



Codelco's Results

FIRST QUARTER 2018

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CEO

March 25th 2018



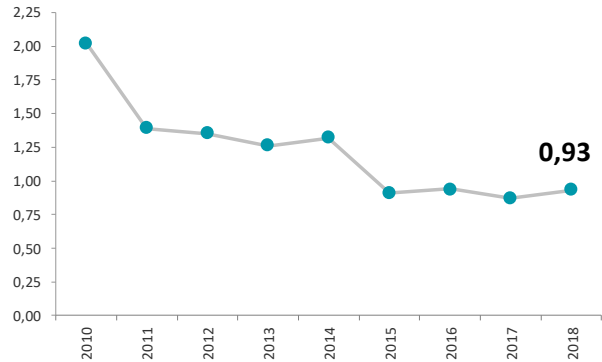


SUSTAINABILITY

SAFETY, REASSESSMENT OF BASIC CONDITIONS

Codelco and third party staff frequency rate

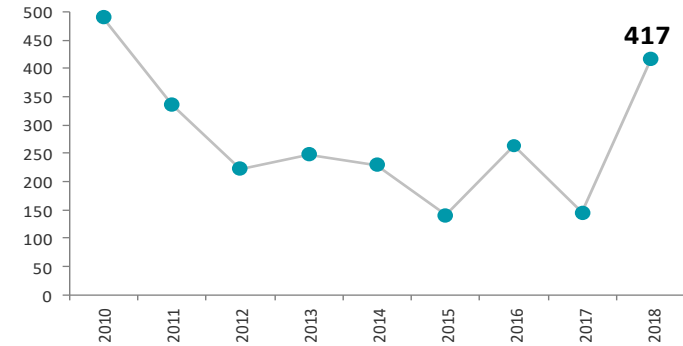
(Accidents with lost time / million hours / employees worked)



The frequency rate **remained** within the trend demonstrated over recent years, complying with the maximum tolerable level set for this year.

Codelco and third party staff severity rate

(Days lost and days charged / million hours / employees worked)



The severity rate **increased** significantly, mainly due to the two fatalities that occurred in January and February.

During the first quarter, Codelco underwent two regrettable fatal accidents. **As a result, a safety reinforcement plan was initiated, led by the Codelco's upper management.**

COLLECTIVE BARGAINING NEGOTIATIONS

BUSINESS CONDITIONS REMAIN ADEQUATE

- 6 unions, 6 negotiations, representing close to three thousand workers.
- **Responsible dialogue** with mutually beneficial agreements reached.
- No strikes.

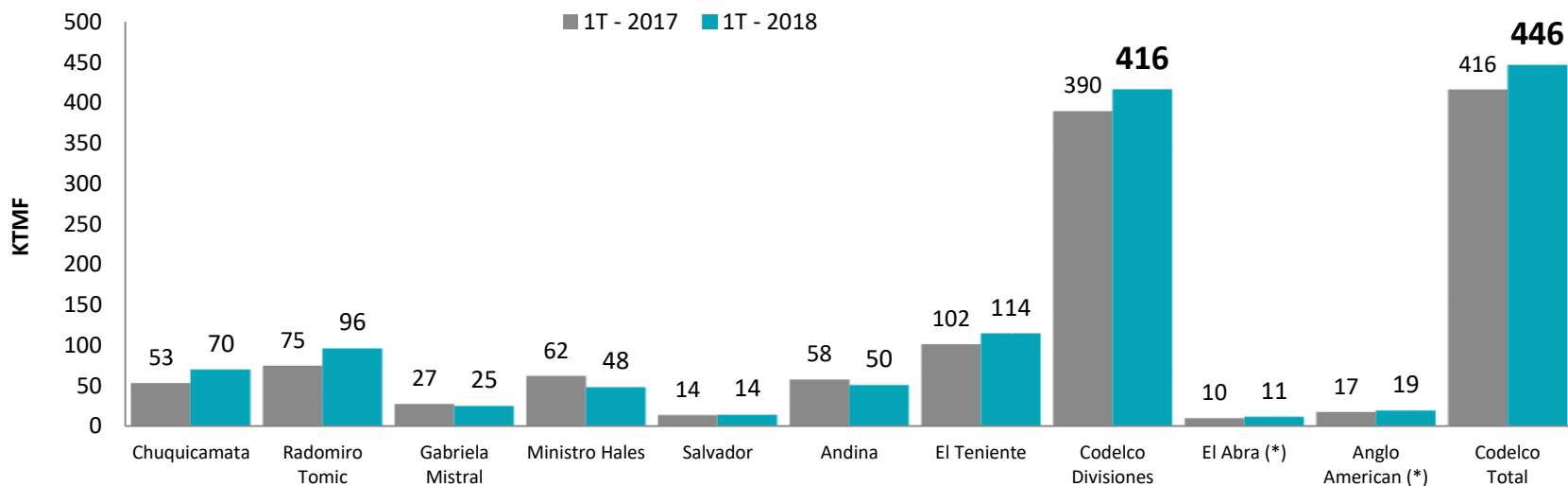
2018 COLLECTIVE BARGAINING NEGOTIATIONS				
Work center	Union	Date	Base salary readjustment	Term
Andina	Unificado de Trabajadores (SUT)	January 2018	1,00%	36
Andina	Industrial de Integración Laboral (SIIL)	January 2018	1,00%	36
Ministro Hales	Professionals	March 2018	1,00%	36
Radomiro Tomic	Workers (Plant Management Establishment)	Feb / April 2018	1,00%	36
Radomiro Tomic	Workers	Feb / April 2018	1,00%	36
Chuquicamata	Supervisors	Feb / April 2018	1,00%	36



RESULTS

CODELCO ACHIEVED RECORD PRODUCTION LEVELS FOR THE PERIOD

Despite a 2.7% decrease in the ore grade, Codelco achieved an **internal production of 416 thousand fine metric tons**, which represents a 7% increase in production compared to the same period the previous year.



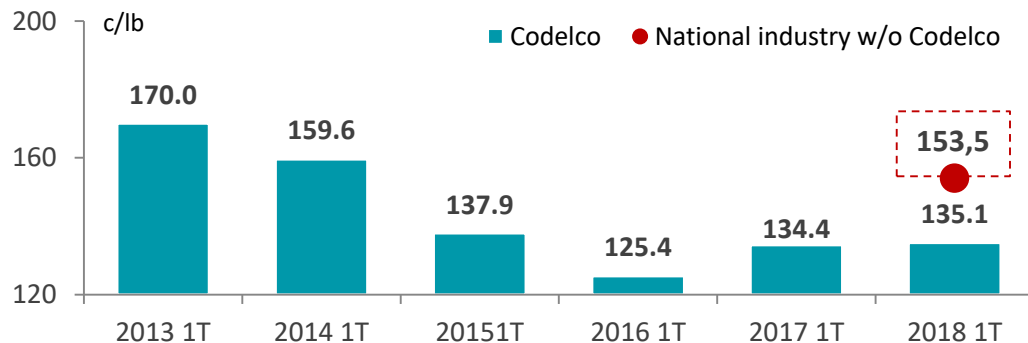
(*) The production reflects the proportion of Codelco ownership: El Abra 49%, Anglo American Sur 20%

DESPITE THE INCREASE:

COSTS AT CODELCO ARE **12% LOWER** THAN THE INDUSTRY AVERAGE

	Q1 - 2017 (c/lb)	Q1 - 2018 (c/lb)	Var. (%)
Direct cost (C1)	134,4	135,1	+1%
Net cathode cost (C3)	205,0	220,5	+8%

Codelco / national industry direct costs (without Codelco)



Sources: Wood Mackenzie and Codelco

8% Net cathode cost increased (C3)

Given the drop in the exchange rate (\$655 average in the 1st quarter of 2017, to a \$602 average in the 1st quarter of 2018), the price of inputs, collective bargaining and others.

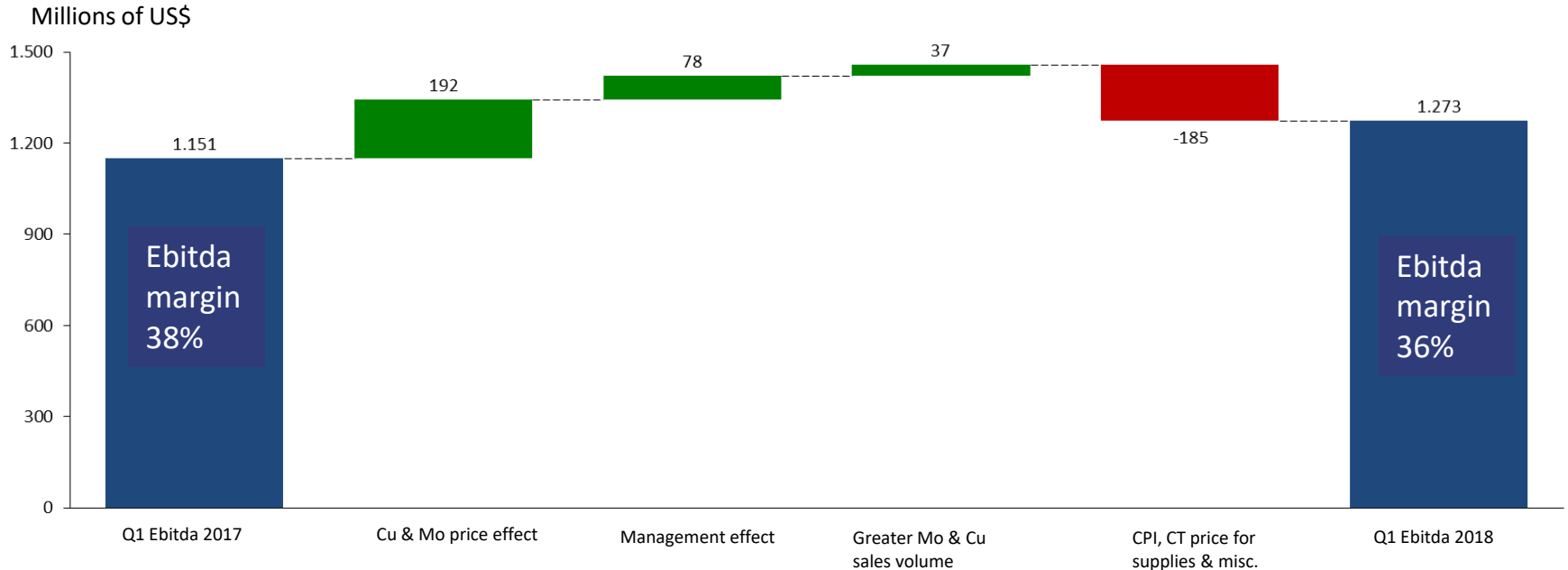
1% Direct cost increase (C1)

Despite the sharp drop in the exchange rate, the direct cost remained stable.

12% Lower than the C1 of the rest of the industry

EBITDA* ROSE BY 11% , SIMILAR TO THE SAME PERIOD IN 2017

The EBITDA in 2018 reached **US\$ 1,273 million**, mainly due to a rise in the price of copper, enhanced management and sales volume.

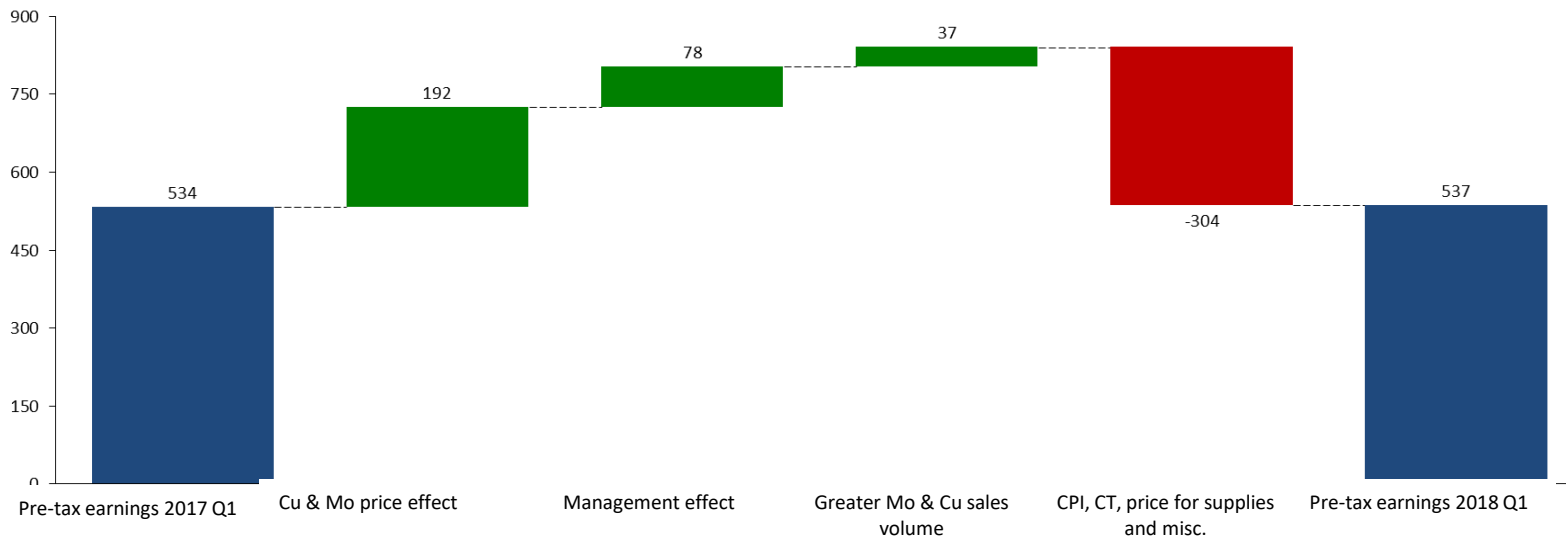


(*) Consolidated, before the Copper Reserve Law.

CODELCO'S NET PRE-TAX EARNINGS EXCEEDED BY 7% THE EXPECTED COMMITMENT TO THE STATE

First quarter pre-tax profit in 2018 reached **US \$537 million**, while the commitment to the Chilean state was to generate US \$502 million.

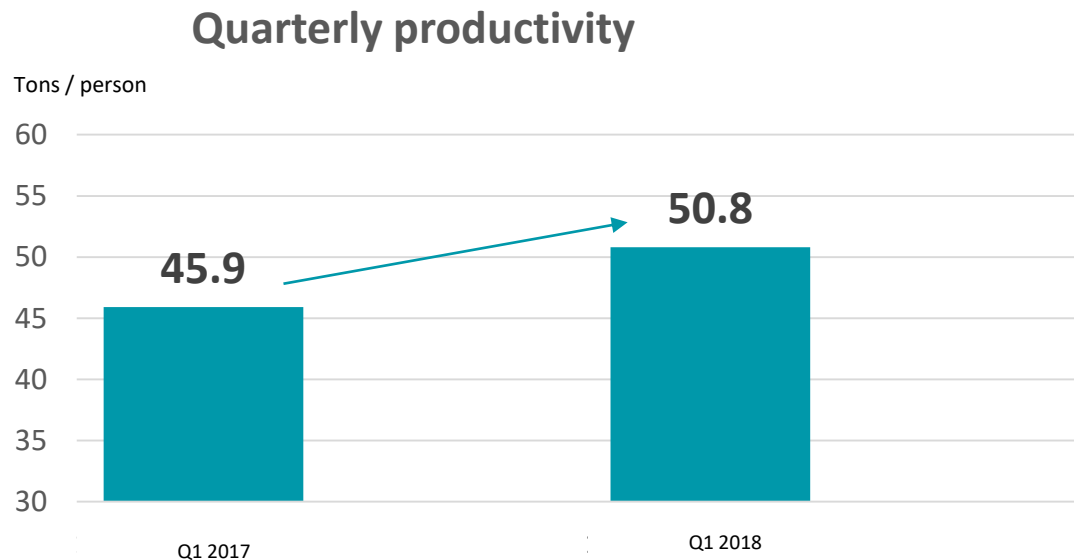
Millions of US\$



(*) Individual Results

CODELCO EXCEEDED PRODUCTIVITY RATES BY 11% WITH RESPECT TO THE FIRST QUARTER OF 2017

The optimization of third party contracts, enhanced staff management and increased production allowed us to increase our productivity compared to the same period of the previous year.



STRUCTURAL PROJECT PROGRESS TO ENSURE THE FUTURE OF CODELCO



PROJECTS IN EXECUTION (under construction)

CHUQUICAMATA UNDERGROUND

Total progress 56.2%.

In March, we completed the excavation of the orepass from the crusher room. 74% of all tunnels have been constructed (142 km). Reformulation must be reviewed by the Ministry of Social Development and Cochilco.

ANDINA TRANSFER

Total progress at 53.2%.

Completed mass excavations and structure assembly of the primary crusher dome.

We are currently concluding 9.5 km of excavations for Haulage III.

MINE NEW LEVEL

Total progress at 46.7%.

The 2018 schedule considers works at the access tunnel, the belt tunnel and on the mine interior. 50% of the tunnels for this project have been constructed (80 km). Reformulation must be reviewed by the Ministry of Social Development and Cochilco.

PROJECTS BEING STUDIED

RAJO INCA MINE

Feasibility study is currently in development.

ANDINA FUTURE DEVELOPMENT

Reviews are being conducted for the authorization of the feasibility study.

NORTH DISTRICT DESALINATION PLANT

The bidding process continues, as scheduled.

WE WORKED TO COMPLY WITH REGULATIONS ON THREE SMELTERS IN DECEMBER 2018

Progress of projects DS 28:



VENTANAS 100%

US\$ 113 million (2016)



CHUQUICAMATA 59%

US\$ 997 million December '18



EL TENIENTE 52%

US\$ 602 million December '18



SALVADOR 66%

US\$ 428 million December '18

- **Projects completed and in operation since 2016**

- Annual compliance DS 28 - year 2017:
 - S capture = 95.7 (≥ 95%)
 - As capture = 95.3% (≥ 95%)

- **Acid Plants 3 and 4:** Detailed engineering finished and a 60% progress achieved.

- **Improved flash smelter:** Clearing/drainage works are in development and the bidding process is underway for the primary construction and assembly contract.

- **Reduction of emissions at the gas cleaning plant:** Progress has been made as scheduled, at 70%.

- **Smoke opacity reduction from anode furnaces:** Commenced primary construction and assembly contract.

- **Comprehensive improvements to gas collection and processing:** Progress on project phase II early construction works continues.



MANAGEMENT SUMMARY

Highlights

PRE-TAX PROFIT

US\$ 537 million

Codelco surpassed its pre-tax profit commitment with the Chilean state by 7%.

EBITDA

US\$ 1,273 million
36% margin

This figure **is up 11%** from the first quarter of 2017.

RECORD PRODUCTION:

416 thousand tons

Codelco's own production **rose 7%** over the first quarter of 2017, despite a 2.7% drop in copper grade.

COSTS

C1 135.1 c/lb
C3 220.5 c/lb

Despite the strong increase in the Chilean peso over the US dollar, Codelco's C1 cost increased **slightly** with respect to the same period of 2017. Codelco's costs are 12% better than the Chilean industry average.

**Codelco's
challenge
is to transform
itself for a
viable future.**

A photograph of a male worker in profile, wearing a white hard hat, safety glasses, and a high-visibility vest, looking out over a vast, arid landscape. The landscape features a dirt road, a body of water, and distant mountains under a blue sky with scattered clouds. The worker is positioned on the left side of the frame, looking towards the right. The background shows a wide expanse of dry, brownish terrain with some industrial structures and a body of water in the distance. The sky is a clear blue with a few white clouds. The overall scene suggests a mining or industrial site in a desert environment.

FUTURE VISION

TRANSFORMATION, 2018 PRIMARY CHALLENGE

- Demanding environmental regulatory context: more than **30 thousand commitments** for dozens of environmental qualification resolutions or environmental impact statements: compliance / discipline.
- Collective bargaining: **11 negotiations** remain open with two trade unions in "Rol A" and 9 trade unions in "Rol B". Responsible dialogue, guidelines for austerity measures and efforts to increase competitiveness.
- Structural projects: complete the **reformulation process** at the applicable areas and move forward according to schedule.
- Productivity: continue **progress** towards leading industry indicators.
- Financing 2018: continue generating **savings, retained profits** (US\$ 569 million) and **injection of capital** (US\$ 633 million).
- People: positive attitude towards risk management, ongoing development, adoption of new technologies and automation, available to participate in process **transformation**.

APPENDIX

Statement of results

January - March: 2017- 2018
(millions of US\$)

	Q1 2018	Q1 2017	Var
Own copper sales earnings	2.731	2.381	350
Own copper sales costs	-1.983	-1.660	-323
Gross profit copper sales	748	721	26
Gross profit for byproduct and misc. product sales	165	75	89
Gross profit	912	797	116
Non-operational results	-353	-262	-91
Pre-tax profit	560	535	25
Imposed cost related companies	-19	3	-21
Minority interest	-4	-4	-1
Codelco Pre-tax Profit	537	534	3

Statement of results

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Gross profit copper sales	748	721	26
Gross profit for byproduct and misc. product sales	165	75	89
Gross profit	912	797	116
Consolidated pre-tax profit	264	293	-29
Capital gains tax	-196	-250	54
Consolidated net profit	68	42	26
Minority interest	-4	-4	-1
Codelco Net Profit	64	39	25

Pre-tax Profit Distribution

January - March: 2017- 2018
(millions of US\$)

	Q1 2018	Q1 2017	Var
Tax Reserved Law N° 13.196	295	242	54
Income tax	150	232	-82
Specific mining tax	27	21	6
Profit	64	39	25
Total profit	537	534	3
Comparable profit (*)	345	365	-20

Accrued amounts

* Net profit with private sector type taxation, Codelco Individual



CODELCO'S RESULTS

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Nelson Pizarro Contador
CEO

March 25th 2018

