respectively.

Salvador Rajo Inca Project: CODELCO's Board of Directors approved investment for the project in

January 2021. The project is currently under construction. As of June, 2021, overall progress was 13.6%. Operation is scheduled to start by the second half of 2022.

Radomiro Tomic Sulfides Phase 2: Open bidding process for the engineering analysis of the prefeasibility study's alternatives.

AVERAGE METAL PRICE

	LME COPPER (US\$/lb.)	COMEX COPPER (US\$/lb.)	MOLYBDENUM (US\$/lb.)
1Q 2021	3.9	3.9	11.3
2Q 2021	4.4	4.4	12.7
1Q 2020	2.6	2.6	9.7
2Q 2020	2.4	2.4	8.4
3Q 2020	3.0	2.9	7.7
4Q 2020	3.3	3.3	9.0
AVERAGE 2020	2.8	2.8	8.7
VARIATION: 2Q 2021 VS. 2Q 2020	81.4%	82.3%	41.2%
VARIATION: 2Q 2021 VS. 1Q 2021	12.9%	14.8%	12.7%

Sources: LME, COMEX and Metals Week Dealer Oxide

CASH FLOWS

During the first half of 2021, net cash flows from operating activities totaled US\$ 3.5 billion, which was 150.2% higher than cash flows from operating activities in the same period of 2020. Higher cash flow from goods sold due to higher sales volume and copper prices were the main drivers behind the increase in operating cash flow.

CASH AND DEBT

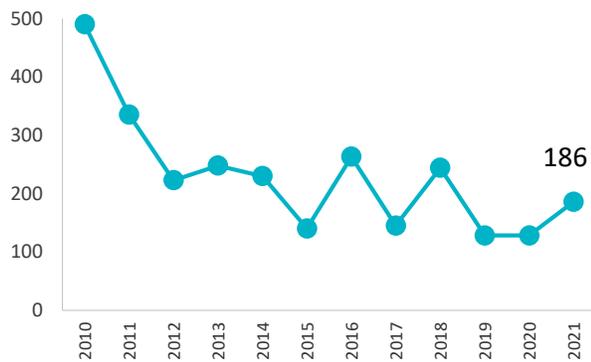
As of June 30, 2021, net debt amounted to US\$ 15.0 billion, which is 8.9% lower than net debt on June 30, 2020. In May 2021, CODELCO prepaid an Oriente Copper Loan which had an outstanding amount of US\$ 525 million. Additionally, cash and cash equivalents dropped to US\$ 2.9 billion from US\$ 4.0 billion on June 30, 2020.

SUSTAINABILITY FOCUS: ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Safety. On January 16, 2021, a fatal accident occurred at Chuquicamata, which resulted in the death of an employee. We deeply regret this incident. Regarding metrics, the accident severity rate increased significantly because of the above mentioned fatal accident. The accident frequency rate increased by 19% compared to 2020. However, despite this increase, the frequency rate during 2Q21 was lower than 0.80.

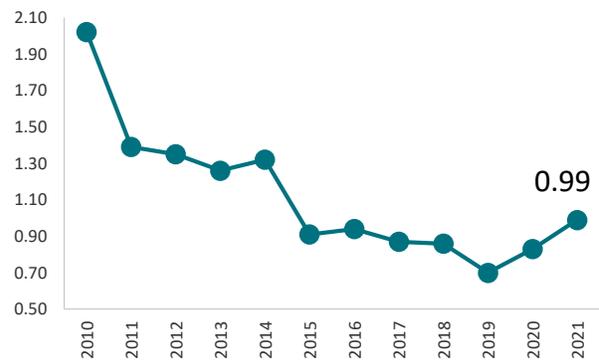
SEVERITY RATE - EMPLOYEES & CONTRACTORS

(DAYS LOST & DAYS CHARGED / MILLION HOURS WORKED)



FREQUENCY RATE - EMPLOYEES & CONTRACTORS

(LOST TIME INJURY / MILLION HOURS WORKED)



Collective bargaining agreements. In the first six months of 2021, CODELCO reached 4 collective bargaining agreements without disrupting production. These collective agreements involved more than 1,000 employees. All the agreements did not include wage increases in real terms. Thirteen collective bargaining negotiations are scheduled for the rest of 2021, involving more than 6,000 employees in Andina, El Salvador, G.Mistral, El Teniente and M.Hales.

Five sustainable development commitments. In December 2020, CODELCO released five commitments to support areas of action related to sustainability indicators. These undertakings have explicit targets set for 2030. The commitments (such as reducing carbon emissions by 70% and inland water use per ton of treated ore by 60%, as well as recycling 65% of our industrial waste) will be measured using specific performance indicators. During the first half of 2021, the Board of Directors approved the strategic roadmaps to achieve these commitments.

CODELCO's five commitments are as follows:

1. Reduce carbon footprint: Codelco will reduce its greenhouse gas emissions by 70%.

We will implement a 100% renewable electric grid. We will also innovate to replace all underground mine production and logistics equipment with electrical equipment and actively participate in the search for new clean energy sources such as green hydrogen.

2. Reduce water footprint: Codelco will reduce inland water use per ton of treated ore by 60%.

We will reduce the make-up (freshwater resources utilized by operations) through process efficiency. Codelco will incorporate a desalination plant in the Northern District and, through innovative solutions, recycle water from our tailing dams.

3. Circular economy: Codelco will recycle 65% of its industrial waste.

We will recycle 100% of mine truck tires and ramp up recycling efforts for primary, solid, non-hazardous waste from our operations and projects such as steel, wood, packaging materials, organic waste and scrap metal.

4. A new tailings storage standard: Tailings storage facilities (TSF) with 100% world-class sustainability measures in place.

Using innovative systems, Codelco will conduct online monitoring of the TSF physical and chemical stability and apply seepage control systems.

5. Create additional social value in our territories: Codelco will increase by 30% the goods and services supplied by local suppliers and increase employment of local workforce.

Moreover, Codelco will implement a new strategy for territory integration focused on creating social value, by promoting the use of local labor, strengthening mining education and increasing sustainability within the territory.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (ThUS\$)

	SIX MONTHS ENDED JUNE 30,	
PROFIT (LOSS)	2020	2021
REVENUE	5,238,857	10,014,919
COST OF SALES	(4,513,199)	(5,903,367)
GROSS PROFIT	725,658	4,111,552
OTHER INCOME, BY FUNCTION	63,108	58,732
DISTRIBUTION COSTS	(5,050)	(5,029)
ADMINISTRATIVE EXPENSES	(178,363)	(220,662)
OTHER EXPENSES	(592,872)	(939,888)
OTHER GAINS (LOSSES)	14,718	15,325
PROFIT (LOSSES) FROM OPERATING ACTIVITIES	27,199	3,020,030
FINANCE INCOME	28,533	7,030
FINANCE COSTS	(337,999)	(304,507)
IMPAIRMENT AND REVERSED IMPAIRMENT ACCORDING TO IFRS 9	(1,528)	(258)
SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES ACCOUNTES FOR USING THE EQUITY METHOD	(12,517)	218,120
FOREIGN EXCHANGE DIFFERENCES	263,265	35,386
PROFIT FOR THE PERIOD BEFORE TAX	(33,047)	2,975,801
INCOME TAX EXPENSE	(13,319)	(1,880,162)
PROFIT FOR THE PERIOD	(46,366)	1,095,639
PROFIT (LOSS) ATTRIBUTABLE TO:		
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT	(47,137)	1,038,247
PROFIT (LOSS) ATTRIBUTABLE TO NON- CONTROLLING INTERESTS	771	57,392
PROFIT FOR THE PERIOD	(46,366)	1,095,639

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (ThUS\$)

ASSETS	JUNE 30,	
CURRENT ASSETS	2020	2021
CASH AND CASH EQUIVALENTS	2,107,493	2,329,168
OTHER CURRENT FINANCIAL ASSETS	283,890	640,578
OTHER CURRENT NON - FINANCIAL ASSETS	32,634	20,297
TRADE AND OTHER CURRENT RECEIVABLES	3,249,317	3,403,718
ACCOUNTS RECEIVABLES DUE FROM RELATED COMPANIES, CURRENT	98,397	224,961
INVENTORY	1,912,067	1,943,120
CURRENT TAX ASSETS	74,324	6,368
TOTAL CURRENT ASSETS	7,758,122	8,568,210
NON - CURRENT ASSETS		
NON - CURRENT INVENTORIES	133,751	89,552
OTHER NON - CURRENT FINANCIAL ASSETS	2,517	1,548
OTHER NON - CURRENT NON FINANCIAL ASSETS	93,986	92,232
NON-CURRENT RECEIVABLES	224	224
ACCOUNTS RECEIVABLES DUE FROM RELATED COMPANIES, NON - CURRENT	585,105	606,242
INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD	3,418,958	3,443,912
INTANGIBLE ASSETS OTHER THAN GOODWILL	45,895	44,588
PROPERTY, PLANT AND EQUIPMENT, NET	29,551,905	29,615,153
INVESTMENT PROPERTY	981	981
ASSETS BY RIGHT OF USE	461,040	388,064
ASSETS FOR CURRENT TAXES, NON-CURRENT	111,994	4,326

DEFERRED TAX ASSETS	45,908	40,949
TOTAL NON - CURRENT ASSETS	34,452,264	34,327,771
TOTAL ASSETS	42,210,386	42,895,981

LIABILITIES	JUNE 30,	
	2020	2021
CURRENT LIABILITIES		
OTHER CURRENT FINANCIAL LIABILITIES	529,946	515,912
TRADE AND OTHER CURRENT PAYABLES	1,643,689	1,885,390
ACCOUNTS PAYABLES TO RELATED COMPANIES, CURRENT	198,924	207,387
OTHER CURRENT PROVISIONS	562,027	573,442
CURRENT TAX LIABILITIES	8,445	444,850
CURRENT EMPLOYEE BENEFIT ACCRUALS	460,778	303,871
OTHER CURRENT NON - FINANCIAL LIABILITIES	36,098	28,963
TOTAL CURRENT LIABILITIES	3,439,907	3,959,815
NON - CURRENT LIABILITIES		
OTHER NON - CURRENT FINANCIAL LIABILITIES	18,074,804	17,483,688
OTHER NON - CURRENT LIABILITIES	460	449
OTHER NON - CURRENT PROVISIONS AND ACCRUED EXPENSES	2,294,507	2,032,273
DEFERRED TAX LIABILITIES	5,527,795	6,451,109
NON - CURRENT EMPLOYEE BENEFIT ACCRUALS	1,243,940	1,153,853
OTHER NON - CURRENT NON - FINANCIAL LIABILITIES	2,482	2,491
TOTAL NON - CURRENT LIABILITIES	27,143,988	27,123,863
TOTAL LIABILITIES	30,583,895	31,083,678

EQUITY		
ISSUED CAPITAL	5,619,423	5,619,423
RETAINED EARNINGS	(194,696)	(35,320)
OTHER RESERVES	5,276,822	5,271,786
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	10,701,549	10,855,889
NON – CONTROLLING INTERESTS	924,942	956,414
TOTAL EQUITY	11,626,491	11,812,303
TOTAL LIABILITIES AND EQUITY	42,210,386	42,895,981

CONSOLIDATED STATEMENTS OF CASH FLOWS (ThUS\$)

	SIX MONTHS ENDED JUNE 30,	
	2020	2021
CASH FLOW PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
CASH INCOME PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS PROVIDED BY SALES OF GOODS AND RENDERING OF SERVICES	5,923,568	9,776,855
OTHER CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	914,457	1,025,796
TYPES OF CASH PAYMENTS		
PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(3,590,822)	(4,704,636)
PAYMENTS TO AND ON BEHALF OF EMPLOYEES	(788,064)	(858,746)
OTHER CASH FLOWS USED IN OPERATING ACTIVITIES	(1,076,955)	(1,526,366)
DIVIDENDS RECEIVED	22,715	77,416
INCOME TAXES PAID	(24,340)	(336,173)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	1,380,559	3,454,146

CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES:		
PURCHASES OF PROPERTY PLANT AND EQUIPMENT	(1,304,082)	(1,380,302)
INTEREST RECEIVED	28,273	4,383
OTHER INFLOWS (OUTFLOWS) OF CASH	(541,089)	(365,686)
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(1,816,898)	(1,741,605)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
PROCEEDS FROM LONG TERM BORROWINGS	3,496,000	-
PROCEEDS FROM SHORT TERM BORROWINGS	(552,874)	(550,975)
REPAYMENTS OF BORROWINGS	-	-
PAYMENTS OF LIABILITIES FOR FINANCIAL LEASES	(67,972)	(74,884)
DIVIDENDS PAID	-	(464,806)
INTEREST PAID	(337,897)	(342,544)
OTHER INFLOWS (OUTFLOWS) OF CASH	(68,179)	(36,290)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	2,469,078	(1,469,499)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE FX DIFFERENCE	2,032,739	243,042
FOREIGN EXCHANGE RATE NET INCREASE (DECREASE) IN CASH EQUIVALENTS	(20,373)	(21,367)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,012,366	221,675
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,303,105	2,107,493
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,315,471	2,329,168

COMPANY PROFILE

CODELCO is the world's largest copper producer primarily engaged in the exploration, development and extraction of copper-bearing ores and by-products, processing ore into refined copper and international trade of refined copper and by-products. CODELCO is 100% owned by the Republic of Chile and controls approximately 6% of the world's proven and probable copper reserves; as defined by the U.S. Geological Survey. In 2020, CODELCO had an estimated 8% share of the total world copper production, producing approximately 1.7 million metric tons (including CODELCO's share in El Abra deposit, which is mined by Sociedad Contractual Minera El Abra and its share in Anglo American Sur).

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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 resources 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 ores is according to the Chilean law (N° 20.235), which is in accordance with others systems widely used within the mining industry. The “Comisión Calificadora de Competencias en Recursos y Reservas Mineras” is the independent Chilean entity that regulates this and it is part of the Committee for Mineral Reserves International Reporting Standards (CRISCO).