

CORPORACION NACIONAL DEL COBRE DE CHILE

Unaudited interim consolidated financial statements
As of September 30, 2020 and for the nine-month and
three-month periods ended September 30, 2020 and 2019



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INDEPENDENT AUDITORS' REVIEW REPORT

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

We have reviewed the accompanying interim consolidated financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries (the "Company"), which comprise the interim consolidated statement of financial position as of September 30, 2020, the interim consolidated statements of comprehensive income for the nine-month and three-month periods ended September 30, 2020 and 2019, the interim consolidated statements of changes in equity and cash flows for the nine-month periods ended September 30, 2020 and 2019, and the related notes to the interim consolidated financial statements.

Management's Responsibility for the Interim Financial Information

The Corporation's management is responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with IAS 34 "Interim Financial Reporting" incorporated in the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). This responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim consolidated financial statements in accordance with the applicable financial reporting framework.

Auditors' Responsibility

Our responsibility is to conduct a review in accordance with auditing standards generally accepted in Chile applicable to reviews of interim financial statements. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Chile, the objective of which is the expression of an opinion regarding the financial information. Accordingly, we do not express such an opinion.

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Conclusion

Based on our review, we are not aware of any material modifications that should be made to the interim consolidated financial statements referred to above for them to be in accordance with IAS 34 “Interim Financial Reporting” incorporated in the International Financial Reporting Standards issued by the International Accounting Standards Board.

Other matters, consolidated statement of financial position as of December 31, 2019

On March 26, 2020, we issued an unmodified opinion on the consolidated financial statements as of December 31, 2019 and 2018 of the Corporation, which includes the consolidated statement of financial position as of December 31, 2019, which is presented in the accompanying interim consolidated financial statements, along with its related notes.

Other matter – Translation into English

The accompanying consolidated financial statements have been translated into English solely for the convenience of English readers.

The image shows the word "Deloitte" written in a blue, cursive script. The signature is contained within a light blue rectangular box.

October 29, 2020
Santiago, Chile



CODELCO – CHILE

Unaudited interim consolidated financial statements as of September 30, 2020 and for the nine-month and three-month periods ended September 30, 2020 and 2019

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

TABLE OF CONTENTS
CONSOLIDATED FINANCIAL STATEMENTS

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	5
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	6
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) – BY FUNCTION	7
INTERIM CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME (LOSS)	8
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD.....	9
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	10
I. GENERAL INFORMATION	11
1. Corporate Information	11
2. Basis of Presentation of the Consolidated Financial Statements.....	12
II. SIGNIFICANT ACCOUNTING POLICIES	13
1. Significant Judgments and Key Estimates	13
2. Significant accounting policies	17
3. New standards and interpretations adopted by the Corporation	35
4. New accounting pronouncements	38
III. EXPLANATORY NOTES	40
1. Cash and cash equivalents	40
2. Trade and other receivables.....	41
3. Balance and transactions with related parties	43
4. Inventories	47
5. Income taxes and deferred taxes.....	48
6. Current and non-current tax assets and liabilities.....	51
7. Property, Plant and Equipment	51
8. Leases	56
9. Investments accounted for using the equity method.....	57
10. Subsidiaries	63
11. Current and non-current financial assets	63
12. Other financial liabilities	64
13. Fair Value of financial assets and liabilities	74
14. Fair value hierarchy.....	75
15. Trade and other payables	75
16. Other provisions	76
17. Employee benefits	77
18. Equity	80
19. Revenue	82
20. Expenses by nature.....	83
21. Other income and expenses by function.....	83
22. Finance costs	84
23. Operating segments.....	84
24. Foreign exchange differences.....	92
25. Statement of cash flows	92
26. Financial risk management, objectives and policies	93
27. Derivatives contracts	96

28. Contingencies and restrictions..... 99
29. Guarantees 106
30. Balances in foreign currency 107
31. Sanctions 109
32. Environmental Expenditures..... 109
33. Subsequent events 113

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2020 (Unaudited) and December 31, 2019
(In thousands of US dollars - ThUS\$)

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

	Notes N°	9/30/2020	12/31/2019
Assets			
Current Assets			
Cash and cash equivalents	1	3,453,889	1,303,105
Other current financial assets	11	203,857	172,951
Other current non-financial assets		42,206	20,969
Trade and other current receivables	2	2,333,987	2,588,268
Accounts receivable from related parties, current	3	21,523	20,874
Inventories	4	2,028,282	1,921,135
Current tax assets	6	55,039	22,719
Total current assets		8,138,783	6,050,021
Non-current assets			
Other non-current financial assets	11	66,869	91,800
Other non-current non-financial assets		3,237	4,561
Non-current receivables	2	91,160	98,544
Accounts receivable from related parties, non-current	3	13,194	15,594
Non-current inventories	4	568,836	585,681
Investments accounted for using equity method	9	3,470,552	3,483,523
Intangible assets other than goodwill		46,104	47,837
Property, plant and equipment	7	29,390,808	29,268,012
Investment property		981	981
Right-of-use assets	8	396,775	432,152
Non-current tax assets	6	173,013	222,169
Deferred tax assets	5	46,157	43,736
Total non-current assets		34,267,686	34,294,590
Total Assets		42,406,469	40,344,611

The accompanying notes are an integral part of these interim consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2020 (Unaudited) and December 31, 2019
(In thousands of US dollars - ThUS\$)

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	9/30/2020	12/31/2019
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	12	948,687	1,250,590
Current lease liabilities	8	126,236	127,761
Trade and other current payables	15	1,115,272	1,420,915
Accounts payable to related parties, current	3	159,387	137,234
Other current provisions	16	506,300	502,172
Current tax liabilities	6	4,139	13,857
Current provisions for employee benefits	17	324,238	435,565
Other current non-financial liabilities		33,534	34,863
Total current liabilities		3,217,793	3,922,957
Non-current liabilities			
Other non-current financial liabilities	12	18,861,309	16,233,113
Non-current lease liabilities	8	269,157	305,110
Non-current payables		443	8,346
Other non-current provisions	16	2,084,288	2,090,487
Deferred tax liabilities	5	5,141,451	4,860,881
Non-current provisions for employee benefits	17	1,152,540	1,283,357
Other non-current non-financial liabilities		2,666	5,693
Total non-current liabilities		27,511,854	24,786,987
Total liabilities		30,729,647	28,709,944
Equity			
Issued capital		5,619,423	5,619,423
Accumulated deficit		(134,156)	(196,260)
Other reserves	18	5,272,097	5,291,747
Equity attributable to owners of the parent		10,757,364	10,714,910
Non-controlling interests	18	919,458	919,757
Total equity		11,676,822	11,634,667
Total liabilities and equity		42,406,469	40,344,611

The accompanying notes are an integral part of these interim consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) – BY FUNCTION

For the nine month and three month periods ended September 30, 2020 and 2019 (Unaudited)

(In thousands of US dollars - ThUS\$)

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	1/1/2020 9/30/2020	1/1/2019 9/30/2019	7/1/2020 9/30/2020	7/1/2019 9/30/2019
Revenue	19	9,228,639	8,808,184	3,989,782	2,891,435
Cost of sales		(7,310,693)	(7,256,283)	(2,797,494)	(2,594,371)
Gross profit		1,917,946	1,551,901	1,192,288	297,064
Other income, by function	21.a	75,253	206,981	12,145	116,268
Net (reversal) provision under IFRS 9		(934)	1,176	594	588
Distribution costs		(6,995)	(12,647)	(1,945)	(4,863)
Administrative expenses		(262,416)	(303,025)	(84,053)	(99,579)
Other expenses	21.b	(969,845)	(1,328,133)	(376,973)	(342,807)
Other gains		18,264	17,038	3,546	3,924
Income (loss) from operating activities		771,273	133,291	745,602	(29,405)
Finance income		35,412	22,504	6,879	4,836
Finance costs	22	(520,374)	(360,104)	(182,375)	(99,965)
Share of profit of associates and joint ventures accounted for using equity method	9	9,713	11,863	22,230	6,630
Foreign exchange difference	24	136,947	114,946	(126,318)	175,128
Income (loss) for the period before tax		432,971	(77,500)	466,018	57,224
Income tax expense	5	(361,048)	(20,499)	(347,729)	(54,989)
Net income (loss) for the period		71,923	(97,999)	118,289	2,235
Net income (loss) attributable to owners of parent		64,656	(105,530)	111,793	(957)
Net income attributable to non-controlling interests	18.b	7,267	7,531	6,496	3,192
Net income (loss) for the period		71,923	(97,999)	118,289	2,235

The accompanying notes are an integral part of these interim consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME (LOSS)
CONTINUED

For the nine month and three month periods ended September 30, 2020 and 2019 (Unaudited)
(In thousands of US dollars - ThUS\$)

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	1/1/2020 9/30/2020	1/1/2019 9/30/2019	7/1/2020 9/30/2020	7/1/2019 9/30/2019
Net income (loss) for the period		71,923	(97,999)	118,289	2,235
Components of other comprehensive income that will not be reclassified to profit or loss, before tax:					
Loss on remeasurement of defined benefit plans, before tax		(2,288)	(10,882)	(73)	(7,021)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified to profit or loss before tax		-	2,364	-	2,364
Other comprehensive loss that will not be reclassified to profit or loss before tax		(2,288)	(8,518)	(73)	(4,657)
Components of other comprehensive income that will be reclassified to profit or loss, before tax:					
Gain (loss) on exchange difference on translation, before tax		2,834	(1,990)	1,607	(1,867)
(Loss) gain on cash flow hedges, before tax		(61,841)	(40,540)	39,975	22,528
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method		(58)	11	(56)	4
Other comprehensive (loss) income that will be reclassified to profit or loss before tax		(59,065)	(42,519)	41,526	20,665
Other comprehensive (loss) income, before tax		(61,353)	(51,037)	41,453	16,008
Income tax effect of components of other comprehensive income which will be reclassified to profit or loss					
Income tax effect relating to benefit plans in other comprehensive income	5	1,506	7,349	41	4,784
Income tax effect of components of other comprehensive income which will be reclassified to profit or loss					
Income tax effect related to cash flow hedges in other comprehensive income	5	40,197	26,351	(25,983)	(14,643)
Total other comprehensive (loss) income		(19,650)	(17,337)	15,511	6,149
Total comprehensive income (loss)		52,273	(115,336)	133,800	8,384
Comprehensive income (loss) attributable to:					
Comprehensive income (loss) attributable to owners of the parent		45,006	(122,867)	127,304	5,192
Comprehensive income attributable to non-controlling interests	18.b	7,267	7,531	6,496	3,192
Total comprehensive income (loss)		52,273	(115,336)	133,800	8,384

The accompanying notes are an integral part of these interim consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD

For the nine month periods ended September 30, 2020 and 2019 (Unaudited)
(In thousands of US dollars - ThUS\$)

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

	Notes N°	1/1/2020 9/30/2020	1/1/2019 9/30/2019
Cash flows provided by operating activities:			
Receipts from sales of goods and rendering of services		9,442,138	9,437,523
Other cash receipts from operating activities	25	1,443,227	1,436,936
Payments to suppliers for goods and services		(5,665,521)	(6,070,326)
Payments to and on behalf of employees		(1,129,790)	(1,423,993)
Other cash payments from operating activities	25	(1,680,968)	(976,755)
Dividends received		22,715	84,372
Income taxes paid		(24,978)	(60,209)
Cash flows provided by operating activities		2,406,823	2,427,548
Cash flows used in investing activities:			
Other payments to acquire equity or debt instruments of other entities		(176)	(240)
Other charges for the sale of interests in joint ventures and associates	9	-	193,480
Purchase of property, plant and equipment		(1,839,218)	(3,067,395)
Interest received		33,719	19,191
Other cash (outflow) inflow		(19,584)	209,244
Cash flows used in investing activities		(1,825,259)	(2,645,720)
Cash flows provided by financing activities:			
Proceeds from borrowings long term		3,496,000	3,779,309
Proceeds from borrowings short term		-	465,000
Total proceeds from borrowings		3,496,000	4,244,309
Repayment of borrowings		(1,117,874)	(1,843,960)
Payments of finance lease liabilities		(100,744)	(110,677)
Interest paid		(625,486)	(530,465)
Other cash (outflow) inflow		(57,470)	197,995
Cash flows provided by financing activities		1,594,426	1,957,202
Increase in cash and cash equivalents before effects of exchange difference		2,175,990	1,739,030
Effect of exchange rate changes on cash and cash equivalents		(25,206)	(913)
Increase in cash and cash equivalents		2,150,784	1,738,117
Cash and cash equivalents at beginning of period	1	1,303,105	1,229,125
Cash and cash equivalents at end of period	1	3,453,889	2,967,242

The accompanying notes are an integral part of these interim consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine month period ended September 30, 2020 and 2019 (Unaudited)

(In thousands of US dollars - ThUS\$)

(Translation into English of the consolidated financial statements originally issued in Spanish – see Note I.2)

September 30, 2020	Issued capital	Reserve on exchange differences on translation	Reserve of cash flow hedges	Reserve of remeasurement of defined benefit plans Note 17	Other miscellaneous reserves	Total other reserves Note 18	Accumulated deficit	Equity attributable to owners of the parent	Non-controlling interests Note 18	Total Equity
Initial balance as of 1/1/2020	5,619,423	(6,672)	19,506	(305,770)	5,584,683	5,291,747	(196,260)	10,714,910	919,757	11,634,667
Changes in equity:										
Net income							64,656	64,656	7,267	71,923
Other comprehensive income (loss)		2,834	(21,644)	(782)	(58)	(19,650)		(19,650)		(19,650)
Comprehensive income								45,006	7,267	52,273
Dividends							-	-		-
Capital contributions	-	-	-	-	-	-	-	-	-	-
Increase (decrease) through transfers and other changes	-	-	-	-	-	-	(2,552)	(2,552)	(7,566)	(10,118)
Total changes in equity	-	2,834	(21,644)	(782)	(58)	(19,650)	62,104	42,454	(299)	42,155
Final balance as of 9/30/2020	5,619,423	(3,838)	(2,138)	(306,552)	5,584,625	5,272,097	(134,156)	10,757,364	919,458	11,676,822

September 30, 2019	Issued capital	Reserve on exchange difference on translation	Reserve of cash flow hedges	Reserve of remeasurement of defined benefit plans Note 17	Other miscellaneous reserves	Total other reserves Note 18	Accumulated deficit	Equity attributable to owners of the parent	Non-controlling interests Note 18	Total Equity
Initial balance as of 1/1/2019	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 (loss)							(105,530)	(105,530)	7,531	(97,999)
Other comprehensive income (loss)		(1,990)	(14,189)	(3,533)	2,375	(17,337)		(17,337)		(17,337)
Comprehensive income (loss)								(122,867)	7,531	(115,336)
Dividends							-	-		-
Capital contributions	400,000	-	-	-	-	-	-	400,000	-	400,000
Increase (decrease) through transfers and other changes	-	-	(247)	-	(2,116)	(2,363)	(418)	(2,781)	(55,683)	(58,464)
Total changes in equity	400,000	(1,990)	(14,436)	(3,533)	259	(19,700)	(105,948)	274,352	(48,152)	226,200
Final balance as of 9/30/2019	5,619,423	(8,853)	33,356	(278,013)	5,587,969	5,334,459	(304,865)	10,649,017	921,052	11,570,069

The accompanying notes are an integral part of these interim consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile (hereinafter referred to as “Codelco” 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.

The Corporation 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,

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
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as applicable. The Corporation's taxable income is also subject to a Specific Mining Tax in accordance with Law No. 20026 of 2005.

According to Law No. 13196, the return on foreign currency of the Corporation's foreign sales (real income), of its copper production, including its by-products, is taxed at 10% and method of payment and the duration of this obligation for Codelco, are specified in note 21 letter c) of this report.

The subsidiaries whose financial statements are included in these unaudited consolidated financial statements correspond to companies located in Chile and abroad, which are detailed in Note II.2.d.

The associates located in Chile and abroad, are detailed in the Explanatory Notes Section III of Note 9.

2. Basis of Presentation of the Consolidated Financial Statements

The Corporation's consolidated statements of financial position as of September 30, 2020 (unaudited) and December 31, 2019 and the unaudited consolidated statements of comprehensive income for the nine month and three month periods ended September 30, 2020 and 2019, changes in equity and of cash flows for the nine month periods ended September 30, 2020 and 2019, have been prepared in accordance with International Accounting Standards (IAS) No. 34. Interim Financial Reporting, as incorporated in International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These unaudited interim consolidated financial statements include all information and disclosures required in annual financial statements.

These unaudited interim consolidated financial statements have been prepared from accounting records maintained by the Corporation.

The unaudited interim 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 unaudited interim consolidated financial statements and expressly declared its responsibility for the consistent and reliable nature of the information included in such financial statements as of September 30, 2020 and for the nine-month and three-month periods ended September 30, 2020 and 2019, which financial statements fully comply with IFRS as issued by the IASB. These unaudited interim consolidated financial statements as of September 30, 2020 and for the nine- and three-month periods ended September 30, 2020 and 2019 were approved by the Board of Directors at a meeting held on October 29, 2020.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

Accounting Principles

These unaudited interim consolidated financial statements reflect the financial position of Codelco and its subsidiaries as of September 30, 2020 and December 31, 2019, and the results of their operations, changes in equity and cash flows for the nine month and three month periods ended September 30, 2020 and 2019, and their related notes, all prepared in accordance with IAS 34, Interim Financial Reporting, in consideration of the presentation instructions of the Commission for the Financial Markets, where not in conflict with IFRS.

For the convenience of the English readers, 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 unaudited interim 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 internal specialists. 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 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

The Corporation estimates its reserves and mineral resources based on the information certified by the Competent Persons internal and external 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.

Notwithstanding the foregoing, the Corporation periodically reviews its estimation models, supported by experts who, in some divisions, also certify the reserves determined from these models.

- 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.

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 (see Segment footnote).

Impairment testing also is performed at subsidiaries and associates.

- 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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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 includes 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.*"

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note I.2)

2. Significant accounting policies

- a) **Period covered** - The accompanying interim consolidated financial statements of Corporación Nacional del Cobre de Chile include the following statements:
- Consolidated statements of financial position as of September 30, 2020 (unaudited) and December 31, 2019.
 - Unaudited interim consolidated statements of comprehensive income for the nine month and three month periods ended September 30, 2020 and 2019.
 - Unaudited interim consolidated statements of changes in equity for the nine month periods ended September 30, 2020 and 2019.
 - Unaudited interim consolidated statements of cash flows for the nine month periods ended September 30, 2020 and 2019.
- b) **Basis of preparation** - The unaudited interim consolidated financial statements of the Corporation as of September 30, 2020 and for the nine-month periods ended September 30, 2020 and 2019, 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, 2019, and the consolidated statement of income, the consolidated statement of changes in equity and consolidated statement of cash flows for the nine-month and three-month periods ended September 30, 2019 (unaudited), 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 periods ended September 30, 2020, except for the adoption of the new IFRS standards and interpretations adopted by the Corporation as of and for the nine-month periods ended September 30, 2020, 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

- 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

The companies included in the consolidation are as follows:

Taxpayer ID Number	Company	Country	Currency	9/30/2020			12/31/2019
				% Ownership			% Ownership
				Direct	Indirect	Total	Total
Foreign	Chile Copper Limited	England	GBP	100.00	-	100.00	100.00
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.00	100.00	100.00
Foreign	Codelco Group Inc.	United States of America	US\$	100.00	-	100.00	100.00
Foreign	Codelco International Limited	Bermuda	US\$	100.00	-	100.00	100.00
Foreign	Codelco Kupferhandel GmbH	Germany	EUR	100.00	-	100.00	100.00
Foreign	Codelco Metals Inc.	United States of America	US\$	-	100.00	100.00	100.00
Foreign	Codelco Services Limited	England	GBP	-	100.00	100.00	100.00
Foreign	Codelco Shanghai Company Limited	China	RMB	100.00	-	100.00	100.00
Foreign	Codelco USA Inc.	United States of America	US\$	-	100.00	100.00	100.00
Foreign	Codelco Canada	Canada	US\$	0.97	99.03	100.00	100.00
Foreign	Ecometales Limited	Channel Islands	US\$	-	100.00	100.00	100.00
Foreign	Exploraciones Mineras Andinas Ecuador EMSAEC S.A.	Ecuador	US\$	-	100.00	100.00	100.00
Foreign	Cobrex Prospeccao Mineral	Brazil	BRL	-	51.00	51.00	51.00
78.860.780-6	Compañía Contractual Minera los Andes	Chile	US\$	99.97	0.03	100.00	100.00
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.69	-	96.69	96.69
88.497.100-4	Clínica San Lorenzo Limitada	Chile	CLP	99.90	0.10	100.00	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
77.773.260-9	Inversiones Copperfield SpA	Chile	US\$	100.00	-	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\$	-	67.80	67.80	67.80
76.237.866-3	Inversiones Mineras Los Leones SpA	Chile	US\$	100.00	-	100.00	100.00
76.173.783-K	Inversiones Mineras BecruX SpA	Chile	US\$	-	67.80	67.80	67.80
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	US\$	-	100.00	100.00	100.00
76.255.061-K	Central Eléctrica Luz Minera SpA	Chile	US\$	100.00	-	100.00	100.00
70.905.700-6	Fusat	Chile	CLP	-	-	-	-
76.334.370-7	Isalud Isapre de Codelco Ltda.	Chile	CLP	59.26	40.73	99.99	99.99
78.394.040-K	Centro de Servicios Médicos Porvenir Ltda.	Chile	CLP	-	99.00	99.00	99.00
77.928.390-9	Inmobiliaria e Inversiones Río Cipreces Ltda.	Chile	CLP	-	99.90	99.90	99.90
77.270.020-2	Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	CLP	-	99.00	99.00	99.00
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 was reported, the latter being the absorbing company of Codelco Technologies, through which transaction it acquired 9.99 % of subsidiary Codelco Brasil Mineracao and 100% of Ecometales Limited.

On December 2, 2019, by public deed, a merger by incorporation was approved for the following subsidiaries, all of them providing health insurance: , Institución de Salud Previsional Chuquicamata Ltda., San Lorenzo Institución de Salud Previsional Ltda., Institución de Salud Previsional Río Blanco Ltda., and Institución de Salud Previsional Fusat Ltda., being the latter the

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

absorbing and surviving company. In addition, a modification to the statutes was approved in relation to a change in the company name, capital increase, and ownership of the share capital.

For the purposes of these unaudited interim consolidated financial statements, subsidiaries, associates, acquisitions and disposals 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 unaudited interim 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).

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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.

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 (09/30/2020: US\$36.42; 12/31/2019: US\$37.81; 09/30/2019: US\$38.52). 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		
	9/30/2020	12/31/2019	9/30/2019
US\$ / CLP	0.00127	0.00134	0.00137
US\$ / GBP	1.29032	1.31320	1.22820
US\$ / BRL	0.17768	0.24910	0.24045
US\$ / EUR	1.17123	1.12133	1.09016
US\$ / AUD	0.71649	0.70018	0.67508
US\$ / HKD	0.12903	0.12844	0.12757

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
 (Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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.

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	Units of production
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

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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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;

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

- 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 intangible 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. If 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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 stripping costs are amortized based on the production 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."

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

Deferred taxes are also recognized for undistributed profits of subsidiaries and associates, 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 at the end of reporting period. Any difference as a result of an estimate of net realizable value of the inventories lower than it 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 severance 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 covered by this agreement. This employee benefit has been classified as a defined benefit plan.

These plans continue to be unfunded as of September 30, 2020.

The employee severance 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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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 early retirement 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

q) Leases -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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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 Corporation applies IAS 36 to determine if an asset for right of use is impaired and recognizes any impairment loss identified, as described in the accounting policy for “Property, plant and equipment”.

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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

standard. Therefore, there were no generated effects either at the level of account balances or at the level of disclosures.

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:

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

- **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:

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

- ***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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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.” (Note 21 letter c)).

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) 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.

ac) 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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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 interim 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, 2019, except for the adoption of new standards, interpretations and amendments, effective from January 1, 2020, which are:

a) Definition of a Business (Amendments to IFRS 3)

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. 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.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The application of these amendments has not had any material impact on the Corporation's consolidated financial statements.

b) Definition of Material (Amendments to IAS 1 and IAS 28)

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The application of these amendments has not had any material impact on the Corporation's consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

c) Revised Conceptual Framework for Financial Reporting

On March 29, 2018, the IASB published its revised “Conceptual Framework for Financial Reporting” (the “Framework”). The Conceptual Framework is not a standard and none of the concepts override those in any standard or any requirements in a standard. The main purpose of the Framework is to guide the IASB when it develops International Financial Reporting Standards. The Framework can also be helpful for preparers of financial statements when there are no specific or similar standards that address a particular issue. The new Framework has an introduction, eight chapters and a glossary. Five of the chapters are new or have been revised substantially.

The new Framework:

- Introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces but does not change the distinction between a liability and an equity instrument.
- Removes from the asset and liability definitions references to the expected flow of economic benefits—this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement.
- Discusses historical cost and current value measures and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability.
- States that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability.
- Discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

In addition, the IASB published a separate document “Updating References to the Conceptual Framework” which contains consequential amendments to affected Standards so that they refer to the new Framework.

The application of these amendments has not had any material impact on the Corporation's consolidated financial statements.

d) Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The amendments deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. (IAS 39 is amended as well as IFRS 9 because entities have an accounting policy choice when first applying IFRS 9, which allows them to continue to apply the hedge accounting requirements of IAS 39). There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

The changes in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7): (i) modify specific hedge accounting requirements so that entities would apply those 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; (ii) are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform; (iii) are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and (iv) require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

The application of these amendments had no material impact on the consolidated financial statements of the Corporation, however it could affect the accounting of future transactions or agreements.

e) COVID 19-related Rent Concessions (amendments to IFRS 16)

The COVID-19 pandemic has led to some lessors providing relief to lessees by deferring or relieving them of amounts that would otherwise be payable. In some cases, this is through negotiation between the parties, but can be as a consequence of a government encouraging or requiring that the relief be provided. Such relief is taking place in many jurisdictions in which entities that apply IFRSs operate.

When there is a change in lease payments, the accounting consequences will depend on whether that change meets the definition of a lease modification, which IFRS 16 defines as “a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term)”.

It incorporates some clarifications regarding contract modifications in the context of the COVID-19 pandemic.

1. Provide exception to lessees, to assess whether the lease concession related to COVID-19 is a modification of the lease;
2. Allows lessees to apply the exception to account for a lease concession related to COVID-19 as if it were not a modification to the lease;
3. Requires lessees who apply the exception to disclose that fact; and
4. Requires lessees to apply said exception retrospectively under IAS 8, but does not require restatement of figures from previous periods.

The application of these amendments has not had any material impact on the Corporation's consolidated financial statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

f) Reclassifications:

The Company has made immaterial reclassifications to its statement of financial position as of December 31, 2019:

Reclassification in ThUS\$	12/31/2019	Reclassification	12/31/2019 New Presentation
Non-current asset			
Property, Plant and equipment	29,700,164	(432,152)	29,268,012
Right-of-use assets	-	432,152	432,152
Current liabilities			
Other current financial liabilities	1,378,351	(127,761)	1,250,590
Current lease liabilities		127,761	127,761
Non-current liabilities			
Other non-current financial liabilities	16,538,223	(305,110)	16,233,113
Non-current lease liabilities		305,110	305,110

Certain changes to disclosure in certain notes have also been made which have been deemed immaterial by Management.

4. New accounting pronouncements

- a) The following new standards, 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, 2023	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 <i>Insurance contracts</i> .

Amendments to IFRS	Date of mandatory application	Summary
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2023	The amendments aim to promote coherence in the applying the requirements by helping companies to determine whether, in the statement of financial position, debts and other liabilities with an uncertain settlement date must classified as current (expired or potentially expired in one year) or not current. It is important to note that they must be applied retrospectively and early application is permitted.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

Reference to the Conceptual Framework (Amendments to IFRS 3)	Annual periods beginning on or after January 1, 2022.	Reference to Conceptual Framework 2018 instead of 1989. Additionally, for transactions within the scope of IAS 37 or IFRIC 21, an acquirer will apply IAS 37 or IFRIC 1 (instead of Conceptual Framework) to identify liabilities assumed in a business combination. Finally, a statement is added so that an acquirer does not recognize contingent assets acquired in a business combination.
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)	Annual periods beginning on or after January 1, 2022.	The income and costs from the sale of items produced while the asset is taken to the location and necessary condition of operation foreseen by the administration, are recognized in results.
Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37)	Annual periods beginning on or after January 1, 2022.	It is specified that the cost of fulfilling a contract includes "costs that are directly related to the contract", which are those that either may be incremental costs of fulfilling that contract or an allocation of other costs that are directly related to fulfill the contracts.
Extension of the temporary exemption from the application of IFRS 9 (amendments to IFRS 4)	Annual periods beginning on or after January 1, 2023.	The termination date for the temporary exemption established in IFRS 4 "Insurance Contracts" is modified on the application of IFRS 9. It may be as of January 1, 2023.
Reform to the Reference Interest Rate (IBOR) - Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	Annual periods beginning on or after January 1, 2021.	It introduces a practical guide to address the modifications proposed in the IBOR reform, indicating, among others, that hedge accounting is not discontinued due to the mere appearance of the reform in question.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

Annual Improvements to IFRS Standards 2018-2020 (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	Annual periods beginning on or after January 1, 2022.	<p>IFRS 1 First-time Adoption of IFRS: Allows an affiliate to apply paragraph D16 (a) to measure cumulative translation differences using the amounts reported by its parent, based on the date of transition to IFRS from its parent.</p> <p>IFRS 9 Financial Instruments: clarifies what fees are included when applying the “10 percent” test in paragraph B3.3.6.</p> <p>IFRS 16 Leases: removes from Illustrative Example 13, the illustration of the reimbursement of improvements to the leased asset made by the lessor.</p> <p>IAS 41 Agriculture: removes the requirement in paragraph 22 to exclude tax cash flows when measuring the fair value of a biological asset using the present value technique.</p>
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The Administration is evaluating the impact of the adoption of these new regulations and modifications.

III. EXPLANATORY NOTES

1. Cash and cash equivalents

The detail of cash and cash equivalents as of September 30, 2020 and December 31, 2019, is as follows:

Item	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Cash on hand	167	261
Bank balances	834,834	262,336
Time deposits	2,605,459	972,125
Mutual Funds - Money Market	11,882	2,158
Repurchase agreements	1,547	66,225
Total cash and cash equivalents	3,453,889	1,303,105

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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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 September 30, 2020, a positive amount is presented in the trade and other current receivable of ThUS\$211,646 for as-yet finalized sales invoicing.

As of December 31, 2019, a positive provision of ThUS\$98,045 was recorded in the trade debtors account and other accounts receivable for as-yet finalized sales invoicing.

b) Trade and other receivables

The following table sets forth trade and other receivables balances, with their corresponding allowances for doubtful accounts:

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

Items	Current		Non-Current	
	9/30/2020 ThUS\$	12/31/2019 ThUS\$	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Trade receivables (1)	1,771,312	1,934,245	416	438
Allowance for doubtful accounts (3)	(8,313)	(7,530)	-	-
Subtotal trade receivables, net	1,762,999	1,926,715	416	438
Other receivables (2)	578,416	668,218	90,744	98,106
Allowance for doubtful accounts (3)	(7,428)	(6,665)	-	-
Subtotal other receivables, net	570,988	661,553	90,744	98,106
Total	2,333,987	2,588,268	91,160	98,544

- (1) Trade receivables correspond to the sales of copper and its by-products, those that in general are sold in cash or through bank 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\$35,431 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\$146,544 and ThUS\$179,486 as of September 30, 2020 and December 31, 2019, 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 nine-month periods ended September 30, 2020 and for the year ended December 31, 2019, were as follows:

Items	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Opening balance	14,195	42,657
Net Increases	2,161	1,709
Write-offs/applications	(615)	(30,171)
Total movements	1,546	(28,462)
Closing balance	15,741	14,195

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

As of September 30, 2020 and December 31, 2019, the balance of past due but not impaired trade receivables, is as follows:

Maturity	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Less than 90 days	11,451	9,510
Between 90 days and 1 year	2,816	1,211
More than 1 year	9,929	9,530
Total trade receivables past-due but not impaired	24,196	20,251

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 was 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 referred to above standard, the Corporation has implemented as part of its internal regulatory framework, a specific policy dealing with business between related persons and companies with Codelco's executives. 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, as 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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	1/1/2020	1/1/2019	7/1/2020	7/1/2019
					9/30/2020	9/30/2019	9/30/2020	9/30/2019
					Amount	Amount	Amount	Amount
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
ADM Planning Consultores Ltda	77.770.490-7	Chile	Employee's relative	Services	881	-	-	-
Anglo American Sur S.A.	77.762.940-9	Chile	Associate	Supplies	5	16	5	-
B.Bosch S.A.	84.716.400-K	Chile	Employee's relative	Supplies	-	3,618	-	-
Centro de Capacitación y Recreación Radomiro Tomic.	75.985.550-7	Chile	Other related	Services	-	62	-	-
Clariant (Chile) Ltda.	80.853.400-2	Chile	Employee's relative	Supplies	38,873	-	38,873	-
Ecometales Limited agencia en Chile.	59.087.530-9	Chile	Subsidiary	Services	-	43,495	-	43,495
Flsmidth S.A.	89.664.200-6	Chile	Employee's relative	Supplies	4,012	1,265	1,873	1,258
Fundación de Salud El Teniente.	70.905.700-6	Chile	Subsidiary	Services	22,030	-	22,030	-
Fundación 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	-	-
Highservice ingeniería y construcción Ltda.	76.378.396-0	Chile	Subsidiary	Services	13,984	680	13,984	-
Industrial Support Company Ltda	77.276.280-1	Chile	Employee's relative	Services	-	22,691	-	-
Industrial y Comercial Artimatemb Ltda.	76.108.720-7	Chile	Employee's relative	Services	-	20	-	-
Ingeniería de Protección SpA	89.722.200-0	Chile	Employee's relative	Supplies	7	-	7	-
Institución de Salud Previsional Chuquicamata Ltda.	79.566.720-2	Chile	Subsidiary	Services	-	3,257	-	-
Komatsu Chile S.A.	96.843.130-7	Chile	Employee's relative	Services and supplies	878	10,729	511	-
Linde Gas Chile S.A.	90.100.000-K	Chile	Employee's relative	Supplies	23	124	8	48
Marsol S.A.	91.443.000-3	Chile	Employee's relative	Supplies	-	94	-	10
Prestaciones de Servicios de la Salud Intersalud Ltda.	77.270.020-2	Chile	Subsidiary	Services	596	-	596	-
Servicios de Ingeniería IMA S.A.	76.523.610-K	Chile	Employee's relative	Services	25	-	-	-
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	-	1
Sonda S.A.	83.628.100-4	Chile	Employee's relative	Services	50	221	14	-
Suez Medioambiente Chile S.A.	77.441.870-9	Chile	Employee's relative	Supplies	4,261	57	-	-

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 nine month and three month periods ended September 30, 2020 and 2019, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

Name	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2020	1/1/2019	7/1/2020	7/1/2019
					9/30/2020	9/30/2019	9/30/2020	9/30/2019
					Amount	Amount	Amount	Amount
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Directors's fees	72	89	22	29
Ghassan Dayoub Pseil	14.695.762-5	Chile	Director	Directors's fees	57	71	17	23
Ghassan Dayoub Pseil	14.695.762-5	Chile	Director	Payroll	86	102	26	21
Hernán de Solminihac Tampier	6.263.304-2	Chile	Director	Directors's fees	57	71	17	23
Ignacio Briones Rojas	12.232.813-9	Chile	Director	Directors's fees	-	71	-	23
Isidoro Palma Penco	4.754.025-9	Chile	Director	Directors's fees	57	71	17	23
Juan Benavides Feliú	5.633.221-9	Chile	Chairman of the board	Directors's fees	86	106	26	34
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Directors's fees	57	71	17	23
Paul Schiodtz Obilinovich	7.170.719-9	Chile	Director	Directors's fees	57	71	17	23
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Directors's fees	27	71	-	23
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	13	27	-	7
Rodrigo Cerda Norambuena	12.454.621-4	Chile	Director	Directors's fees	54	-	17	-

The Ministry of Finance through Supreme Decree No. 261, dated February 27, 2020, 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\$4,126,340 (four million one hundred and twenty six thousand, three hundred and forty Chilean pesos) for meeting attendance. The payment of the monthly compensation requires at least one meeting attendance each month.
- b. The Chairman of the Board will receive a fixed monthly compensation of Ch\$8,252,678 (eight million two hundred and fifty two thousand, six hundred and seventy eight 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\$1,375,445 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\$2,750,893 for meeting attendance.

By means of Ordinary Official Letter N ° 1611 of July 8, 2020, it is reported that due to the current situation that the country is going through, and in line with what was requested by Codelco and what was reported by the Director of the Budget, it has been considered conducive to decrease by a 20% the amount of directors' remuneration, exceptionally, for the period between July and December 2020, both included.

- d. The compensation established in the legal text is effective for a period of two years, as from March 1, 2020, and will not be adjusted during said period.

On the other hand, the short-term benefits of key management of the Corporation paid during the nine month period ended September 30, 2020 and 2019, were ThUS\$9,094 and ThUS\$9,696, respectively.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
 (Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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 nine month period ended September 30, 2020 and 2019, severance indemnities were paid to key management of the Corporation for ThUS\$177 and ThUS\$1,660, respectively.

There were no payments to key management for other non-current benefits during the nine month period ended September 30, 2020 and 2019.

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 September 30, 2020 and December 31, 2019, is as follows:

Accounts receivable from related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					9/30/2020 ThUS\$	12/31/2019 ThUS\$	9/30/2020 ThUS\$	12/31/2019 ThUS\$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US\$	15,669	16,677	-	-
76.063.022-5	Inca de Oro S.A.	Chile	Associate	US\$	481	438	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US\$	289	1,677	12,970	15,370
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US\$	5,079	2,077	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	US\$	5	5	224	224
Totals					21,523	20,874	13,194	15,594

Accounts payable to related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					9/30/2020 ThUS\$	12/31/2019 ThUS\$	9/30/2020 ThUS\$	12/31/2019 ThUS\$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US\$	132,793	108,243	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US\$	23,606	26,608	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US\$	2,421	430	-	-
76.781.030-K	Kairos Mining S.A.	Chile	Associate	CLP	567	1,953	-	-
Totals					159,387	137,234	-	-

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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 nine month and three month periods ended September 30, 2020 and 2019:

Taxpayer number	Entity	Nature of the transaction	Country	Index. Currency	1/1/2020 9/30/2020		1/1/2019 9/30/2019		7/1/2020 9/30/2020		7/1/2019 9/30/2019	
					Amount	Effects on net income (charges) / credits	Amount	Effects on net income (charges) / credits	Amount	Effects on net income (charges) / credits	Amount	Effects on net income (charges) / credits
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
96.801.450-1	Agua de la Falda S.A.	Sales of services	Chile	CLP	1	1	3	3	-	-	1	1
96.801.450-1	Agua de la Falda S.A.	contribution	Chile	US\$	176	-	190	-	-	-	-	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	US\$	22,715	-	84,372	-	-	-	-	-
77.762.940-9	Anglo American Sur S.A.	Sales of goods	Chile	US\$	34,208	34,208	8,932	8,932	33,052	33,052	-	-
77.762.940-9	Anglo American Sur S.A.	Sales of services	Chile	CLP	12,885	12,885	4,279	4,279	6,625	6,625	-	-
77.762.940-9	Anglo American Sur S.A.	Purchase of products	Chile	US\$	447,693	(447,693)	475,497	(475,497)	207,090	(207,090)	125,504	(125,504)
76.063.022-5	Inca de Oro S.A.	Sales of services	Chile	CLP	64	-	39	11	15	-	3	3
77.781.030-K	Kairos Mining	Services	Chile	CLP	7,979	(7,979)	16,487	(16,487)	2,833	(2,833)	5,465	(5,465)
77.781.030-K	Kairos Mining	Sales of services	Chile	CLP	2	2	-	-	2	-	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Interest loans	Chile	US\$	773	773	770	770	263	263	260	260
76.255.054-7	Planta Recuperadora de Metales SpA	Services	Chile	US\$	17,514	(17,514)	14,477	(14,477)	5,888	(5,888)	2,866	(2,866)
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of services	Chile	CLP	-	-	4,695	4,695	-	-	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of goods	Chile	CLP	51	51	37	37	22	22	23	23
76.255.054-7	Planta Recuperadora de Metales SpA	Loan recovery	Chile	US\$	2,500	-	-	-	-	-	-	-
96.701.340-4	Soc. Contractual Minera El Abra	Purchase of products	Chile	US\$	152,823	(152,823)	172,278	(172,278)	53,574	(53,574)	64,485	(64,485)
96.701.340-4	Soc. Contractual Minera El Abra	Sales of goods	Chile	US\$	13,799	13,799	24,472	24,472	1,511	1,511	12,028	12,028
96.701.340-4	Soc. Contractual Minera El Abra	Other sales	Chile	US\$	373	373	1,120	1,120	-	-	374	374
96.701.340-4	Soc. Contractual Minera El Abra	Perceived commissions	Chile	US\$	74	74	71	71	49	49	28	28
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 September 30, 2020 and December 31, 2019, is as follows:

Items	Current		Non-current	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Finished products	152,466	210,309	-	-
Subtotal finished products, net	152,466	210,309	-	-
Products in process	1,281,746	1,150,060	568,836	585,681
Subtotal products in process, net	1,281,746	1,150,060	568,836	585,681
Material in warehouse and other	772,670	723,264	-	-
Obsolescence allowance adjustment	(178,600)	(162,498)	-	-
Subtotal material in warehouse and other, net	594,070	560,766	-	-
Total Inventories	2,028,282	1,921,135	568,836	585,681

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

The amount of inventories of finished goods transferred to cost of sales for the nine month period ended September 30, 2020 and 2019 was ThUS\$7,284,723 and ThUS\$7,222,309, respectively.

For the nine month period ended September 30, 2020 and 2019, the Corporation has not reclassified inventories to Property, Plant and Equipment.

The reconciliation of changes in the allowance for obsolescence is detailed below:

Changes in Allowance for Obsolescence	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Opening Balance	(162,498)	(96,805)
Period provision	(16,102)	(65,693)
Closing Balance	(178,600)	(162,498)

During the nine-month periods ended September 30, 2020 and 2019, the Corporation recognized write-off of damaged inventories of ThUS\$963 and ThUS\$7,178, respectively.

As of September 30, 2020, the inventory provision to reduce inventory to its net realizable provision was ThUS\$23,730 with a credit effect for the period of January - September of 2020 of ThUS\$14,414 (charge for the corresponding period of 2019 was ThUS\$53,944). As of December 31, 2019, the inventory provision to reduce inventory to its net realizable provision was ThUS\$38,144.

As of September 30, 2020 and 2019, there are no unrealized gains or losses recognized on the intercompany sales of inventories of finished products.

As of September 30, 2020 and 2019, there are no inventories pledged as security for liabilities.

5. Income taxes and deferred taxes

a) Composition of income tax expense:

Items	1/1/2020 9/30/2020 ThUS\$	1/1/2019 9/30/2019 ThUS\$	7/1/2020 9/30/2020 ThUS\$	7/1/2019 9/30/2019 ThUS\$
	Current income tax	(21,119)	(6,572)	(18,588)
Effect of Deferred Taxes	(336,172)	(12,310)	(319,472)	(52,563)
Adjustments to current tax from the prior period	(9,253)	-	(9,253)	-
Other	5,496	(1,617)	(416)	(22)
Total tax expense	(361,048)	(20,499)	(347,729)	(54,989)

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

b) Deferred tax assets and liabilities:

The following table details deferred tax assets and liabilities:

Deferred tax assets	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Provisions	1,424,630	1,556,662
Rigth-of-use contracts	1,502	4,808
Tax loss carryforwards	980,262	613,340
Other	7,857	2,906
Total deferred tax assets	2,414,251	2,177,716

Deferred tax liabilities	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Tax on mining activity	271,615	235,931
Property, plant and equipment variations	1,421,923	1,386,874
Post-employment benefit obligations	13,745	14,676
Accelerated depreciation for tax purposes	5,645,389	5,198,975
Fair value of mining properties acquired	108,518	108,518
Hedging derivatives – future contracts	11,831	14,889
Undistributed profits of subsidiaries	36,524	34,998
Total deferred tax liabilities	7,509,545	6,994,861

The following tables sets forth the deferred taxes as presented in the statement of financial position:

Deferred taxes	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Non-current assets	46,157	43,736
Non-current liabilities	5,141,451	4,860,881
Net	5,095,294	4,817,145

c) The effects of deferred taxes recorded in other comprehensive income are as follows:

Deferred taxes on components of other comprehensive income	9/30/2020 ThUS\$ Credit/(Debit)	9/30/2019 ThUS\$ Credit/(Debit)
Cash flow hedge	40,197	26,351
Defined Benefit Plans	1,506	7,349
Total deferred tax effect on components of other comprehensive income	41,703	33,700

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

d) The following table sets forth the reconciliation of the effective tax rate:

Reconciliation of tax rate	9/30/2020						
	Taxable Base			At the Tax rate			Total ThUS\$
	25.0% ThUS\$	40.0% ThUS\$	5% ThUS\$	25.0% ThUS\$	40.0% ThUS\$	5% ThUS\$	
Tax effect on the income (loss) before taxes	427,508	427,508	427,508	(106,877)	(171,003)	(21,375)	(299,255)
Tax effect on the income (loss) before taxes of subsidiaries	5,463	5,463	5,463	(1,366)	(2,185)	(273)	(3,824)
Tax effect consolidated profit (loss) before taxes	432,971	432,971	432,971	(108,243)	(173,188)	(21,648)	(303,079)
Permanent differences:							
First category income tax (25%)	9,921			(2,480)			(2,480)
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)		33,998			(13,599)		(13,599)
Specific tax on mining activities			627,967			(31,398)	(31,398)
Single Tax Art. 21 Inc. N°1							(1,238)
Differences tax previous years							(9,254)
TOTAL TAX EXPENSE				(110,723)	(186,787)	(53,046)	(361,048)

Reconciliation of tax rate	9/30/2019						
	Taxable Base			At the Tax rate			Total ThUS\$
	25.0% ThUS\$	40.0% ThUS\$	5% ThUS\$	25.0% ThUS\$	40.0% ThUS\$	5% ThUS\$	
Tax effect on the income (loss) before taxes	(83,550)	(83,550)	(83,550)	20,888	33,420	4,178	58,486
Tax effect on the income (loss) before taxes of subsidiaries	6,050	6,050	6,050	(1,513)	(2,420)	(303)	(4,236)
Tax effect consolidated profit (loss) before taxes	(77,500)	(77,500)	(77,500)	19,375	31,000	3,875	54,250
Permanent differences:							
First category income tax (25%)	81,633			(20,408)			(20,408)
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)		46,318			(18,527)		(18,527)
Specific tax on mining activities			641,811			(32,091)	(32,091)
Single Tax Art. 21 Inc. N°1							(2,106)
Others							(1,617)
TOTAL TAX EXPENSE				(1,033)	12,473	(28,216)	(20,499)

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 2020 and 2019 business years of 25%. As a state company, the Corporation is classified as those companies of article 14 letter G of the Income Tax Law, incorporated in the Tax Reform Law No. 21,210 of February 24, 2020, maintaining the General Regime of Taxation. 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

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, 2.1):

Current Tax Assets	9/30/2020	12/31/2019
	ThUS\$	ThUS\$
Taxes to be recovered	55,039	22,719
Total Current Tax Assets	55,039	22,719

Current Tax Liabilities	9/30/2020	12/31/2019
	ThUS\$	ThUS\$
Monthly Provisional Payment Provision	1,121	10,672
Provision Tax	3,018	3,185
Total Current Tax Liabilities	4,139	13,857

Items	9/30/2020	12/31/2019
	ThUS\$	ThUS\$
Non-Current Tax Assets	173,013	222,169
Total Non-Current Tax Assets	173,013	222,169

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\$1,429,467.

7. Property, Plant and Equipment

- a) The items of property, plant and equipment as of September 30, 2020 and December 31, 2019, are as follows:

Property, Plant and Equipment, gross	9/30/2020	12/31/2019
	ThUS\$	ThUS\$
Construction in progress	6,408,721	6,234,130
Land	373,081	173,316
Buildings	6,057,264	5,963,605
Plant and equipment	19,505,550	19,217,547
Fixtures and fittings	47,468	58,631
Motor vehicles	2,088,020	2,080,124
Land improvements	6,747,320	6,504,063
Mining operations	9,183,358	8,751,368
Mine development	4,899,185	4,546,765
Other assets	1,163,185	1,164,163
Total Property, Plant and Equipment, gross	56,473,152	54,693,712

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the consolidated financial statements originally issued in Spanish – see Note 1.2)

Property, Plant and Equipment, accumulated depreciation	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Construction in progress	-	-
Land	12,058	9,975
Buildings	3,289,634	3,152,227
Plant and equipment	11,065,262	10,618,524
Fixtures and fittings	41,784	47,431
Motor vehicles	1,550,022	1,480,020
Land improvements	3,662,675	3,482,960
Mining operations	5,965,896	5,253,285
Mine development	984,162	893,575
Other assets	510,851	487,703
Total Property, Plant and Equipment, accumulated depreciation	27,082,344	25,425,700

Property, Plant and Equipment, net	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Construction in progress	6,408,721	6,234,130
Land	361,023	163,341
Buildings	2,767,630	2,811,378
Plant and equipment	8,440,288	8,599,023
Fixtures and fittings	5,684	11,200
Motor vehicles	537,998	600,104
Land improvements	3,084,645	3,021,103
Mining operations	3,217,462	3,498,083
Mine development	3,915,023	3,653,190
Other assets	652,334	676,460
Total Property, Plant and Equipment, net	29,390,808	29,268,012

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

b) Movement of Property, plant and equipment:

Movements ThUS\$	Construction in progress	Land	Buildings	Plant and equipment	Fixed installations and accessories	Motor vehicles	Ground improvements	Mining operations	Development of mines	Other assets	Total
Reconciliation of changes in properties, plant and equipment											
Properties, plant and equipment at the beginning of the period. Opening Balance 1/1/2020	6,234,130	163,341	2,811,378	8,599,023	11,200	600,104	3,021,103	3,498,083	3,653,190	676,460	29,268,012
Changes in property, plant and equipment											
Increases other than those from business, property, plant and equipment combinations	1,465,390	-	-	7,246	1	1,509	4,977	304,810	-	15,138	1,799,071
Depreciation, property, plant and equipment	-	(3,224)	(138,080)	(444,159)	(1,826)	(73,497)	(179,715)	(722,728)	(80,470)	(30,133)	(1,673,832)
Increases (decreases) in transfers and other changes, properties, plant and equipment											
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(1,051,621)	202,977	58,692	236,397	1	10,459	227,829	34,876	280,180	210	-
Increases (decreases) by other changes, properties, plant and equipment	(238,332)	(2,071)	36,421	42,470	(3,688)	(77)	10,740	102,421	62,123	(9,341)	666
Increase (decrease) by transfers and other changes, properties, plant and equipment	(1,289,953)	200,906	95,113	278,867	(3,687)	10,382	238,569	137,297	342,303	(9,131)	666
Dispositions and withdrawals of service, property, plant and equipment											
Retirements, property, plant and equipment	(846)	-	(781)	(689)	(4)	(500)	(289)	-	-	-	(3,109)
Dispositions and withdrawals of service, property, plant and equipment	(846)	-	(781)	(689)	(4)	(500)	(289)	-	-	-	(3,109)
Increase (decrease) in properties, plant and equipment	174,591	197,682	(43,748)	(158,735)	(5,516)	(62,106)	63,542	(280,621)	261,833	(24,126)	122,796
Properties, plant and equipment at the end of the period. Closing balance 9/30/2020	6,408,721	361,023	2,767,630	8,440,288	5,684	537,998	3,084,645	3,217,462	3,915,023	652,334	29,390,808

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

Movements ThUS\$	Construction in progress	Land	Buildings	Plant and equipment	Fixed installations and accessories	Motor vehicles	Ground improvements	Mining operations	Development of mines	Other assets	Total
Reconciliation of changes in properties, plant and equipment											
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
Changes in property, plant and equipment											
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	-	14,917	4,181,499
Depreciation, property, plant and equipment	-	(1,010)	(162,340)	(649,076)	(3,663)	(109,913)	(215,641)	(796,714)	(87,933)	(47,606)	(2,073,896)
Impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	-	-	-
Increases (decreases) in transfers and other changes, properties, plant and equipment											
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	(95,338)	440,625
Increase (decrease) by transfers and other changes, properties, plant and equipment	(6,169,373)	(611)	623,370	3,482,300	(88)	19,576	865,334	1,287,282	428,079	(95,244)	440,625
Dispositions and withdrawals of service, property, plant and equipment											
Retirements, property, plant and equipment	(7,262)	-	(5,795)	(17,519)	(1)	(1,420)	(274)	-	-	(2,943)	(35,214)
Dispositions and withdrawals of service, property, plant and equipment	(7,262)	-	(5,795)	(17,519)	(1)	(1,420)	(274)	-	-	(2,943)	(35,214)
Increase (decrease) in properties, plant and equipment	(2,574,522)	(1,621)	456,985	2,830,230	(3,729)	(83,905)	668,547	1,011,759	340,146	(130,876)	2,513,014
Properties, plant and equipment at the end of the period. Closing balance 12/31/2019	6,234,130	163,341	2,811,378	8,599,023	11,200	600,104	3,021,103	3,498,083	3,653,190	676,460	29,268,012

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
 (Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

- 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 nine-month period ended September 30, 2020 and 2019 were ThUS\$155,750 and ThUS\$269,215, respectively. The annual capitalization average rate for the nine-month periods ended September 30, 2020 and 2019 was 3.95% and 4.19%, 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	1/1/2020	1/1/2019
	9/30/2020	9/30/2019
	ThUS\$	ThUS\$
Recognized in profit	18,881	33,124
Cash outflows disbursed	22,165	31,189

- g) The detail of "Other assets" under "Property, plant and equipment" is as follows:

Other assets, net	9/30/2020	12/31/2019
	ThUS\$	ThUS\$
Mining properties from the purchase of Anglo American Sur S.A.	402,000	402,000
Maintenances and other major repairs	198,397	217,079
Other assets - Calama Plan	48,014	54,174
Other	3,923	3,207
Total other assets, net	652,334	676,460

- h) 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.
- i) 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.
- j) As of September 30, 2020 and 2019, property, plant and equipment assets did not show any indication of impairment or reversal of impairment recognized in prior years, therefore, no adjustments were made to the value of assets at that date.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

- k) 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.
- l) The expense for depreciation of the property, plant and equipment item for the nine-month period ended September 30, 2020 corresponds to ThUS\$1,673,882.

8. Leases

8.1 Right-of-use assets

As of September 30, 2020 and December 31, 2019, the breakdown of the asset by right of use category is:

Items	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Assets by right of use, gross	760,999	692,262
Assets by right of use, accumulated depreciation	364,224	260,110
Total Assets by right of use, net	396,775	432,152

The movements for the nine-month period ended September 30, 2020 and the year ended December 31, 2019 are as follows:

Reconciliation of changes in Assets by right of use (in thousands of US\$)	9/30/2020 MUS\$	12/31/2019 MUS\$
Opening Balance	432,152	-
Application of IFRS 16	-	378,582
Increases	85,224	109,505
Depreciation	(111,514)	(143,369)
Increases (decreases) by other changes	(9,087)	87,434
Increase (decrease) in Assets by right of use	(35,377)	432,152
Closing balance	396,775	432,152

The depreciation expense for the nine-month period ended September 30, 2020 corresponds to ThUS\$111,514.

The composition by asset class is as follows:

Assets by right of use	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Buildings	13,860	18,286
Plant and equipment	233,468	298,463
Motor vehicles	8,775	11,504
Fixtures and fittings	134,256	97,952
Others assets - right of use	6,416	5,947
Total Assets by right of use	396,775	432,152

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

8.2 Liabilities for current and non-current leases

As of September 30, 2020 and December 31, 2019, the payment commitments for leasing operations are summarized in the following table:

Leases	9/30/2020			12/31/2019		
	Gross ThUS\$	Interest ThUS\$	Present Value ThUS\$	Gross ThUS\$	Interest ThUS\$	Present Value ThUS\$
Less than 90 days	37,260	(3,477)	33,783	39,668	(4,557)	35,111
Between 90 days and 1 year	101,884	(9,431)	92,453	105,315	(12,665)	92,650
Between 1 and 2 years	99,516	(8,687)	90,829	107,218	(12,248)	94,970
Between 2 and 3 years	74,416	(6,324)	68,092	77,753	(9,881)	67,872
Between 3 and 4 years	40,030	(4,312)	35,718	60,078	(6,813)	53,265
Between 4 and 5 years	37,223	(3,863)	33,360	32,384	(4,780)	27,604
More than 5 years	50,845	(9,687)	41,158	70,857	(9,458)	61,399
Total	441,174	(45,781)	395,393	493,273	(60,402)	432,871

Leasing operations are generated by service contracts, mainly for facilities, buildings, plants and equipment.

The expense related to short-term leases, low-value assets and variable leases not included in the measurement of lease liabilities, for the period ended September 30, 2020 and 2019 is presented in the following table:

Lease expense	1/1/2020 9/30/2020 ThUS\$	1/1/2019 9/30/2019 ThUS\$
Short-term leases	22,559	68,120
Low value leases	11,775	58,625
Variable lease payments not included in the initial measurement or remeasurement of liabilities (excluding, where applicable, changes in indices or rates)	1,096,782	949,584
TOTAL	1,131,116	1,076,329

9. 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. Currency	Equity Interest		Carrying Value		Net income (loss)		Net income (loss)	
			9/30/2020	12/31/2019	9/30/2020	12/31/2019	1/1/2020	1/1/2019	7/1/2020	7/1/2019
			%	%	ThUS\$	ThUS\$	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Agua de la Falda S.A.	96.801.450-1	US\$	42.26%	42.26%	4,866	4,864	(175)	(203)	(130)	(74)
Anglo American Sur S.A.	77.762.940-9	US\$	29.5%	29.5%	2,846,280	2,850,171	18,825	19,308	18,927	8,866
Inca de Oro S.A.	73.063.022-5	US\$	33.19%	33.19%	12,577	12,675	(95)	(55)	(95)	(55)
Kairos Mining S.A.	76.781.030-K	US\$	40.00%	40.00%	33	82	(16)	-	-	-
Minera Purén SCM	76.028.880-2	US\$	35.0%	35.0%	9,921	9,934	(13)	33	-	(15)
Planta Recuperadora de Metales SpA	76.255.054-7	US\$	34.0%	34.0%	11,507	10,914	593	228	285	267
Sociedad Contractual Minera El Abra	96.701.340-4	US\$	49.0%	49.0%	585,368	594,883	(9,406)	(13,368)	3,243	(3,170)
Sociedad GNL Mejillones S.A.	76.775.710-7	US\$	0.0%	0.0%	-	-	-	5,920	-	811
TOTAL					3,470,552	3,483,523	9,713	11,863	22,230	6,630

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

a) Associates

Agua de la Falda S.A.

As of September 30, 2020, 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 September 30, 2020, Codelco holds a 49% ownership interest, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

The company business activities involve the extraction, production and selling of copper cathodes.

Sociedad Contractual Minera Purén

As of September 30, 2020, 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 Corporation effected 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 remaining 63% corresponded to Suez Energy Andino S.A.).

The sale of the LNG Mejillones stake generated a profit of US\$103 million before tax 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.

As of September 30, 2020, Codelco holds a 33.19% ownership interest in this company. (PanAust IDO Ltda. has 66.31%).

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 September 30, 2020, 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 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.

Anglo American Sur S.A.

As September 30, 2020, 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%.

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.

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.

As part of this updating process, and applying the valuation criteria indicated above, the fair value of the assets acquired and liabilities assumed of Anglo American Sur S.A. As of that date it amounted to

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

US \$ 22,646 million, which in the proportion acquired by Inversiones Mineras Becrux SpA (29.5%) results in an investment at fair value of US \$ 6,681 million at the acquisition date.

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 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 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 mining plan (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 the previous paragraph.

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 September 30, 2020 and 2019, there are no indicators of impairment nor reversal, therefore, there have been no adjustments recognized to the carrying amounts of the assets.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 September 30, 2020, 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 September 30, 2020 and December 31, 2019, and their profit (loss) for the nine-month periods ended September 30, 2020 and 2019:

Assets and Liabilities	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Current Assets	1,646,626	1,735,588
Non-current Assets	5,315,305	5,248,569
Current Liabilities	691,362	618,644
Non-current Liabilities	1,704,456	1,793,879

Net Income	1/1/2020 9/30/2020 ThUS\$	1/1/2019 9/30/2019 ThUS\$	7/1/2020 9/30/2020 ThUS\$	7/1/2019 9/30/2019 ThUS\$
Revenue	1,805,879	2,106,920	749,342	621,364
Cost of sales	(1,734,426)	(2,034,084)	(669,618)	(569,191)
Profit for the period	71,453	72,836	79,724	52,173

Movements of Investment in Associates	1/1/2020 9/30/2020 ThUS\$	1/1/2019 9/30/2019 ThUS\$
Opening balances	3,483,523	3,568,293
Contributions	176	240
Dividends	(22,715)	-
Result of the period	9,713	11,863
Sales	-	(90,329)
Other comprehensive income	(109)	(325)
Other	(36)	(888)
Final balance	3,470,552	3,488,854

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
 (Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

The following tables provide details of asset and liabilities of the principal associates as of September 30, 2020 and December 31, 2019, and their profit (loss) for the nine-month periods ended September 30, 2020 and 2019.

Anglo American Sur S.A.

Assets and liabilities	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Current Assets	1,133,698	1,099,695
Non-current Assets	4,046,802	4,083,739
Current Liabilities	616,206	531,089
Non-current Liabilities	1,304,490	1,405,143

Net Income	1/1/2020 9/30/2020 ThUS\$	1/1/2019 9/30/2019 ThUS\$	7/1/2020 9/30/2020 ThUS\$	7/1/2019 9/30/2019 ThUS\$
Revenue	1,471,675	1,733,940	629,951	525,502
Cost of sales	(1,382,072)	(1,633,982)	(557,132)	(484,130)
Profit for the period	89,603	99,958	72,819	41,372

Sociedad Contractual Minera El Abra

Assets and liabilities	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Current Assets	460,810	590,850
Non-current Assets	1,115,606	1,007,012
Current Liabilities	64,209	79,422
Non-current Liabilities	317,579	304,394

Net Income	1/1/2020 9/30/2020 ThUS\$	1/1/2019 9/30/2019 ThUS\$	7/1/2020 9/30/2020 ThUS\$	7/1/2019 9/30/2019 ThUS\$
Revenue	311,688	351,930	108,501	131,845
Cost of sales	(330,883)	(379,211)	(101,881)	(138,314)
Profit (loss) for the period	(19,195)	(27,281)	6,620	(6,469)

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 September 30, 2020 and December 31, 2019, there were no unrealized profits (losses) recognized in the carrying amount of inventories of finished products.

The Corporation has recognized unrealized gains for the purchase of rights to use the LNG terminal from the El Abra Mining Contract Company for ThUS\$3,920 as of September 30, 2020 and 2019.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

c) 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 nine-month period ended September 30, 2020 was profit of ThUS\$26,433 (profit of ThUS\$29,488 for the nine-month period ended September 30, 2019). 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\$7,608 for the nine-month period ended September 30, 2020 (an expense of ThUS\$10,180 for the nine month period ended September 30, 2019) 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.

10. Subsidiaries

The following tables set forth a detail of assets, liabilities and profit (loss) of the Corporation’s subsidiaries, prior to consolidation adjustments:

Assets and liabilities	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Current assets	464,800	464,674
Non Current Assets	3,572,721	3,607,177
Current Liabilities	293,312	281,973
Non Current Liabilities	1,063,764	1,086,975

Profit (loss)	1/1/2020 9/30/2020 ThUS\$	1/1/2019 9/30/2019 ThUS\$	7/1/2020 9/30/2020 ThUS\$	7/1/2019 9/30/2019 ThUS\$
Ordinary Income	729,476	857,593	302,003	254,066
Ordinary Expenses	(747,498)	(879,208)	(289,945)	(265,756)
(Loss) profit of period	(18,022)	(21,615)	12,058	(11,690)

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	9/30/2020				Total financial assets ThUS\$
	At fair value though profit and loss ThUS\$	Amortized Cost ThUS\$	Derivatives for hedging		
			Hedging derivatives ThUS\$	Cross currency swap ThUS\$	
Cash and cash equivalents	11,882	3,442,007	-	-	3,453,889
Trade and other current receivables	699,646	1,634,341	-	-	2,333,987
Non – current receivables	-	91,160	-	-	91,160
Current receivables from related parties	-	21,523	-	-	21,523
Non – current receivables from related parties	-	13,194	-	-	13,194
Other current financial assets	-	203,581	276	-	203,857
Other non - current financial assets	-	5,527	-	61,342	66,869
TOTAL	711,528	5,411,333	276	61,342	6,184,479

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

As of September 30, 2020, the balance of the caption “Other financial assets, current” includes ThUS\$203,512 invested in term deposit instruments with a maturity of more than 90 days. As of December 31, 2019, the amount invested in this type of instrument was ThUS\$171,429.

Classification in the statement of financial position	12/31/2019				
	At fair value through profit and loss ThUS\$	Amortized Cost ThUS\$	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
TOTAL	725,777	3,480,935	1,840	82,584	4,291,136

- **Fair value through profit or loss:** As of September 30, 2020, 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 27.

As of September 30, 2020 and December 31, 2019, 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 and bond issuance obligations, which are measured at amortized cost using the effective interest rate method.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

The following tables set forth other current/non-current financial liabilities:

Items	9/30/2020					
	Current			Non-current		
	Amortized Cost	Hedging derivatives	Total	Amortized Cost	Hedging derivatives	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Loans from financial institutions	390,953	-	390,953	2,124,583	-	2,124,583
Bonds issued	550,405	-	550,405	16,502,721	-	16,502,721
Hedging derivatives	-	7,329	7,329	-	179,828	179,828
Other financial liabilities	-	-	-	54,177	-	54,177
Total	941,358	7,329	948,687	18,681,481	179,828	18,861,309

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
Hedging derivatives	-	11,496	11,496	-	148,987	148,987
Other financial liabilities	363	-	363	58,501	-	58,501
Total	1,239,094	11,496	1,250,590	16,084,126	148,987	16,233,113

- **Loans from financial institutions:**

The loans obtained by the Corporation aim to finance production operations.

In addition to the credits mentioned in the previous paragraph, Codelco, through the subsidiary company Inversiones GacruX SpA., has a credit agreement with Oriente Copper Netherlands B.V. since 2012 (a subsidiary of Mitsui & Co. Ltd.), which was subscribed to with the aim of allocating this financing to the acquisition of the shareholding of Anglo American Sur SA, by the subsidiary company Inversiones Mineras BecruX SpA. (Subsidiary of Inversiones GacruX SpA.). This loan has no associated personal guarantees and its rate is fixed at 3.25% per year and has a duration of 20 years, being payable in 40 semiannual installments of principal and interest on unpaid balances.

As of September 30, 2020, the outstanding balance of the credit agreements is ThUS\$579,674

- **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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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, February 6, 2019 and October 2, 2019, principal was paid for an amount of ThUS\$414,763, ThUS\$183,051 and ThUS\$7,304 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, February 6, 2019 and October 2, 2019, principal was paid for an amount of ThUS\$665,226, ThUS\$247,814 and ThUS\$9,979 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, February 6, 2019 and October 22, 2019, principal was paid in the amounts of ThUS\$412,514, ThUS\$314,219, ThUS\$106,972 and ThUS\$3,820 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 8 and 22, principal was amortized for ThUS\$23,128 and ThUS\$555 respectively. On May 6, 2020, the remaining principal due was increased for a nominal amount of ThUS\$131,000, reaching a total amount of ThUS\$465,871 with an annual coupon of 4.50%.

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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 on January 30, 2050, corresponding to an amount of ThUS\$900,000. On January 14, 2020, the principal for the last tranche was increased for a nominal amount of ThUS\$1,000,000, reaching a total amount of ThUS\$1,900,000 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.

On January 14, 2020, the Corporation issued and placed bonds in the North American market, under rule 144-A and Regulation S, for a nominal amount of ThUS \$ 1,000,000, the maturity of which will be in a single installment on 14 January 2030, with a coupon of 3.15% per annum and payment of interest every six months.

On May 6, 2020, the Corporation issued and placed bonds in the North American market, under Rule 144-A and Regulation S, for a nominal amount of ThUS\$800,000 whose maturity will be in a single installment on 15 January 2031, with a coupon of 3.75% per annum and interest paid every six months.

As of September 30, 2020 and 2019, 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

As of September 30, 2020, the details of loans from financial institutions and bond obligations are as follows:

9/30/2020													
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\$
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	12/20/2020	Floating	US\$	300,000,000	Maturity	Semi-annual	1.15%	1.15%	300,958	-
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	4/13/2022	Floating	US\$	300,000,000	Maturity	Quarterly	0.93%	1.11%	594	299,205
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	1.03%	1.19%	32,232	31,913
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2022	Floating	US\$	300,000,000	Maturity	Quarterly	0.91%	0.97%	518	299,675
Foreign	Panama	Bilateral Credit	Banco Latinoamericano de Comercio	12/18/2026	Floating	US\$	75,000,000	Maturity	Semi-annual	1.62%	1.77%	338	74,457
Foreign	USA	Bilateral Credit	Export Dev Canada	8/12/2027	Floating	US\$	300,000,000	Maturity	Quarterly	1.41%	1.47%	574	299,067
Foreign	USA	Bilateral Credit	Export Dev Canada	10/25/2028	Floating	US\$	300,000,000	Maturity	Quarterly	1.46%	1.55%	791	298,498
Foreign	USA	Bilateral Credit	Export Dev Canada	7/25/2029	Floating	US\$	300,000,000	Maturity	Quarterly	1.48%	1.65%	766	296,276
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%	54,182	525,492
TOTAL												390,953	2,124,583

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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%	400,826	-
144-A REG.S	Luxembourg	11/4/2021	Fixed	US\$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.02%	3,561	226,641
144-A REG.S	Luxembourg	7/17/2022	Fixed	US\$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.16%	2,522	411,352
144-A REG.S	Luxembourg	8/13/2023	Fixed	US\$	750,000,000	At Maturity	Semi-annual	4.50%	4.35%	2,734	467,748
144-A REG.S	Luxembourg	7/9/2024	Fixed	EUR	600,000,000	At Maturity	Annual	2.25%	2.48%	3,594	697,098
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	-	259,457
144-A REG.S	Luxembourg	9/16/2025	Fixed	US\$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.75%	1,860	1,056,787
BCODE-C	Chile	8/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	910	379,035
144-A REG.S	Luxembourg	8/1/2027	Fixed	US\$	1,500,000,000	At Maturity	Semi-annual	3.63%	4.20%	9,013	1,448,857
REG.S	Luxembourg	8/23/2029	Fixed	US\$	130,000,000	At Maturity	Semi-annual	2.87%	2.98%	385	128,889
144-A REG.S	Luxembourg	9/30/2029	Fixed	US\$	1,100,000,000	At Maturity	Semi-annual	3.00%	3.14%	-	1,087,948
144-A REG.S	Luxembourg	1/14/2030	Fixed	US\$	1,000,000,000	At Maturity	Semi-annual	3.15%	3.28%	6,420	989,397
144-A REG.S	Luxembourg	1/15/2031	Fixed	US\$	800,000,000	At Maturity	Semi-annual	3.75%	3.80%	12,091	796,958
REG.S	Luxembourg	11/7/2034	Fixed	HKD	500,000,000	At Maturity	Annual	2.84%	2.92%	1,652	63,911
144-A REG.S	Luxembourg	9/21/2035	Fixed	US\$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	699	492,351
144-A REG.S	Luxembourg	10/24/2036	Fixed	US\$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	13,359	496,634
REG.S	Luxembourg	7/22/2039	Fixed	AUD	70,000,000	At Maturity	Annual	3.58%	3.65%	351	49,674
144-A REG.S	Luxembourg	7/17/2042	Fixed	US\$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	6,496	733,779
144-A REG.S	Luxembourg	10/18/2043	Fixed	US\$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	24,091	933,822
144-A REG.S	Luxembourg	11/4/2044	Fixed	US\$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	19,344	961,709
144-A REG.S	Luxembourg	8/1/2047	Fixed	US\$	1,250,000,000	At Maturity	Semi-annual	4.50%	4.73%	9,324	1,206,523
144 - REG.S	Luxembourg	5/18/2048	Fixed	US\$	600,000,000	At Maturity	Semi-annual	4.85%	4.91%	10,675	594,559
144-A REG.S	Luxembourg	2/5/2049	Fixed	US\$	1,300,000,000	At Maturity	Semi-annual	4.38%	4.97%	8,655	1,183,684
144-A REG.S	Luxembourg	1/30/2050	Fixed	US\$	1,900,000,000	At Maturity	Semi-annual	3.70%	3.89%	11,843	1,835,908
TOTAL										550,405	16,502,721

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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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
TOTAL												666,144	2,408,267

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
TOTAL										572,587	13,617,358

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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
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The undiscounted amounts that the Corporation will have to disburse to settle the obligations with financial institutions, are as follows:

Debtor's Name	Currency	Effective interest rate	Nominal Rate	Payments of Interest	Current			Non-current			
					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\$	1.15%	1.15%	Semi-annual	-	301,734	301,734	-	-	-	-
Scotiabank & Trust (Cayman) Ltd	US\$	1.11%	0.93%	Quarterly	709	2,104	2,813	302,097	-	-	302,097
Japan Bank International Cooperation	US\$	1.19%	1.03%	Semi-annual	16,332	16,248	32,580	32,251	-	-	32,251
Export Dev Canada	US\$	0.97%	0.91%	Quarterly	716	2,078	2,794	302,710	-	-	302,710
Banco Latinoamericano de Comercio	US\$	1.77%	1.62%	Semi-annual	619	616	1,235	2,471	2,474	76,845	81,790
Export Dev Canada	US\$	1.47%	1.41%	Quarterly	1,079	3,201	4,280	8,559	8,570	308,559	325,688
Export Dev Canada	US\$	1.55%	1.46%	Quarterly	-	3,333	3,333	8,879	8,891	315,532	333,302
Export Dev Canada	US\$	1.65%	1.48%	Quarterly	1,137	3,374	4,511	9,023	9,035	317,997	336,055
BONO 144-A REG.S 2020	US\$	3.89%	3.75%	Semi-annual	402,286	-	402,286	-	-	-	-
BONO 144-A REG.S 2021	US\$	4.02%	3.88%	Semi-annual	4,398	4,398	8,796	231,379	-	-	231,379
BONO 144-A REG.S 2022	US\$	3.16%	3.00%	Semi-annual	-	12,374	12,374	424,849	-	-	424,849
BONO 144-A REG.S 2023	US\$	4.35%	4.50%	Semi-annual	-	20,964	20,964	41,928	465,871	-	507,799
BONO 144-A REG.S 2025	US\$	4.75%	4.50%	Semi-annual	-	48,087	48,087	96,174	1,164,775	-	1,260,949
BONO 144-A REG.S 2027	US\$	4.20%	3.63%	Semi-annual	-	54,375	54,375	108,750	108,750	1,608,750	1,826,250
BONO REG.S 2029	US\$	2.98%	2.87%	Semi-annual	-	3,730	3,730	7,459	7,459	144,919	159,837
BONO 144-A REG.S 2029	US\$	2.92%	3.14%	Semi-annual	-	33,000	33,000	49,500	66,000	1,248,500	1,364,000
BONO 144-A REG.S 2030	US\$	3.15%	3.28%	Semi-annual	-	31,500	31,500	63,000	63,000	1,141,750	1,267,750
BONO 144-A REG.S 2031	US\$	3.80%	3.75%	Semi-annual	-	30,000	30,000	60,000	60,000	965,000	1,085,000
BONO 144-A REG.S 2035	US\$	5.78%	5.63%	Semi-annual	-	28,125	28,125	56,250	42,188	795,313	893,751
BONO 144-A REG.S 2036	US\$	6.22%	6.15%	Semi-annual	15,375	15,375	30,750	61,500	61,500	853,625	976,625
BONO 144-A REG.S 2042	US\$	4.41%	4.25%	Semi-annual	-	31,875	31,875	63,750	63,750	1,291,875	1,419,375
BONO 144-A REG.S 2043	US\$	5.76%	5.63%	Semi-annual	26,719	26,719	53,438	106,875	106,875	1,938,594	2,152,344
BONO 144-A REG.S 2044	US\$	5.01%	4.88%	Semi-annual	23,888	23,888	47,776	95,550	95,550	1,911,613	2,102,713
BONO 144-A REG.S 2047	US\$	4.73%	4.50%	Semi-annual	-	56,250	56,250	112,500	112,500	2,487,500	2,712,500
BONO 144 REG.S 2048	US\$	4.91%	4.85%	Semi-annual	14,550	14,550	29,100	58,200	58,200	1,269,300	1,385,700
BONO 144-A REG.S 2049	US\$	4.97%	4.38%	Semi-annual	-	56,875	56,875	113,750	113,750	2,636,563	2,864,063
BONO 144-A REG.S 2050	US\$	3.89%	3.70%	Semi-annual	-	70,300	70,300	140,600	140,600	3,622,350	3,903,550
Oriente Copper Netherlands B.V.	US\$	5.42%	3.25%	Semi-annual	35,527	35,022	70,549	136,773	131,042	439,945	707,760
Total ThUS\$					543,335	930,095	1,473,430	2,694,777	2,890,780	23,374,530	28,960,087
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	7,452,000	-	8,004,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	-	248,457	248,457	496,913	496,914	10,248,457	11,242,284
Total U.F.					138,000	386,457	524,457	1,048,913	7,948,914	10,248,457	19,246,284
Subtotal ThUS\$					5,027	14,076	19,103	38,206	289,534	373,293	701,033
BONO 144-A REG.S 2024	EUR	2.48%	2.25%	Annual	-	13,500,000	13,500,000	27,000,000	613,500,000	-	640,500,000
Subtotal ThUS\$					-	15,812	15,812	31,623	718,553	-	750,176
BONO REG.S 2039	AUD	3.65%	3.58%	Annual	-	2,506,000	2,506,000	5,012,000	5,012,000	105,084,000	115,108,000
Subtotal ThUS\$					-	1,796	1,796	3,591	3,591	75,291	82,473
BONO 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
Subtotal ThUS\$					1,837	-	1,837	3,665	3,670	82,849	90,184
Total ThUS\$					550,199	961,779	1,511,978	2,771,862	3,906,128	23,905,963	30,583,953

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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 (Cay man) 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\$					469,816	1,216,735	1,686,551	3,151,442	1,543,889	20,680,379	25,375,711
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
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	17,534,914	19,632,740
				Subtotal ThUS\$	9,915	9,915	19,830	39,661	39,660	662,997	742,318
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
				Subtotal ThUS\$	-	15,138	15,138	30,276	30,276	672,798	733,350
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
				Subtotal ThUS\$	-	1,755	1,755	3,509	3,509	75,332	82,350
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
				Subtotal ThUS\$	-	1,829	1,829	3,648	3,653	82,468	89,769
Total ThUS\$					479,731	1,245,372	1,725,103	3,228,536	1,620,987	22,173,974	27,023,498

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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 nine-month period ended September 30, 2020 and the year ended December 31, 2019:

Liabilities for financing activities	Initial Balance at 1/1/2020 ThUS\$	Flows of cash			Changes that do not represent cash flow					Final Balance at 9/30/2020 ThUS\$
		From	Used	Total	Financial Cost (1) ThUS\$	Exchange Difference ThUS\$	Fair Value Adjustment ThUS\$	Effective Interest accretion/amortization not cash flow related ThUS\$	Other ThUS\$	
		ThUS\$	ThUS\$	ThUS\$						
Loans with financial institutions	3,074,411	565,000	(1,186,599)	(621,599)	58,930	-	-	2,044	1,750	2,515,536
Bond obligations	14,189,945	2,931,000	(534,583)	2,396,417	510,381	7,957	-	(51,574)	-	17,053,126
Hedge obligations	157,826	-	(22,178)	(22,178)	17,781	(17,519)	(16,829)	-	59,989	179,070
Paid dividends	-	-	-	-	-	-	-	-	-	-
Financial assets for hedge derivatives	(82,584)	-	-	-	-	9,562	39,363	-	(27,683)	(61,342)
Leases	432,871	-	(100,744)	(100,744)	15,553	(12,079)	-	-	59,792	395,393
Capital contribution	-	-	-	-	-	-	-	-	-	-
Other	58,864	-	(57,470)	(57,470)	-	-	-	-	52,783	54,177
Total liabilities from financing activities	17,831,333	3,496,000	(1,901,574)	1,594,426	602,645	(12,079)	22,534	(49,530)	146,631	20,135,960

Liabilities for financing activities	Initial Balance at 1/1/2019 ThUS\$	Flows of cash			Changes that do not represent cash flow					Final Balance at 12/31/2019 ThUS\$
		From	Used	Total	Financial Cost (1) ThUS\$	Exchange Difference ThUS\$	Fair Value Adjustment ThUS\$	Effective Interest accretion/amortization not cash flow related ThUS\$	Other ThUS\$	
		ThUS\$	ThUS\$	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
Hedge obligations	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
Total liabilities from financing activities	15,438,299	4,783,199	(3,241,777)	1,541,422	800,566	(18,671)	21,253	(33,846)	482,310	17,831,333

(1) The finance costs consider the capitalization of interest, which for the nine month periods ended September 30, 2020 and 2019, amounted to ThUS\$155,750 and ThUS\$269,215 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 September 30, 2020 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 September 30, 2020	Accounting treatment for valuation	Carrying amount ThUS\$	Fair value ThUS\$
<i>Financial liabilities:</i> Bond Obligations	Amortized cost	17,053,126	19,541,220

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 September 30, 2020:

Financial instruments measured at fair value	9/30/2020			
	Level 1 ThUS\$	Level 2 ThUS\$	Level 3 ThUS\$	Total ThUS\$
Financial Assets				
Provisional price sales contracts	-	699,646	-	699,646
Cross Currency Swap	-	61,342	-	61,342
Mutual fund units	11,882	-	-	11,882
Metal futures contracts	276	-	-	276
Financial Liabilities				
Metal futures contracts	2,038	6,050	-	8,088
Cross Currency Swap	-	179,069	-	179,069

There were no transfers between the different levels during the nine month period ended September 30, 2020.

15. Trade and other payables

The detail of trade and other current payables as of September 30, 2020 and December 31, 2019, is as follows:

Items	Currents	
	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Trade payables	853,015	1,150,047
Payables to employees	18,895	8,390
Withholdings	110,240	113,147
Withholding taxes	42,336	76,387
Other payables	90,786	72,944
Total	1,115,272	1,420,915

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

16. Other provisions

The detail of other current and non-current provisions as of September 30, 2020 and December 31, 2019, is as follows:

Other Provisions	Current		Non-current	
	9/30/2020 ThUS\$	12/31/2019 ThUS\$	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Sales-related provisions (1)	22,588	2,932	-	-
Operating (2)	301,919	260,973	-	-
Law No. 13196	110,634	109,643	-	-
Other provisions	71,159	128,429	421	2,239
Onerous Contract (3)	-	195	-	81
Decommissioning and restoration (4)	-	-	2,026,683	2,038,483
Legal proceedings	-	-	57,184	49,684
Total	506,300	502,172	2,084,288	2,090,487

- (1) Corresponds to 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 28 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	1/1/2020 9/30/2020			
	Other Provisions, non-current ThUS\$	Decommissioning and restoration ThUS\$	Contingencies ThUS\$	Total ThUS\$
Opening balance	2,320	2,038,483	49,684	2,090,487
Closing provision adjustment	-	1,686	-	1,686
Financial expenses	-	22,452	-	22,452
Payment of liabilities	-	-	(1,135)	(1,135)
Foreign currency translation	(7)	(35,667)	(3,630)	(39,304)
Provision (decrease)	(2,375)	-	-	(2,375)
Other increases (decreases)	483	(271)	12,265	12,477
Closing Balance	421	2,026,683	57,184	2,084,288

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 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 nine month period ended September 30, 2020, 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	9/30/2020		12/31/2019	
	Retirement plan	Health plan	Retirement plan	Health plan
Annual Discount Rate	3.68%	3.68%	3.68%	3.68%
Voluntary Annual Turnover Rate for Retirement (Men)	5.00%	5.00%	5.00%	5.00%
Voluntary Annual Turnover Rate for Retirement (Women)	4.70%	4.70%	4.70%	4.70%
Salary Increase (real annual average)	3.26%	-	3.26%	-
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)	7.68	16.89	7.21	17.13
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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 September 30, 2020 and December 31, 2019, is as follows:

Accrual for employee benefits	Current		Non-current	
	9/30/2020 ThUS\$	12/31/2019 ThUS\$	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Employee performance bonuses per collective agreements	111,117	181,040	-	-
Severance indemnity provision	20,704	21,904	577,526	704,877
Bonus	26,950	35,195	-	-
Vacation	135,099	143,971	-	-
Medical care programs (1)	530	497	561,144	561,709
Retirement plans (2)	18,481	37,479	8,020	8,181
Other	11,357	15,479	5,850	8,590
Total	324,238	435,565	1,152,540	1,283,357

- (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	1/1/2020 9/30/2020		1/1/2019 12/31/2019	
	Retirement plan ThUS\$	Health plan ThUS\$	Retirement plan ThUS\$	Health plan ThUS\$
	Opening balance	726,781	562,206	829,507
Service cost	39,516	46,757	51,086	39,980
Financial cost	2,398	1,855	15,512	9,290
Paid contributions	(131,480)	(22,965)	(115,970)	(44,275)
Actuarial losses	489	1,799	4,828	93,889
Subtotal	637,704	589,652	784,963	595,667
Gains on foreign exchange rate	(39,474)	(27,978)	(58,182)	(33,461)
Final Total	598,230	561,674	726,781	562,206

The balance of the defined benefit liability as of September 30, 2020, comprises a short term portion of ThUS\$20,704 and ThUS\$530 for the severance indemnity and the medical care plan, respectively. The expected amount of the defined benefit liability projected at September 30, 2021, consists of

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

ThUS\$651,947 for the severance indemnity and ThUS\$539,127 for the medical care plan. The expected monthly average future disbursements related to defined benefit plans are of ThUS\$1,725 for severance indemnity and of ThUS\$44 for medical care.

On the other hand, the technical revaluation of the liability (actuarial gain / loss defined under IAS19) has been carried out for severance benefits for years of services as of September 30, 2020, charged to equity, which is broken down into an actuarial loss for ThUS\$489, corresponding to an experience loss. Similar to the latter case, for the obligation generated by health benefit plans, an actuarial loss of ThUS\$1,799 has been determined, made up of an adjustment for experience.

The following table sets forth the sensitivity analysis of the value of 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:

Severance Benefits for Years of Service	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.430%	3.680%	3.930%	1.37%	-1.32%
Financial effect on the real increase in income	3.008%	3.258%	3.508%	-1.17%	1.21%
Demographic effect of job rotations	4.470%	4.970%	5.470%	0.95%	-0.69%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	-0.04%	0.05%
Health Benefits and Other	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.430%	3.680%	3.930%	4.66%	-4.30%
Financial effect on health inflation	4.550%	5.050%	5.550%	-3.43%	3.64%
Demographic effect, planned retirement age	58 / 57	60 / 59	62 / 61	3.87%	-3.90%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	11.96%	-8.26%

c. Retirement benefits provision

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 September 30, 2020 and December 31, 2019, the retirement plan provision current balance was ThUS\$18,481 and ThUS\$37,479, respectively, while the non-current balance was ThUS\$8,020 and ThUS\$8,181, respectively. The non-current amounts recognized have been determined using a discount rate equivalent to that used for calculating employee benefits provisions and whose outstanding balances are part of the balances as of September 30, 2020 and December 31, 2019.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

d. Employee benefits expenses

The employee benefit expenses recognized for the nine month periods ended September 30, 2020 and 2019, are as follows:

Expense by Nature of Employee Benefits	1/1/2020 9/30/2020 ThUS\$	1/1/2019 9/30/2019 ThUS\$	7/1/2020 9/30/2020 ThUS\$	7/1/2019 9/30/2019 ThUS\$
Benefits - Short term	961,938	1,182,374	335,913	389,726
Benefits - Post employment	46,757	16,952	13,467	7,969
Benefits - Early retirement	80,950	55,107	26,794	32,173
Benefits by years of service	39,516	38,469	15,439	11,047
Total	1,129,161	1,292,902	391,613	440,915

18. Equity

The Corporation's total equity as of September 30, 2020 is ThUS\$11,676,822 (ThUS\$11,634,677 as of December 31, 2019 and ThUS\$11,570,069 as of September 30, 2019).

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, would 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.

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 which were received on December 26, 2018 and February 26, 2019 respectively.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 September 30, 2020 and 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 in 2017	295,842
Advance dividends in 2018	155,719
Advance dividends overpaid in 2018	150,900
Total dividends paid as of December 31, 2018	<u>602,461</u>

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 credits of ThUS\$650 and ThUS\$3,058 for the nine month periods ended September 30, 2020 and 2019, respectively.

a) Other reserves

The detail of other reserves as of September 30, 2020 and December 31, 2019, is as follows:

Other Reserves	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Reserve on exchange differences on translation	(3,838)	(6,672)
Reserve of cash flow hedges	(2,138)	19,506
Other miscellaneous reserves	4,962,393	4,962,393
Reserve of remeasurement of defined benefit plans	(306,552)	(305,770)
Other reserves	622,232	622,290
Total other reserves	5,272,097	5,291,747

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:

Company	Non-controlling participation		Net equity		Income (loss)		Income (loss)	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019	1/1/2020 9/30/2020	1/1/2019 9/30/2019	7/1/2020 9/30/2020	7/1/2019 9/30/2019
	%	%	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Inversiones GacruX SpA	32.20%	32.20%	919,428	919,764	7,231	7,552	6,492	3,236
Otros	-	-	30	(7)	36	(21)	4	(44)
Total			919,458	919,757	7,267	7,531	6,496	3,192

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

For the nine-month period ended September 30, 2020, Inversiones GacruX SpA, made an equity distribution of ThUS\$7,567 paid 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	9/30/2020 ThUS\$	12/31/2019 ThUS\$
Current Assets	240,728	227,367
Non-current assets	2,852,587	2,855,708
Current liabilities	188,968	157,345
Non-current liabilities	536,709	554,890

Results	1/1/2020 9/30/2020 ThUS\$	1/1/2019 9/30/2019 ThUS\$	7/1/2020 9/30/2020 ThUS\$	7/1/2019 9/30/2019 ThUS\$
Revenues	478,203	509,325	219,411	138,649
Expenses	(473,838)	(503,523)	(205,510)	(134,347)
Profit of the period	4,365	5,802	13,901	4,302

Cash flow	1/1/2020 9/30/2020 ThUS\$	1/1/2019 9/30/2019 ThUS\$
Net cash flow from operating activities	29,128	85,789
Net cash flow from investing activities	87,173	44,015
Net cash flow from (using) financing activities	(43,355)	(92,266)

19. Revenue

Revenues for the nine month and three month periods ended September 30, 2020 and 2019, are as follows:

Item	1/1/2020 9/30/2020 ThUS\$	1/1/2019 9/30/2019 ThUS\$	7/1/2020 9/30/2020 ThUS\$	7/1/2019 9/30/2019 ThUS\$
Revenue from sales of own copper	7,605,362	7,259,288	3,345,735	2,380,076
Revenue from sales of third-party copper	783,692	723,580	339,991	236,561
Revenue from sales of molybdenum	382,985	456,927	120,215	139,462
Revenue from sales of other products	453,621	359,357	182,483	129,680
Gain in futures market	2,979	9,032	1,358	5,656
Total	9,228,639	8,808,184	3,989,782	2,891,435

The Corporation's revenue is recognized at a point in time.

The breakdown of revenue is presented in explanatory note No.23 Operating Segments.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

20. Expenses by nature

Expenses by nature for the nine-month and three-month periods ended September 30, 2020 and 2019, are as follows:

Item	1/1/2020	1/1/2019	7/1/2020	7/1/2019
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Short-term benefits to employees	961,938	1,182,374	335,913	389,726
Depreciation	1,785,346	1,585,015	622,231	577,507
Amortization	1,784	412	686	134
Total	2,749,068	2,767,801	958,830	967,367

21. Other income and expenses by function

Other income and expenses by function for the nine-month and three-month periods ended September 30, 2020 and 2019, are as follows:

a) Other income by function

Item	1/1/2020	1/1/2019	7/1/2020	7/1/2019
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Penalties to suppliers	7,391	13,318	915	4,209
Delegated Administration	2,976	3,672	968	1,125
Miscellaneous sales (net)	18,929	30,664	7,432	4,633
customer recovery	-	7,866	-	(41)
Reversal of provisions	-	810	-	810
Gain on sale of shares of related companies (Note 9)	-	103,151	-	103,151
Material Return	2,287	-	(549)	-
insurance case compensation	10,962	-	10,962	-
Other miscellaneous income	32,708	47,500	(7,583)	2,381
Total	75,253	206,981	12,145	116,268

b) Other expenses by function

Item	1/1/2020	1/1/2019	7/1/2020	7/1/2019
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Law No. 13196	(696,296)	(686,715)	(284,366)	(230,018)
Research expenses	(34,810)	(57,354)	(7,976)	(18,307)
Termination bonus from collective bargaining	(3,045)	(109,845)	(3,038)	931
Exit employee plan	(80,950)	(55,107)	(26,794)	(32,173)
Write-off of investment projects	(66)	(3,905)	(5)	-
Write-off of property, plant & equipment	(2,653)	(24,618)	(864)	(376)
Medical care plan	(46,757)	(16,952)	(13,468)	(7,969)
Inventory write-off	(963)	(7,178)	(507)	(6,420)
Inventory obsolescence	(18,283)	-	(10,255)	-
Loss for onerous contract	-	-	135	-
Customer bad debt	-	(1,307)	-	-
Contingency expenses	(12,728)	(7,105)	(2,427)	(1,384)
Fixed indirect costs, low production level	(46,763)	(312,234)	(21,267)	(30,341)
Other	(26,531)	(45,813)	(6,141)	(16,750)
Total	(969,845)	(1,328,133)	(376,973)	(342,807)

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

c) Law No. 13196

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. 13196 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% at the beginning of the thirteenth year. The validity of this law is as of January 1, 2020, maintaining the payment annually at a date no later than December 15 of each year.

On March 23, 2020, the Ministry of Finance issued Ordinary Letter No. 843, which modifies the payment method of the funds related to Law 13196, in order to address funds to meet national needs generated by the COVID-19 crisis. Said Official Letter establishes the payment of funds owed to the Treasury for the application of Law No. 13196, 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.

22. Finance costs

The detail of finance costs for the nine-month and three-month periods ended September 30, 2020 and 2019, is as follows:

Item	1/1/2020	1/1/2019	7/1/2020	7/1/2019
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bond interest	(399,326)	(229,041)	(147,908)	(88,329)
Bank loan interest	(45,061)	(38,304)	(13,314)	7,813
Unwinding of discount on severance indemnity provision	(2,889)	(9,940)	(1,123)	(2,922)
Unwinding of discount on other non-current provisions	(25,272)	(33,482)	(8,564)	(11,023)
Other	(47,826)	(49,337)	(11,466)	(5,504)
Total	(520,374)	(360,104)	(182,375)	(99,965)

23. 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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

Types of mine sites: Open pit mines and underground mines

Operating: since 1915

Location: Calama – Region II

Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Radomiro Tomic

Types of mine sites: Open pit mines

Operating: since 1997,

Location: Calama – Region II

Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

Ministro Hales

Type of mine: Open pit mine

Operating: since 2014

Location: Calama – Region II

Products: Calcined copper, copper concentrates

Gabriela Mistral

Type of mine: Open pit mine

Operating: since 2008

Location: Calama – Region II

Products: Electrolytic (electro-obtained) cathodes

Salvador

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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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, maintains a cash management function 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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

Segments	From 1/1/2020 9/30/2020										
	Chuquicamata	R. Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Total Segments	Head Office	Total Consolidated
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue from sales of own copper	2,551,728	1,077,357	423,993	777,367	1,696,574	48,956	438,744	590,674	7,605,393	(31)	7,605,362
Revenue from sales of third-party copper	2,226	-	(230)	-	-	18,966	-	-	20,962	762,730	783,692
Revenue from sales of molybdenum	222,519	8,845	7,292	31,959	104,688	-	-	-	375,303	7,682	382,985
Revenue from sales of other products	131,831	-	49,964	3,221	63,423	151,569	5	45,966	445,979	7,642	453,621
Revenue from futures market	1,574	1,761	121	(209)	591	(1,841)	890	92	2,979	-	2,979
Revenue between segments	39,391	-	34,831	3,219	-	59,869	-	-	137,310	(137,310)	-
Revenue	2,949,269	1,087,963	515,971	815,557	1,865,276	277,519	439,639	636,732	8,587,926	640,713	9,228,639
Cost of sales of own copper	(1,975,597)	(853,922)	(411,016)	(662,416)	(1,082,352)	(41,435)	(397,233)	(576,737)	(6,000,708)	(1,498)	(6,002,206)
Cost of sales of copper third-party copper	(1,506)	-	-	-	-	(22,304)	-	-	(23,810)	(760,287)	(784,097)
Cost of sales of molybdenum	(60,251)	(3,352)	(3,345)	(17,236)	(35,391)	-	-	-	(119,575)	(24,231)	(143,806)
Cost of sales of other products	(110,314)	-	(50,566)	(489)	(40,402)	(158,122)	(418)	(8,236)	(368,547)	(12,037)	(380,584)
Cost of sales between segments	(88,076)	9,496	(32,410)	3,475	19,392	(72,487)	(1,126)	24,426	(137,310)	137,310	-
Cost of sales	(2,235,744)	(847,778)	(497,337)	(676,666)	(1,138,753)	(294,348)	(398,777)	(560,547)	(6,649,950)	(660,743)	(7,310,693)
Gross profit	713,525	240,185	18,634	138,891	726,523	(16,829)	40,862	76,185	1,937,976	(20,030)	1,917,946
Other income, by function	15,415	3,498	4,017	11,215	8,100	5,093	985	911	49,234	26,019	75,253
Impairment loss determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	(934)	(934)
Distribution costs	(2,356)	(12)	(259)	(109)	(429)	(892)	-	(740)	(4,797)	(2,198)	(6,995)
Administrative expenses	(33,085)	(17,351)	(10,590)	(15,804)	(46,902)	(5,061)	(14,846)	(14,487)	(158,126)	(104,290)	(262,416)
Other expenses, by function	(119,120)	(5,130)	(16,114)	(19,030)	(42,296)	(6,053)	(8,202)	(6,266)	(222,211)	(51,337)	(273,548)
Law No. 13.196	(231,439)	(95,972)	(42,593)	(76,209)	(146,332)	(17,131)	(43,336)	(43,285)	(696,297)	-	(696,297)
Other gains (losses)	-	-	-	-	-	-	-	-	-	18,264	18,264
Finance income	(660)	(25)	38	6	762	104	6	(286)	(55)	35,467	35,412
Finance costs	(181,667)	(29,337)	(14,304)	(53,289)	(165,302)	(6,041)	(10,389)	(31,356)	(491,685)	(28,689)	(520,374)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	-	-	382	529	937	-	-	-	1,848	7,865	9,713
Exchange differences	38,206	10,107	8,089	19,669	48,927	5,903	2,869	5,329	139,099	(2,152)	136,947
Income (loss) before taxes	198,819	105,963	(52,700)	5,869	383,988	(40,907)	(32,051)	(13,995)	554,986	(122,015)	432,971
Income tax expenses	(147,613)	(73,741)	35,910	(4,923)	(269,961)	28,352	21,973	8,417	(401,586)	40,538	(361,048)
Income (loss)	51,206	32,222	(16,790)	946	114,027	(12,555)	(10,078)	(5,578)	153,400	(81,477)	71,923

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

From 1/1/2019 9/30/2019											
Segments	Chuquicamata	R. Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Total Segments	Head Office	Total Consolidated
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue from sales of own copper	2,396,592	1,185,920	161,600	675,587	1,667,944	47,771	469,570	654,302	7,259,286	2	7,259,288
Revenue from sales of third-party copper	1,004	-	-	-	-	14,552	-	-	15,556	708,024	723,580
Revenue from sales of molybdenum	225,382	4,986	16,108	56,475	147,733	-	-	-	450,684	6,243	456,927
Revenue from sales of other products	92,499	-	18,155	1,219	82,810	141,487	3,520	15,553	355,243	4,114	359,357
Revenue from futures market	5,792	2,947	366	(62)	(92)	(687)	677	91	9,032	-	9,032
Revenue between segments	11,078	-	7,324	1,904	1,330	78,032	-	-	99,668	(99,668)	-
Revenue	2,732,347	1,193,853	203,553	735,123	1,899,725	281,155	473,767	669,946	8,189,469	618,715	8,808,184
Cost of sales of own copper	(2,115,967)	(877,709)	(188,496)	(708,175)	(1,097,380)	(42,124)	(509,108)	(535,749)	(6,074,708)	1,271	(6,073,437)
Cost of sales of copper third-party copper	(1,060)	-	-	-	-	(14,908)	-	-	(15,968)	(701,204)	(717,172)
Cost of sales of molybdenum	(62,182)	(10,805)	(6,672)	(19,580)	(34,492)	-	-	-	(133,731)	(18,898)	(152,629)
Cost of sales of other products	(91,025)	-	(9,888)	(468)	(50,877)	(147,252)	(3,393)	(6,597)	(309,500)	(3,545)	(313,045)
Cost of sales between segments	(35,884)	18,179	(12,128)	(869)	3,926	(73,313)	(1,315)	1,736	(99,668)	99,668	-
Cost of sales	(2,306,118)	(870,335)	(217,184)	(729,092)	(1,178,823)	(277,597)	(513,816)	(540,610)	(6,633,575)	(622,708)	(7,256,283)
Gross profit	426,229	323,518	(13,631)	6,031	720,902	3,558	(40,049)	129,336	1,555,894	(3,993)	1,551,901
Other income, by function	11,105	3,926	9,389	18,763	9,482	981	1,539	2,370	57,555	149,426	206,981
Impairment loss determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	1,176	1,176
Distribution costs	(4,898)	(211)	(597)	(73)	(725)	(718)	(90)	(954)	(8,266)	(4,381)	(12,647)
Administrative expenses	(35,792)	(22,413)	(10,138)	(12,247)	(39,103)	(6,019)	(20,703)	(19,676)	(166,091)	(136,934)	(303,025)
Other expenses, by function	(372,751)	(12,236)	(75,467)	(10,617)	(80,909)	(2,371)	(10,026)	(13,075)	(577,452)	(63,966)	(641,418)
Law No. 13.196	(232,929)	(107,473)	(14,235)	(68,814)	(159,083)	(15,392)	(53,335)	(35,454)	(686,715)	-	(686,715)
Other gains (losses)	-	-	-	-	-	-	-	-	-	17,038	17,038
Finance income	(1,237)	(81)	45	159	841	171	17	(366)	(451)	22,955	22,504
Finance costs	(44,985)	(36,861)	(11,698)	(47,975)	(129,654)	(7,723)	(11,794)	(36,266)	(326,956)	(33,148)	(360,104)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	212	-	(371)	(728)	(1,577)	-	-	-	(2,464)	14,327	11,863
Exchange differences	38,142	5,980	2,700	12,818	41,195	3,890	4,707	8,588	118,020	(3,074)	114,946
Income (loss) before taxes	(216,904)	154,149	(114,003)	(102,683)	361,369	(23,623)	(129,734)	34,503	(36,926)	(40,574)	(77,500)
Income tax expenses	137,721	(109,876)	78,495	69,230	(265,032)	16,200	91,082	(25,462)	(7,641)	(12,858)	(20,499)
Income (loss)	(79,183)	44,273	(35,508)	(33,453)	96,337	(7,423)	(38,652)	9,041	(44,567)	(53,432)	(97,999)

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

As of September 30, 2020 and 2019, no impairment or reversal of impairment has been recorded in the segments indicated in the previous table.

The assets and liabilities related to each operating segment, including the Corporation's head office as of September 30, 2020 and December 31, 2019, are detailed in the following tables:

9/30/2020										
Category	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Head Office	Total Consolidated
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current assets	1,240,166	528,176	603,496	293,822	831,644	67,667	223,892	366,973	3,982,947	8,138,783
Non-current assets	9,133,917	2,038,092	1,057,324	4,876,485	7,702,617	252,644	1,092,927	3,167,475	4,946,205	34,267,686
Current liabilities	523,012	170,301	173,351	182,243	361,108	64,137	82,667	149,232	1,511,742	3,217,793
Non-current liabilities	692,244	262,544	237,116	574,442	1,213,495	124,748	147,671	125,353	24,134,241	27,511,854

12/31/2019										
Category	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Head Office	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

The revenue segregated per geographical areas is the following:

Revenue per geographical areas	1/1/2020	1/1/2019	7/1/2020	7/1/2019
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total revenue from domestic customers	1,217,510	1,048,456	619,741	290,863
Total revenue from foreign customers	8,011,129	7,759,728	3,370,041	2,600,572
Total	9,228,639	8,808,184	3,989,782	2,891,435

Revenue per geographical areas	1/1/2020	1/1/2019	7/1/2020	7/1/2019
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
China	2,279,394	1,596,852	978,672	692,515
Rest of Asia	1,035,909	1,187,325	395,312	338,644
Europe	3,100,855	2,763,921	1,296,624	798,165
America	2,372,247	2,705,086	1,108,871	921,772
Other	440,234	555,000	210,303	140,339
Total	9,228,639	8,808,184	3,989,782	2,891,435

During the periods January - September 2020 and 2019, 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

24. Foreign exchange differences

The detail of foreign exchange differences for the nine-month and three-month periods ended September 30, 2020 and 2019, is as follows:

Gain (loss) from foreign exchange differences recognized in income	1/1/2020	1/1/2019	7/1/2020	7/1/2019
	9/30/2020	9/30/2019	9/30/2020	9/30/2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Gain from foreign exchange differences	237,945	158,392	(126,069)	123,003
Loss from foreign exchange differences	(100,998)	(43,446)	(249)	52,125
Total exchange difference, net	136,947	114,946	(126,318)	175,128

25. Statement of cash flows

The following table shows the items that comprise other collections and payments from operating activities in the Statement of Cash Flows:

Other collections from operating activities	1/1/2020	1/1/2019
	9/30/2020	9/30/2019
	ThUS\$	ThUS\$
VAT Refund	951,395	1,229,424
Other	491,832	207,512
Total	1,443,227	1,436,936

Other payments from operating activities	1/1/2020	1/1/2019
	9/30/2020	9/30/2019
	ThUS\$	ThUS\$
Contribution to Chilean treasury Law N°13.196	(693,931)	-
Sales hedge	(1,762)	(10,360)
VAT and other similar taxes paid	(985,275)	(966,395)
Total	(1,680,968)	(976,755)

During the period January – September 2020, no capital contributions were received. During the nine-month periods ended September 30, 2019, as indicated in the equity note, capital contributions were received for a total of ThUS\$400,000, which are presented in other cash inflows (outflows) corresponding to the net cash flows provided by (used in) activities of financing.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

26. 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 September 30, 2020 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.

- 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 September 30, 2020, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

US\$17 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 September 30, 2020 correspond to amounts of ThUS\$17,632,799 and ThUS\$1,935,862, 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 nine-month period ended September 30, 2020, if the future price of copper fluctuates by + / - 5% (with the other variables constant), the result would be US\$157 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect as of September 30, 2020 (MTMF 213). 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 would 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.

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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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, the Corporation 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 9/30/2020	Less than one year ThUS\$	Between one and five years ThUS\$	More than five years ThUS\$
Loans from financial institutions	390,953	832,223	1,292,360
Bonds	550,405	3,119,083	13,383,638
Derivatives	7,329	-	179,828
Other financial liabilities	-	54,177	-
Total	948,687	4,005,483	14,855,826

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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

The maximum exposure to credit risk as of September 30, 2020 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 September 30, 2020 and 2019, 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 nine-month periods ended September 30, 2020 and 2019, no guarantees have been executed to ensure the collection of third party debt.

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

27. 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:

a. Hedges

The Corporation maintains an exposure associated with its hedging operations against exchange rate and interest rate variations, whose positive fair value, net of taxes, amounts to ThUS\$596.

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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

September 30, 2020

Hedged item	Bank	Type of derivative contract	Maturity	Currency	Covered item	Financial obligation: hedging instrument	Fair value of hedging instruments	Asset	Amortized cost
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bond UF Mat. 2025	Credit Suisse (USA)	Swap	4/1/2025	US\$	251,328	208,519	61,342	327,400	(266,058)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US\$	351,369	409,650	(74,342)	392,192	(466,534)
Bond EUR Mat. 2024	BNP Paribas (USA)	Swap	7/9/2024	US\$	351,369	409,680	(74,028)	392,192	(466,220)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US\$	364,244	406,212	(20,908)	459,720	(480,628)
Bond AUD Mat. 2039	Santander (Chile)	Swap	8/22/2039	US\$	50,154	49,266	(1,701)	69,879	(71,580)
Bond HKD Mat. 2034	HSBC Bank USA N.A. (USA)	Swap	11/7/2034	US\$	64,515	63,792	(2,799)	83,253	(86,052)
Total					1,432,979	1,547,119	(112,436)	1,724,636	(1,837,072)

December 31, 2019

Hedged item	Bank	Type of derivative contract	Maturity	Currency	Covered item	Financial obligation: hedging instrument	Fair value of hedging instruments	Asset	Amortized cost
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bond UF Mat. 2025	Credit Suisse (USA)	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 (England)	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. (USA)	Swap	11/7/2034	US\$	64,220	63,792	(703)	64,220	(64,923)
Total					1,425,022	1,547,119	(65,547)	1,670,943	(1,736,490)

As of September 30, 2020, the Corporation no maintains 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 US\$ respectively, from market information.

The notional amounts are detailed below:

September 30, 2020	Notional amount of contracts with final maturity							
	Currency	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
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Currency derivatives	ThUS\$	2,091	59,215	61,306	116,564	1,119,326	579,155	1,815,045

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 September 30, 2020, these operations generated a gain of ThUS\$863.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 September 30, 2020, the Corporation performed derivative market transactions of copper that represent 455,650 metric tons of fine copper. These hedging operations are performed as part of the Corporation's commercial policy.

The current contracts as of September 30, 2020, present a negative fair value of ThUS\$8,035 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 nine-month period ended September 30, 2020 resulted in a net positive effect on net income of ThUS\$2,536, which is comprised of the amounts received for sales contracts for ThUS\$4,652 and the amounts net off against purchases contracts for ThUS\$2,116.

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

As of September 30, 2020, the Corporation maintains derivative contracts for the sale of gold of ThOZ 10,192.

The contracts in force as of September 30, 2020, present a positive fair value of ThUS\$224, the final result of which can only be known at the expiration of these operations, after the compensation between the hedging operations and the income from the sale of the protected products. These hedging operations expire until January 2021.

The operations completed between January 1 and September 30, 2020, generated a negative effect on results of ThUS\$1,673, corresponding to values per physical sales contracts.

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

The Corporation does not hold cash flow hedges backed by future production as of September 30, 2020.

The following tables set forth the maturities of metal hedging activities, as referred to in point b above:

September 30, 2020	Maturity date							
	ThUS\$	2020	2021	2022	2023	2024	Upcoming	Total
Flex Com Cobre (Asset)		666	1,519	-	-	-	-	2,185
Flex Com Cobre (Liability)		(1,662)	(5,099)	(3,294)	(165)	-	-	(10,220)
Flex Com Gold/Silver		241	(17)	-	-	-	-	224
Price setting		-	-	-	-	-	-	-
Metal options		-	-	-	-	-	-	-
Total		(755)	(3,597)	(3,294)	(165)	-	-	(7,811)

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

December 31, 2019	Maturity date						
ThUS\$	2020	2021	2022	2023	2024	Upcoming	Total
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	-	-	-	-	-	-	-
Total	(485)	(319)	(12)	-	-	-	(816)

September 30, 2020	Maturity date						
All figures in thousands of metric tons ounces	2020	2021	2022	2023	2024	Upcoming	Total
Copper Futures [MT]	64.725	302.625	84.650	3.650	-	-	455.650
Gold/Silver Futures [ThOZ]	7.330	2.860	-	-	-	-	10.190
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

December 31, 2019	Maturity date						
All figures in thousands of metric tons ounces	2020	2021	2022	2023	2024	Upcoming	Total
Copper Futures [MT]	335.650	96.650	0.500	-	-	-	432.800
Gold/Silver Futures [ThOZ]	2.720	-	-	-	-	-	2.720
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

28. 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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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\$310 million corresponding to 400 cases. According to the estimate made by the legal advisors of the Corporation, 314 cases, which represent 78.50% of the universe, have associated probable loss results amounting to ThUS\$57,167. There are also 58 cases, representing 14.50% for an amount of ThUS\$34,265, for which it is more likely than not, that the ruling will not be against the Corporation. For the remaining 28 cases, representing 7% for an amount of ThUS\$715, the Corporation's legal advisors consider an unfavorable result remote.
- 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.

Once the discussion and evidence stage concluded, the Santiago Civil Court, on September 11, 2020, delivered its judgment in which it dismissed the annulment action filed by the Corporation, condemning it to the respective costs of said lawsuit. The Corporation announces that it will appeal said judgment.

For litigation with a probable unfavorable outcome for the Corporation, the necessary provisions have been recognized as "provisions for legal proceedings."

b) Other Commitments

- i. 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.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 Company's management 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 by Codelco until the end of the contract signed with that company (May 2021).
- ii. 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

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

prohibitions established in the Pledge Contract and in the Modified Pledge Contract, making it subject to , by virtue of the Merger, 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."

- iii. 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 September 30, 2020 and 2019.

- 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:

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

- 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 September 30, 2020, the Corporation has agreed guarantees for an annual amount of U.F. 29,188,594 to comply with the aforementioned Law No. 20551. The following table details the main given guarantees:

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

Transmitter	Mine site	Amount	Currency	Date	Maturity date	Issuance rate %	ThUS\$
Banco Estado	Radomiro Tomic	3,232,980	UF	11/8/2019	11/10/2020	0.09	117,759
Banco Itau	Ministro Hales	1,845,954	UF	11/6/2019	11/13/2020	0.09	67,238
Banco de Chile	Chuquicamata	4,191,593	UF	11/26/2019	11/26/2020	0.10	152,676
Banco Santander	Teniente	5,000,000	UF	11/29/2019	12/2/2020	0.15	182,122
Banco Bci	Teniente	2,367,016	UF	11/28/2019	12/2/2020	0.18	86,217
Banco Itau	Teniente	1,800,000	UF	11/29/2019	12/2/2020	0.15	65,564
Banco Estado	Gabriela Mistral	1,978,180	UF	12/11/2019	12/15/2020	0.11	72,054
Banco Itau	Salvador	1,300,000	UF	2/12/2020	2/18/2021	0.11	47,352
Banco Bci	Salvador	2,643,667	UF	2/12/2020	2/18/2021	0.18	96,294
Banco Estado	Andina	3,310,724	UF	4/28/2020	5/3/2021	0.35	120,591
Banco Bci	Andina	663,655	UF	4/28/2020	5/3/2021	0.70	24,173
Banco Estado	Ventana	400,043	UF	12/19/2019	10/7/2020	0.10	14,571
Banco Bci	Ventana	454,782	UF	12/18/2019	10/7/2020	0.18	16,565
Total		29,188,594					1,063,176

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

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

In turn, the subsidiary Nueva Acrux agrees to sell to Mitsui, the products purchased under the agreement described in the preceding paragraphs.

The contract expiration will occur when the shareholders agreement of Anglo American Sur S.A ends or other events related to the completion of mining activities of the company take place.

On June 11, 2019, Codelco and Anglo American Sur S.A. signed an agreement that ensures and optimizes the operation of their respective copper mines, Andina and Los Bronces, respectively. This agreement is similar to others that the same parties have signed during the last 40 years and that favor the independent, safe and sustainable operation of these neighboring mines.

- x. 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. Codelco is permanently monitoring the aforementioned outbreak, its constant evolution, eventual impact on the Corporation's financial and operational indicators. additional possible effects on our workers, clients, suppliers, as well as continuing collaborating with the government actions that are being taken to reduce its spread, with no material impact observed to

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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.

Due to the above, as of September 30, 2020 Codelco has taken a series of restrictive measures in its operation and development of investment projects, in order to protect the health of its workers, which are indicated below:

- March 25, 2020, the Corporation announced the temporary suspension of the projects: the remaining works of the Chuquicamata Underground Mine Project, Early Works of Rajo Inca and Assembly Works of Traspaso Andina. The suspension was carried out gradually as of March 25 for a period of 15 days.
- April 8, 2020, the Corporation announced the decision to partially or totally suspend some third-party services both for projects and for operations support (which involves around 30% of the total contractor workers), for a period of 30 days, extendable. With this decision, Codelco asked the contracting companies to take steps with their respective unions to benefit from the benefits of the Employment Protection Law No. 21227. The conditions in which the total or partial suspension was implemented was agreed independently with each of the contracting companies.
- June 20, 2020, the Corporation announced the stoppage of construction of all its projects in the Antofagasta Region and the operational continuity of the Chuquicamata Division only with workers from Calama. With this measure, the construction of underground Chuquicamata and other divisional projects were completely suspended.
- June 25, 2020, the Corporation announced the temporary halt of activities in the Chuquicamata Division smelter and refinery managements, a measure that reduces the participation in work of about 400 people, together with the detention of equipment and reduction of the productive rhythms in both areas. The measure considered the continuity of minor operations and preventive maintenance.

The aforementioned measures have not significantly affected Codelco Chile's accounting results for the January-September 2020 period, nor the value of its assets as of September 30, 2020

- x. On July 21, 2020, the First Environmental Court admitted for processing a claim for environmental damage filed by the State Defense Council against Codelco Salvador Division, for affecting the Salar de Pedernales due to the extraction of the water resource carried out in said salt flat. The Corporation is evaluating said demand and its potential impact on projects and operations.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

29. Guarantees

The Corporation as a result of its activities has received and given guarantees.

The following tables list the main guarantees given to financial institutions and others:

Direct Guarantees provided to Financial Institutions and others					
Creditor of the Guarantee	Type of Guarantee	9/30/2020			12/31/2019
		Currency	Maturity	ThUS\$	ThUS\$
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 and Merchant Marine	Maritime concession	CLP	7/15/2020	-	230
General Directorate of Maritime Territory and Merchant Marine	Maritime concession	CLP	3/1/2021	1,339	-
Viability management	Building project	UF	2/18/2020	-	1
Viability management	Building project	UF	3/1/2020	-	4
Viability management	Building project	UF	3/10/2020	-	8
Viability management	Building project	UF	4/22/2020	-	4
Viability management	Building project	UF	11/26/2020	12	-
Viability management	Building project	UF	11/30/2020	27	-
Viability management	Building project	UF	1/25/2021	1	-
Viability management	Building project	UF	4/3/2021	29	-
Viability management	Building project	UF	4/15/2021	20	-
Viability management	Building project	UF	4/29/2021	50	-
Viability management	Building project	UF	6/25/2021	4	-
Viability management	Building project	UF	7/2/2021	13	-
Viability management	Building project	UF	4/8/2024	4	4
Minera Doña Ines de Collahuasi	Offer to purchase an asset	US\$	1/2/2021	8	-
Ministry of national goods	Project of exploitation	CLP	2/28/2020	-	154
Ministry of national goods	Project of exploitation	CLP	2/25/2021	154	-
Ministry of national goods	Project of exploitation	UF	6/9/2021	21	24
Ministry of Public Works	Building project	UF	12/31/2019	-	22,364
Ministry of Public Works	Building project	UF	1/2/2021	21,544	-
Ministry of Public Works	Building project	UF	10/2/2021	498	516
Ministry of Public Works	Building project	UF	12/31/2021	160	-
Ministry of Public Works	Building project	UF	7/29/2022	37	-
Oriente Copper Netherlands B.V.	Pledge on shares	US\$	11/1/2032	877,813	877,813
Sernageomin	Environmental	UF	2/18/2020	-	125,213
Sernageomin	Environmental	UF	5/3/2020	-	125,179
Sernageomin	Environmental	UF	10/7/2020	31,136	32,321
Sernageomin	Environmental	UF	11/10/2020	117,759	122,239
Sernageomin	Environmental	UF	11/13/2020	67,238	69,796
Sernageomin	Environmental	UF	11/26/2020	152,676	158,485
Sernageomin	Environmental	UF	12/2/2020	333,903	346,606
Sernageomin	Environmental	UF	12/15/2020	72,054	74,795
Sernageomin	Environmental	UF	2/18/2021	143,646	-
Sernageomin	Environmental	UF	5/3/2021	144,764	-
Total general				1,964,910	1,957,167

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:

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

Guarantees received from third parties		
Division	9/30/2020	12/31/2019
	ThUS\$	ThUS\$
Andina	317	418
Chuquicamata	290	375
Casa Matriz	737,866	887,051
Salvador	-	387
El Teniente	427	447
Ventanas	50	52
Total	738,950	888,730

30. Balances in foreign currency

a) Assets by of Currency

Assets national and Foreign currency	9/30/2020					TOTAL
	US Dollars	Euros	Other currencies	Non-indexed Ch\$	U.F.	
Current Assets						
Cash and cash equivalents	3,193,009	50,077	4,467	205,530	806	3,453,889
Other current financial assets	203,781	-	-	12	64	203,857
Other current non-financial assets	38,243	385	322	3,256	-	42,206
Trade and other current receivables	1,760,783	85,305	321	487,578	-	2,333,987
Accounts receivable from related parties, current	21,523	-	-	-	-	21,523
Inventories	2,028,282	-	-	-	-	2,028,282
Current tax assets	54,027	-	-	1,012	-	55,039
Total current assets	7,299,648	135,767	5,110	697,388	870	8,138,783
Non-current assets						
Investments accounted for using equity method	3,470,552	-	-	-	-	3,470,552
Property, plant and equipment	29,390,808	-	-	-	-	29,390,808
Deferred tax assets	41,626	-	-	4,531	-	46,157
Others assets	1,023,440	-	2,310	271,769	62,650	1,360,169
Total non-current assets	33,926,426	-	2,310	276,300	62,650	34,267,686
Total Assets	41,226,074	135,767	7,420	973,688	63,520	42,406,469

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

Assets national and Foreign currency	12/31/2019					TOTAL
	US Dollars	Euros	Other currencies	Non-indexed Ch\$	U.F.	
Current Assets						
Cash and cash equivalents	1,212,657	49,773	4,674	34,348	1,653	1,303,105
Other current financial assets	172,794	-	-	19	138	172,951
Other current non-financial assets	20,762	-	3	196	8	20,969
Trade and other current receivables	2,006,046	112,649	384	450,304	18,885	2,588,268
Accounts receivable from related parties, current	20,874	-	-	-	-	20,874
Inventories	1,921,135	-	-	-	-	1,921,135
Current tax assets	20,960	2	19	1,738	-	22,719
Total current assets	5,375,228	162,424	5,080	486,605	20,684	6,050,021
Non-current assets						
Investments accounted for using equity method	3,483,523	-	-	-	-	3,483,523
Property, plant and equipment	29,268,012	-	-	-	-	29,268,012
Deferred tax assets	43,736	-	-	-	-	43,736
Others assets	611,426	189	65,692	181,627	640,385	1,499,319
Total non-current assets	33,406,697	189	65,692	181,627	640,385	34,294,590
Total Assets	38,781,925	162,613	70,772	668,232	661,069	40,344,611

b) Liability by type of currency:

National and foreign currency liabilities	9/30/2020					TOTAL
	US Dollars	Euros	Other currencies	Non-indexed Ch\$	U.F.	
Current liabilities						
Other current financial liabilities	947,071	(2)	12	6,632	(5,026)	948,687
Current lease liabilities	44,756	-	405	64,198	16,877	126,236
Trade and other current payables	567,840	10,767	939	535,686	40	1,115,272
Accounts payable to related parties, current	138,461	-	-	14,242	6,684	159,387
Other current provisions	498,389	58	-	7,853	-	506,300
Current tax liabilities	13,213	883	71	(10,076)	48	4,139
Current provisions for employee benefits	1,614	-	-	322,339	285	324,238
Other current non-financial liabilities	30,726	-	79	2,671	58	33,534
Total current liabilities	2,242,070	11,706	1,506	943,545	18,966	3,217,793
Non-current liabilities						
Other non-current financial liabilities	18,593,783	(5,640)	(1,085)	2	274,249	18,861,309
Non-current lease liabilities	83,467	-	75	137,405	48,210	269,157
Non-current payables	443	-	-	-	-	443
Other non-current provisions	1,093,928	-	-	66,143	924,217	2,084,288
Deferred tax liabilities	5,136,558	-	-	4,893	-	5,141,451
Non-current provisions for employee benefits	11,478	-	-	1,141,062	-	1,152,540
Other non-current non-financial liabilities	1,477	-	-	1,189	-	2,666
Total non-current liabilities	24,921,134	(5,640)	(1,010)	1,350,694	1,246,676	27,511,854
Total liabilities	27,163,204	6,066	496	2,294,239	1,265,642	30,729,647

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

National and foreign currency liabilities	12/31/2019					TOTAL
	US Dollars	Euros	Other currencies	Non-indexed Ch\$	U.F.	
Current liabilities						
Other current financial liabilities	1,244,765	(2)	5,721	370	(264)	1,250,590
Current lease liabilities	36,702	-	272	74,109	16,678	127,761
Trade and other current payables	886,390	12,439	1,300	520,470	316	1,420,915
Accounts payable to related parties, current	135,281	-	-	1,953	-	137,234
Other current provisions	356,871	64,664	8,167	61,545	10,925	502,172
Current tax liabilities	-	-	-	13,857	-	13,857
Current provisions for employee benefits	-	-	-	435,565	-	435,565
Other current non-financial liabilities	27,223	-	-	7,582	58	34,863
Total current liabilities	2,687,232	77,101	15,460	1,115,451	27,713	3,922,957
Non-current liabilities						
Other non-current financial liabilities	15,462,011	(6,414)	112,112	3	665,401	16,233,113
Non-current lease liabilities	113,062	-	378	118,701	72,969	305,110
Non-current payables	8,346	-	-	-	-	8,346
Other non-current provisions	1,481,547	-	410	26,624	581,906	2,090,487
Deferred tax liabilities	4,860,881	-	-	-	-	4,860,881
Non-current provisions for employee benefits	14,699	-	-	1,260,559	8,099	1,283,357
Other non-current non-financial liabilities	5,447	-	-	246	-	5,693
Total non-current liabilities	21,945,993	(6,414)	112,900	1,406,133	1,328,375	24,786,987
Total liabilities	24,633,225	70,687	128,360	2,521,584	1,356,088	28,709,944

31. Sanctions

As of September 30, 2020 and 2019, neither Codelco Chile nor its Directors and Managers have been sanctioned by the CMF or any other administrative authorities.

32. 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 September 30, 2020, Codelco is implementing a strategic change process in all divisions to manage the aspects and risks associated with environmental matters,

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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 nine-month periods ended September 30, 2020 and 2019, respectively, and the projected future expenses are stated below.

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

Entity	Project name	Project Status	Disbursements 9/30/2020			12/31/2019	Future committed	
			Amount ThUS\$	Asset/Expense	Asset / Expenditure Item	Amount ThUS\$	Amount ThUS\$	Estimated date
	Chuquicamata							
Codelco Chile	Talambre dam capacity extension, 8th stage	In Progress	18,296	Asset	P, P & E	58,947	16,267	2020
Codelco Chile	Replacement of circulation pot 1A and 2A	Finished	-	Asset	P, P & E	8,306	-	2019
Codelco Chile	Construction installation surplus management	Finished	-	Asset	P, P & E	706	-	2019
Codelco Chile	Replacement of water treatment plant	Finished	-	Asset	P, P & E	4,792	-	2019
Codelco Chile	Replacement gas management system	Finished	-	Asset	P, P & E	8,157	-	2019
Codelco Chile	Acid plant transformation 3-4 DC/DA	In Progress	966	Asset	P, P & E	157,740	-	2020
Codelco Chile	Enablement refining gas treatment system	In Progress	11,922	Asset	P, P & E	41,519	4,331	2020
Codelco Chile	Dryer replacement n° 5 fuco	In Progress	7,805	Asset	P, P & E	31,909	497	2020
Codelco Chile	Construction Relle Res Dom-Asim Montec	In Progress	3,549	Asset	P, P & E	238	-	2020
Codelco Chile	Construction IX stage Talabre tranque	Finished	-	Asset	P, P & E	8,167	-	2019
Codelco Chile	Construction 8 Seg Montecristo	In Progress	396	Asset	P, P & E	5,565	-	2020
Codelco Chile	Acid plants	In Progress	12,824	Expenditure	Operational expenses	30,692	-	2020
Codelco Chile	Solid waste	In Progress	1,305	Expenditure	Operational expenses	769	435	2020
Codelco Chile	Tailings	In Progress	16,063	Expenditure	Operational expenses	16,987	-	2020
Codelco Chile	Water treatment plant	In Progress	18,349	Expenditure	Operational expenses	18,030	-	2020
Codelco Chile	Environmental monitoring	In Progress	1,410	Expenditure	Operational expenses	780	470	2020
Codelco Chile	Normalization drainage system drill hole	In Progress	88	Asset	P, P & E	778	2,924	2021
Codelco Chile	Standard handling / feeding / transport powder	In Progress	3,504	Asset	P, P & E	-	16,203	2021
Codelco Chile	Construction talabres thickened tailings	In Progress	4,675	Asset	P, P & E	-	21,675	2022
	Total Chuquicamata		101,152			394,082	62,802	
	Salvador							
Codelco Chile	Improved integration of the gas process	In Progress	9,346	Asset	P, P & E	69,547	13,215	2021
Codelco Chile	Tailings	In Progress	3,239	Expenditure	Operational expenses	2,318	-	2020
Codelco Chile	Acid plants	In Progress	48,902	Expenditure	Operational expenses	35,804	-	2020
Codelco Chile	Solid waste	In Progress	1,100	Expenditure	Operational expenses	1,124	-	2020
Codelco Chile	Water treatment plant	In Progress	421	Expenditure	Operational expenses	589	-	2020
Codelco Chile	Overhaul thickeners tailings sal-proy	Finished	-	Asset	P, P & E	2,978	-	2019
Codelco Chile	Dangerous substances warehouse	Finished	-	Asset	P, P & E	301	-	2019
Codelco Chile	Bell replacement	In Progress	-	Asset	P, P & E	19,241	-	2021
Codelco Chile	Ditch hazardous waste	Finished	-	Asset	P, P & E	785	-	2019
Codelco Chile	DRPA Emergency	In Progress	2,162	Asset	P, P & E	3,819	27,794	2021
Codelco Chile	Compliance DS 43 storage dangerous substances	In Progress	211	Asset	P, P & E	-	744	2021
	Total Salvador		65,381			136,506	41,753	
	Andina							
Codelco Chile	Construction site emergency plan	Finished	-	Asset	P, P & E	3,420	-	2019
Codelco Chile	Improved water internal tip E2	Finished	-	Asset	P, P & E	256	-	2019
Codelco Chile	Catchment water drainage hill black	Finished	-	Asset	P, P & E	306	-	2019
Codelco Chile	Construction canal outline DL east	In Progress	2,887	Asset	P, P & E	4,234	2,342	2021
Codelco Chile	Construction site emergency plan	In Progress	1,896	Asset	P, P & E	3,860	588	2020
Codelco Chile	Expansion dam	In Progress	28,291	Asset	P, P & E	36,314	7,631	2020
Codelco Chile	Construction Structure and instruments	In Progress	910	Asset	P, P & E	245	929	2020
Codelco Chile	Water injection system	Finished	-	Asset	P, P & E	685	-	2019
Codelco Chile	construction of pits containment of spills	In Progress	320	Asset	P, P & E	119	-	2020
Codelco Chile	Valve and works rating	In Progress	1,024	Asset	P, P & E	618	2,331	2021
Codelco Chile	Construction of catchment tower N.5	Finished	-	Asset	P, P & E	188	-	2019
Codelco Chile	Solid waste	In Progress	1,646	Expenditure	Operational expenses	2,023	-	2020
Codelco Chile	Water treatment plant	In Progress	2,781	Expenditure	Operational expenses	2,833	-	2020
Codelco Chile	Trailing	In Progress	55,078	Expenditure	Operational expenses	47,339	-	2020
Codelco Chile	Acid drainage	In Progress	24,502	Expenditure	Operational expenses	20,290	-	2020
Codelco Chile	Environmental monitoring	In Progress	646	Expenditure	Operational expenses	623	-	2020
Codelco Chile	Sustainability and external matters management	In Progress	1,295	Expenditure	Operational expenses	2,049	-	2020
Codelco Chile	DLN conditioning works	In Progress	7,599	Asset	P, P & E	-	9,295	2021
Codelco Chile	Construction works mitigation water shortage	In Progress	6,654	Asset	P, P & E	-	1,010	2020
Codelco Chile	Excavation operation improvement	In Progress	71	Asset	P, P & E	-	2,922	2021
Codelco Chile	Water dispatch tunnel modification	In Progress	474	Asset	P, P & E	-	6,182	2021
	Total Andina		136,074			125,402	33,230	
Subtotal			302,607			655,990	137,785	

CORPORACION NACIONAL DEL COBRE DE CHILE
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Entity	Project name		Disbursements 9/30/2020			12/31/2019	Future committed	
			Amount ThUS\$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS\$	Amount ThUS\$	Estimated date
	El Teniente							
Codelco Chile	Construction of 7th phase of Carén	In Progress	34,541	Asset	P, P & E	43,920	288,444	2023
Codelco Chile	Construction of slag treatment plant	In Progress	28,579	Asset	P, P & E	76,833	5,908	2020
Codelco Chile	Smelting emissions network	In Progress	2	Asset	P, P & E	25,064	-	2020
Codelco Chile	Smoke capacity reduction	Finished	-	Asset	P, P & E	9,761	-	2019
Codelco Chile	Construction of slag treatment plant	In Progress	966	Asset	P, P & E	576	-	2020
Codelco Chile	Acid plants	In Progress	43,849	Expenditure	Operational expenses	60,964	-	2020
Codelco Chile	Solid waste	In Progress	2,084	Expenditure	Operational expenses	2,260	-	2020
Codelco Chile	Water treatment plant	In Progress	10,646	Expenditure	Operational expenses	10,000	-	2020
Codelco Chile	Tailings	In Progress	46,766	Expenditure	Operational expenses	46,767	-	2020
Codelco Chile	Well construction and hydrogeology modification Colihue-Cauquenes	In Progress	60	Asset	P, P & E	-	4,643	2022
Codelco Chile	Improvement of the container washing system for filter plants	In Progress	33	Asset	P, P & E	-	-	2020
Codelco Chile	Land acquisition	In Progress	6,791	Asset	P, P & E	-	-	2020
	Total El Teniente		174,317			276,145	298,995	
	Gabriela Mistral							
Codelco Chile	Environmental monitoring	In Progress	51	Expenditure	Operational expenses	45	-	2020
Codelco Chile	Solid waste	In Progress	1,316	Expenditure	Operational expenses	1,395	-	2020
Codelco Chile	Environmental consultancy	In Progress	18	Expenditure	Operational expenses	99	-	2020
Codelco Chile	Water treatment plant	In Progress	1	Expenditure	Operational expenses	-	-	2020
Codelco Chile	Garbage dump extension	In Progress	-	Asset	P, P & E	17,966	-	2020
Codelco Chile	Improved dust collection system	Finished	-	Asset	P, P & E	389	-	2019
	Total Gabriela Mistral		1,386			19,894	-	
	Ventanas							
Codelco Chile	Acid plants	In Progress	18,860	Expenditure	Operational expenses	18,143	-	2020
Codelco Chile	Solid waste	In Progress	1,045	Expenditure	Operational expenses	1,321	-	2020
Codelco Chile	Environmental monitoring	In Progress	982	Expenditure	Operational expenses	1,097	-	2020
Codelco Chile	Water treatment plant	In Progress	4,167	Expenditure	Operational expenses	4,205	-	2020
Codelco Chile	Distribution system replacement	Finished	-	Asset	P, P & E	268	-	2019
Codelco Chile	Main chimney implementation	In Progress	254	Asset	P, P & E	236	75	2020
Codelco Chile	Implementation of abatement water system	In Progress	79	Asset	P, P & E	-	-	2020
Codelco Chile	Stockpile improvement	In Progress	97	Asset	P, P & E	-	-	2020
Codelco Chile	Improvement closure facilities and crusher belts	In Progress	131	Asset	P, P & E	-	-	2020
Codelco Chile	Stabilized road operations	In Progress	76	Asset	P, P & E	-	-	2020
	Total Ventanas		25,691			25,270	75	
	Radomiro Tomic							
Codelco Chile	Solid waste	In Progress	663	Expenditure	Operational expenses	1,395	-	2020
Codelco Chile	Environmental monitoring	In Progress	466	Expenditure	Operational expenses	144	-	2020
Codelco Chile	Water treatment plant	In Progress	800	Expenditure	Operational expenses	-	-	2020
	Total Radomiro Tomic		1,929			1,539	-	
	Ministro Hales							
Codelco Chile	Solid waste	In Progress	1,354	Expenditure	Operational expenses	1,433	-	2020
Codelco Chile	Environmental monitoring	In Progress	-	Expenditure	Operational expenses	349	-	2020
Codelco Chile	Water treatment plant	In Progress	129	Expenditure	Operational expenses	106	-	2020
Codelco Chile	Pit drainage wells mine	In Progress	191	Asset	P, P & E	900	-	2020
Codelco Chile	Implementation monitoring acuífero pit	In Progress	187	Asset	P, P & E	140	2,967	2021
Codelco Chile	Slice barn extension and dome control room	In Progress	7	Asset	P, P & E	-	1,569	2021
	Total Ministro Hales		1,868			2,928	4,536	
	Ecometales Limited							
Codelco Chile	Smelting powders leaching plant	In Progress	344	Expenditure	Operational expenses	547	204	2020
Codelco Chile	Smelting powders leaching plant	In Progress	6	Expenditure	Operational expenses	7	2	2020
	Total Ecometales Limited		350			554	206	
Subtotal			205,541			326,330	303,812	
Total			508,148			982,320	441,597	

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33. Subsequent events

- On October 2, 2020, it is reported as an essential fact that as of October 16, 2020, Mr. Alvaro Aliaga Jobet, Vice President of North Operations and Mr. José Robles Becerra, Vice President of Productivity and Costs will cease to work at Codelco.

From that same date, Mr. Mauricio Barraza Gallardo will assume as acting t Vice President of North Operations and Mr. Alejandro Rivera Stambuk as acting Vice President of Productivity and Costs, notwithstanding the foregoing, both will continue to hold their positions as Vice President of South Central Operations and Vice President of Administration and Finance, respectively.

- On October 27, 2020, the Corporation filed appeals and cassation in the form of the sentence of the 25th Civil Court of Santiago, which dismissed the action for annulment of Public Law filed by the copper company against Report No. 900 of 2016 of the Comptroller General of the Republic.

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 October 1, 2020 and the date of issue of these consolidated financial statements as of October 29, 2020.

Octavio Araneda Osés
Chief Executive Officer

Alejandro Rivera Stambuk
Chief Financial Officer

Juan Ogas Cabrera
Accounting Manager

Cristóbal Parrao Cartagena
Accounting Director (I)