CORPORACION NACIONAL DEL COBRE DE CHILE

Interim Consolidated Financial Statements
As of June 30, 2017

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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 statement of financial position of Corporación Nacional del Cobre de Chile and its subsidiaries (the "Company") as of June 30, 2017, and the related interim consolidated statements of comprehensive income for the six-month and three-month periods ended June 30, 2017, and of changes in equity and cash flows for the six-month periods then ended, and the related notes to the interim consolidated financial statements. The interim consolidated statements of comprehensive income for the six-month and three-month periods ended June 30, 2016 and of changes in equity and cash flows for the six-month periods then ended, and the related notes to the interim consolidated financial statements, were reviewed by other auditors whose report dated August 25, 2016, stated that based on their review, they were not aware of any material modifications that should be made to those interim consolidated financial statements in order for them to be in accordance with IAS 34 "Interim Financial Reporting" incorporated in the International Financial Reporting Standards ("IFRS"). The consolidated statement of financial position of the Company as of December 31, 2016, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the year then ended (not presented herein), were audited by other auditors whose report dated March 30, 2017, expressed an unmodified opinion on those consolidated financial statements.

Management's Responsibility for the Consolidated Interim Financial Information

The Company's management is responsible for the preparation and fair presentation of the interim financial information in accordance with IAS 34 "Interim Financial Reporting" incorporated in the International Financial Reporting Standards. 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 financial information in accordance with the applicable financial reporting framework.

Auditor's Responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in Chile applicable to reviews of interim financial information. A review of interim financial information 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.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim consolidated financial statements as of and for the six-month and three-month periods ended June 30, 2017, in order to them to be in accordance with IAS 34 “Interim Financial Reporting” incorporated in the International Financial Reporting Standards.

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

Deloitte

August 31, 2017
Santiago, Chile

CODELCO – CHILE

Unaudited Interim Consolidated Financial Statements as of and for the six – month period ended June 30, 2017

(Translation into English of the Unaudited Interim Consolidated Financial Statements originally issued in Spanish – see Note I.2)

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INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2017 (Unaudited) and December 31, 2016
(In thousands of US dollars - ThUS$)
(Translation into English of the Unaudited Interim Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Note	6/30/2017	12/31/2016
Assets			
Current Assets			
Cash and cash equivalents	1	888,627	576,726
Other current financial assets	12	1,638	9,861
Other current non-financial assets		25,798	28,638
Trade and other current receivables	2	1,893,575	2,254,731
Accounts receivable from related parties, current	3	148,437	13,669
Inventories	4	1,997,837	1,800,270
Current tax assets	6	3,668	6,523
Total current assets		**4,959,580**	**4,690,418**
Non-current assets			
Other non-current financial assets	12	89,985	70,585
Other non-current non-financial assets	11	13,337	14,317
Non-current receivables	2	89,006	95,316
Accounts receivable from related parties, non-current	3	22,217	21,713
Non-current inventories	4	401,834	337,411
Investment accounted for using equity method	8	3,658,371	3,753,974
Intangible assets other than goodwill	9	201,178	196,897
Property, plant and equipment	7	24,373,362	23,977,261
Investment property		981	5,377
Non-current tax assets	6	233,772	233,886
Deferred tax assets	5	28,706	23,975
Total non-current assets		**29,112,749**	**28,730,712**
Total Assets		**34,072,329**	**33,421,130**

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 June 30, 2017 (Unaudited) and December 31, 2016
(In thousands of US dollars - ThUS$)
(Translation into English of the Unaudited Interim Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	06/30/2017	12/31/2016
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	13	372,180	352,610
Trade and other current payables	16	1,157,269	1,208,126
Accounts payable to related parties, current	3	122,287	103,894
Other current provisions	17	223,212	290,002
Current tax liabilities	6	15,323	9,582
Current provisions for employee benefits	18	298,338	439,585
Other current non-financial liabilities		52,808	58,654
Total current liabilities		**2,241,417**	**2,462,453**
Non-current liabilities			
Other non-current financial liabilities	13	14,964,789	14,931,469
Non-current payables		54,101	62,651
Other accounts payable to non-current related entities	3	-	-
Other non-current provisions	17	1,620,821	1,592,612
Deferred tax liabilities	5	3,486,280	3,167,914
Non-current provisions for employee benefits	18	1,314,357	1,308,871
Other non-current non-financial liabilities		4,186	4,751
Total non-current liabilities		**21,444,534**	**21,068,268**
Total liabilities		**23,685,951**	**23,530,721**
Equity			
Issued capital		4,099,423	3,624,423
Retained losses		(35,333)	(30,072)
Other reserves	19	5,315,864	5,317,392
Equity attributable to owners of the parent		**9,379,954**	**8,911,743**
Non-controlling interests	19	1,006,424	978,666
Total equity		**10,386,378**	**9,890,409**
Total liabilities and equity		**34,072,329**	**33,421,130**

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

For the six and three month periods ended June 30, 2017 and 2016 (Unaudited)
(In thousands of US dollars - ThUS$)
(Translation into English of the Unaudited Interim Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes N°	01/01/2017 06/30/2017	01/01/2016 06/30/2016	04/01/2017 06/30/2017	04/01/2016 06/30/2017
Revenue	20	5,989,650	5,406,033	2,961,455	2,686,649
Cost of sales		(4,533,889)	(4,734,154)	(2,302,228)	(2,294,675)
Gross profit		1,455,761	671,879	659,227	391,974
Other Income, by function	23.a	72,725	78,918	45,781	69,428
Distribution costs		(5,272)	(5,401)	(2,916)	(2,584)
Administrative expenses		(207,781)	(176,145)	(114,517)	(81,688)
Other expenses	23.b	(605,341)	(545,454)	(299,585)	(290,946)
Other gains		3,010	14,363	(6,362)	7,549
Profit (Loss) from operating activities		**713,102**	**38,160**	**281,628**	**93,733**
Finance income		11,842	13,401	6,830	9,454
Finance costs	24	(262,040)	(279,711)	(128,333)	(139,641)
Share of profit (loss) of associates and joint ventures accounted for using equity method	8	118,658	(28,919)	105,309	(36,342)
Foreign exchanges difference	26	(25,493)	(239,253)	(2,170)	(66,650)
Profit (Loss) for the period before tax		**556,069**	**(496,322)**	**263,264**	**(139,446)**
Income taxes	5	(349,740)	292,509	(99,373)	60,411
Profit (Loss) for the period		**206,329**	**(203,813)**	**163,891**	**(79,035)**
Profit (Loss) attributable to owners of the parent		169,863	(191,812)	130,985	(69,486)
Profit (Loss) attributable to non-controlling interests	19.b	36,466	(12,001)	32,906	(9,549)
Profit (Loss) for the period		**206,329**	**(203,813)**	**163,891**	**(79,035)**

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

For the six and three month periods ended June 30, 2017 and 2016 (Unaudited)
(In thousands of US dollars - ThUS$)
(Translation into English of the Unaudited Interim Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes N°	01/01/2017 06/30/2017	01/01/2016 06/30/2016	04/01/2017 06/30/2017	04/01/2016 06/30/2017
Profit (Loss) for the period		206,329	(203,813)	163,891	(79,035)
Components of other comprehensive income that will not be reclassified to profit or loss, before tax:					
Gains (losses) on remeasurement of defined benefit plans, before tax		(10,457)	(10,636)	(6,532)	(8,212)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss, before tax		(22)	12	649	(109)
Other comprehensive income (loss) that will not be reclassified to profit or loss, before tax		**(10,479)**	**(10,624)**	**(5,883)**	**(8,321)**
Components of other comprehensive income that will be reclassified to profit or loss, before tax:					
Exchange differences on translation:					
Gains (Losses) on exchange difference on translation, before tax		3,622	1,266	2,867	(978)
Other comprehensive income (loss), before tax, exchange difference on translation		**3,622**	**1,266**	**2,867**	**(978)**
Cash flow hedges:					
Gains (Losses) on cash flow hedges, before tax		(22,080)	(30,816)	3,148	(31,384)
Other comprehensive income (loss), before tax, cash flow hedges		**(22,080)**	**(30,816)**	**3,148**	**(31,384)**
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, before tax		(334)	(168)	(329)	(158)
Other comprehensive income (loss) that will be reclassified to profit or loss, before tax		**(18,792)**	**(29,718)**	**5,686**	**(32,520)**
Other comprehensive income (loss), before tax		**(29,271)**	**(40,342)**	**(197)**	**(40,841)**
Income (loss) tax relating to remeasurement of defined benefit plans of other comprehensive income	5	7,299	6,807	5,072	6,807
Income taxes relating to components of other comprehensive income that will not be reclassify to profit or loss		**7,299**	**6,807**	**5,072**	**6,807**
Income tax relating to the components of other comprehensive income that will be reclassified to income					
Income tax relating to cash flow hedges of the other comprehensive income	5	14,016	19,994	(2,382)	20,180
Income taxes relating to components of other comprehensive income that will not be reclassify to profit or loss		**14,016**	**19,994**	**(2,382)**	**20,180**
Total other comprehensive income loss		**(7,956)**	**(13,541)**	**2,493**	**(13,854)**
Total Comprehensive Income (Loss)		**198,373**	**(217,354)**	**166,384**	**(92,889)**
Comprehensive income (loss) attributable to:					
Comprehensive income (loss) attributable to owners of the parent		161,907	(205,353)	133,478	(83,340)
Comprehensive income (loss) attributable to non-controlling interests	19.b	36,466	(12,001)	32,906	(9,549)
Total Comprehensive Income (loss)		**198,373**	**(217,354)**	**166,384**	**(92,889)**

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 six month periods ended June 30, 2017 and 2016 (Unaudited)
(In thousands of US dollars - ThUS$)
(Translation into English of the Unaudited Interim Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	01/01/2017 06/30/2017	01/01/2016 03/30/2016
Cash flows from (used in) operating activities:			
Receipts from sales of goods and rendering of services		6,352,238	5,591,044
Other cash receipts from operating activities	27	1,040,836	695,998
Payments to suppliers for goods and services		(3,700,801)	(3,809,159)
Payments to and on behalf of employees		(911,337)	(898,298)
Other cash payments from operating activities	27	(1,036,651)	(1,055,277)
Dividends received		44,743	24,558
Income taxes paid		(8,672)	(42,842)
Cash flows from operating activities		1,780,356	506,024
Cash flows from (used in) investing activities:			
Other payments to acquire equity or debt instruments of other entities		-	(81)
Purchase of property, plant and equipment		(1,648,758)	(1,691,331)
Interest received		3,262	9,079
Other inflows (outflows) of cash		(8,280)	207,940
Cash flows used in investing activities		(1,653,776)	(1,474,393)
Cash flows from (used in) financing activities:			
Proceeds from borrowings		319,826	217,460
Repayment of borrowings		(345,794)	(400,145)
Interest paid		(277,450)	(260,135)
Others clash inflow		488,424	-
Cash flows used in financing activities		185,006	(442,820)
Decrease in cash and cash equivalents before effect of exchange rate changes		311,586	(1,411,189)
Effect of exchange rate changes on cash and cash equivalents		315	2,583
Decrease in cash and cash equivalents		311,901	(1,408,606)
Cash and cash equivalents at beginning of period	1	576,726	1,747,718
Cash and cash equivalents at end of period	1	888,627	339,112

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 six month periods ended June 30, 2017 and 2016 (Unaudited)
(In thousands of US dollars - ThUS$)
(Translation into English of the Unaudited Interim Consolidated Financial Statements originally issued in Spanish – see Note I.2)

June 30, 2017	Issued capital	Reserve of exchange difference on translation	Reserve of cash flow hedges	Reserve of actuarial gains or losses on defined benefits plans Note 18	Other miscellaneous reserves	Total other reserves Note 19	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests Note 19	Total Equity
Initial balance as of 1/1/2017	**3,624,423**	**(10,607)**	**12,342**	**(267,171)**	**5,582,828**	**5,317,392**	**(30,072)**	**8,911,743**	**978,666**	**9,890,409**
Changes in equity:										
Profit (loss)							169,863	169,863	36,466	206,329
Other comprehensive income (loss)		3,622	(8,064)	(3,158)	(356)	(7,956)		(7,956)	-	(7,956)
Comprehensive income (loss)								161,907	36,466	198,373
Dividends							(169,863)	(169,863)		(169,863)
Capital Increases	475,000							475,000		475,000
Increase (decrease) through transfers and other changes	-	-	-	-	6,428	6,428	(5,261)	1,167	(8,708)	(7,541)
Total changes in equity	**475,000**	**3,622**	**(8,064)**	**(3,158)**	**6,072**	**(1,528)**	**(5,261)**	**468,211**	**27,758**	**495,969**
Final balance as of 6/30/2017	**4,099,423**	**(6,985)**	**4,278**	**(270,329)**	**5,588,900**	**5,315,864**	**(35,333)**	**9,379,954**	**1,006,424**	**10,386,378**

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 six month period ended June 30, 2017 and 2016 (Unaudited)

(In thousands of US dollars - ThUS$)

(Translation into English of the Unaudited Interim Consolidated Financial Statements originally issued in Spanish – see Note I.2)

June 30, 2016	Issued capital	Reserve of exchange difference on translation	Reserve of cash flow hedges	Reserve of actuarial gains or losses on defined benefits plans Note 18	Other miscellaneous reserves	Total other reserves Note 19	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests Note 19	Total Equity
Initial balance as of 1/1/2016	**3,124,423**	**(12,974)**	**(6,549)**	**(246,424)**	**5,797,867**	**5,531,920**	**33,623**	**8,689,966**	**1,042,855**	**9,732,821**
Changes in equity:										
Profit (loss)							(191,812)	(191,812)	(12,001)	(203,813)
Other comprehensive income (loss)		1,266	(10,822)	(3,829)	(156)	(13,541)		(13,541)	-	(13,541)
Comprehensive income (loss)								(205,353)	(12,001)	(217,354)
Dividends							-	-		-
Increase (decrease) through transfers and other changes	-	-	-	-	(216,197)	(216,197)	215,990	(207)	(296)	(503)
Total changes in equity	**-**	**1,266**	**(10,822)**	**(3,829)**	**(216,353)**	**(229,738)**	**24,178**	**(205,560)**	**(12,297)**	**(217,857)**
Final balance as of 6/30/2016	**3,124,423**	**(11,708)**	**(17,371)**	**(250,253)**	**5,581,514**	**5,302,182**	**57,801**	**(8,484,406)**	**1,030,558**	**9,514,964**

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

I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile (hereinafter referred to as "Codelco", "Codelco - Chile", or the "Corporation"), is 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. Codelco also manufactures wire rods in Germany, a semi-manufactured product that uses copper cathodes as raw material, through an associated company.

The Corporation trades its products based on a policy aimed to sell refined copper to manufacturers or producers of semi-manufactured products.

These products contribute to diverse fields of community development, particularly those intended to improve areas such as public health, energy efficiency, and sustainable development, among others.

Codelco-Chile is registered under Securities Registry No. 785 of the Chilean Superintendence of Securities and Insurance (the "SVS") and is subject to its supervision. According to Article No. 10 of Law No. 20.392 (on 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.1.349 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. 1.350 of 1976, which is the statutory decree of 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 Gabriela Mistral division is in charge of the ore deposit of the same name, whose operations were, until December 31, 2012, the responsibility of its subsidiary Minera Gaby SpA., a wholly owned subsidiary of the Corporation which was absorbed by Codelco on that date.

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. 20.392, Codelco is governed by its organic standards set forth in Decree Law No. 1.350 (D.L. No. 1.350) 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. 1.350 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.1.350. which refers to Decree Law No. 824 on Income Tax of 1974 and Decree Law No. 2.398 (Article 2) of 1978, as applicable. The Corporation's taxable income is also subject to a Specific Mining Tax in accordance with Law No. 20.026 of 2005.

The Corporation is subject to Law No. 13.196, 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.

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

The associates and joint ventures located in Chile and abroad, are detailed in the Explanatory Notes Section III of Note 8.

2. Basis of Presentation of the Consolidated Financial Statements

The Corporation's interim consolidated statements of financial position as of June 30, 2017 and December 31, 2016, and the interim consolidated statements of comprehensive income for the six and three month periods ended June 30, 2017 and 2016, the changes in equity and of cash flows for the six month periods ended June 30, 2017 and 2016, have been prepared in accordance with International Accounting Standards (IAS) No. 34. Interim Financial Reporting as incorporated in the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

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

The 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 declares its responsibility for the consistent and reliable nature of the information included in aforementioned financial statements as of June 30, 2017, for the effects of which the instructions from SVS have been applied, which fully comply with the IFRS as issued by the IASB, following the requirements of IAS No. 34, *Interim Financial Reporting*. These unaudited interim consolidated financial statements as of June 30, 2017 were approved by the Board of Directors at meeting held on August 31, 2017.

Accounting Principles

These unaudited interim consolidated financial statements reflect the financial position of Codelco and its subsidiaries as of June 30, 2017 and December 31, 2016, and the results of their operations for the six and three month periods ended June 30, 2017 and 2016, and the changes in equity and cash flows for the six month periods ended June 30, 2017 and 2016, and their related notes, all prepared in accordance with IAS 34, *Interim Financial Reporting*, in consideration of the presentation instructions of the Superintendency of Securities and Insurance (SVS), which are not in conflict with IFRS.

For the convenience of the reader, these unaudited interim 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 in accordance with the instructions of the Superintendence of Securities and Insurance (SVS), which fully comply with the International Financial Reporting Standards as issued by the IASB, requires 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. It 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 unaudited interim consolidated financial statements are as follows:

a) **Useful economic lives and residual values of property, plant and equipment -** The useful lives and residual values of property, plant and equipment that are used for calculating depreciation are determined based on technical studies prepared by specialists (internal or external). The technical studies consider specific factors related to the use of assets.

   When there are indicators that could lead to changes in the estimates of the useful lives of such assets, these changes are made by using technical estimates considering specific factors related to the use of the assets.

b) **Ore reserves -** The measurements of ore reserves are based on estimates of the ore resources that are legally and economically exploitable, and reflect the technical and environmental considerations of the Corporation regarding the amount of resources that could be exploited and sold at prices exceeding the total cost associated with the extraction and processing.

   The Corporation applies prudent judgment in determining the ore reserves, and as such, possible changes in these estimates might significantly impact the estimates of net revenues over time. In addition, these changes might lead to modifications in usage estimates, which might have an effect on depreciation and amortization expense, calculation of stripping cost adjustments, determination of impairment losses, expected future disbursements related to decommissioning and restoration obligations, long term defined benefits plans and the accounting for financial derivative instruments.

   The Corporation estimates its reserves and mineral resources based on the information certified by the Competent Persons of the Corporation, who are defined and regulated according to Law No. 20.235. These estimates correspond to the application of the Certification Code of Ore Reserves, Resources and Exploration, issued by the Mining Committee which was instituted through the aforementioned law. This does not modify the global volume of the Corporation's ore reserves and resources.

   Notwithstanding the above, the Corporation also periodically reviews such estimates, supported by world-class external experts, who certify the reserves as determined.

c) **Impairment of 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 indication 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. 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.

Impairment testing also includes subsidiaries, associates and joint arrangements.

d) **Provisions for decommissioning and site restoration costs -** The Corporation is obliged to incur decommissioning and site restoration costs when environmental disturbance is caused by the development or ongoing production of a mining property. 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 part of the cost of items of property, plant and equipment in accordance with IAS 16, and simultaneously a liability in accordance with IAS 37 is recognized.

For these purposes, a defined list of mine sites, facilities and other equipment assigned to this process, consider at the engineering level profile, the cubic of assets that will be subject to removal and restoration, weighted by a structure of market prices of goods and services, reflecting the best knowledge at the time to carry out such activities, as well as techniques and more efficient construction procedures to date. In the process of valuation of these activities, the assumptions of the exchange rate for tradable goods and services is made, as well as a discount rate, which considers the time value of money and the risks associated with the liabilities, which is determined based 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 liability 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. 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 indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, Codelco tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss, in accordance with IAS 36. Any decommissioning and site restoration costs that arose as a result of the production phase of a mine are expensed as incurred.

The decommissioning costs arise 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 profit or loss on an accrual basis.

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 Recognition” of No. II “Significant accounting policies”.

g) **Fair Value of Derivatives and Other Financial Instruments -** Management may use its judgment to choose an adequate and proper valuation method for the financial instruments that are not quoted in an active market. The Corporation applies customary valuation techniques used by other professionals in the industry. In the case of derivative financial instruments, assumptions are based on observable market inputs, adjusted in conformity with the specific features of the instruments.

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 probable outcome will be obtained or when the results are not probable and the lawsuits are still pending resolution, no provisions are recognized.

Although the above-mentioned estimates have been made based on the best information available as of the date of issuance of these unaudited interim consolidated financial statements, it is possible that new developments could lead the Corporation to modify these estimates in the future. Such modifications, if applicable, would be adjusted prospectively, as required by IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

2. Significant accounting policies

a) Period covered - The accompanying unaudited interim consolidated financial statements of Corporación Nacional del Cobre de Chile include the following statements:

- Interim consolidated statements of financial position as of June 30, 2017 and December 31, 2016.
- Interim consolidated statements of comprehensive income for the six and three month periods ended June 30, 2017 and 2016.
- Interim consolidated statements of changes in equity for the six month periods ended June 30, 2017 and 2016.
- Interim consolidated statements of cash flows for the six month periods ended June 30, 2017 and 2016.

b) Basis of preparation - The unaudited interim consolidated financial statements of the Corporation as of June 30, 2017, have been prepared in accordance with the instructions from the Superintendency of Securities and Insurance (SVS) which fully comply with the IFRSs as issued by the IASB.

The consolidated statement of financial position as of December 31, 2016, and the unaudited interim consolidated statements of comprehensive income, net equity and of cash flows for the six month period ended June 30, 2016, included for comparison purposes, have been prepared in conformity with IFRS as issued by the IASB, and on a consistent basis with the accounting policies used by the Corporation for the six month period ended June 30, 2017.

These unaudited interim 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. However, for those subsidiaries and associates that are an extension of the operations of Codelco (entities that are not self-sufficient and whose main transactions are with Codelco); the functional currency is also the U.S. dollar.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The presentation currency of Codelco's consolidated financial statements is the U.S. dollar.

d) Basis of consolidation - The unaudited interim 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 period are included in the consolidated statement comprehensive income from the date the Corporation gains control until the date when the Corporation ceases to control de 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 interim consolidated statement of financial position and "Net income attributable to non-controlling interests" and "Comprehensive income attributable to non-controlling interests" in the consolidated statement of comprehensive income.

The companies included in the consolidation are as follows:

Taxpayer ID Number	Company	Country	Currency	06/30/2017			12/31/2016
				% 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	EURO	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 Technologies Ltd,	Bermuda	US$	-	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$	-	100.00	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
79.566.720-2	Isapre Chuquicamata Ltda,	Chile	CLP	98.30	1.70	100.00	100.00
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.69	-	96.69	96.69
88.497.100-4	Clinica San Lorenzo Limitada	Chile	CLP	99.90	0.10	100.00	100.00
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda,	Chile	CLP	-	100.00	100.00	100.00
89.441.300-K	Isapre Río Blanco Ltda,	Chile	CLP	99.99	0.01	100.00	100.00
96.817.780-K	Ejecutora 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
76.024.442-2	Ecosea Farming S,A,	Chile	US$	-	91.32	91.32	91.32
96.991.180-9	Codelco Tec SpA	Chile	US$	99.91	0.09	100.00	100.00

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

99.569.520-0	Exploraciones Mineras Andinas S,A,	Chile	US$	99.90	0.10	100.00	100.00
99.573.600-4	Clinica 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 Ltda,	Chile	US$	99.99	0.01	100.00	100.00
76.043.396-9	Innovaciones en Cobre S,A,	Chile	US$	0.05	99.95	100.00	100.00
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda,	Chile	US$	99.90	0.10	100.00	100.00
76.167.903-1	Inversiones Mineras Acrux SpA	Chile	US$	-	67.80	67.80	67.80
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	Instituto de Salud Previsional Fusat, Ltda,	Chile	CLP	-	-	-	-
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 Rio 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	-

For the purposes of these consolidated financial statements, subsidiaries, associates, acquisitions and disposals and joint ventures are defined as follows:

- **Subsidiaries -** A subsidiary is an entity over which the Corporation has control. Control is exercised if, and only if, the following conditions are met: the Corporation has i) power to direct the relevant activities of the subsidiaries unilaterally; ii) exposure or rights to variable returns from these entities; and iii) the ability to use its power to influence the amount of these returns.

  The Corporation reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three 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.

  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 interim 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.

- **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 unaudited interim 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 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 based on their fair values at the acquisition date.

- **Acquisitions and Disposals -** The results of businesses acquired are incorporated in the unaudited interim consolidated financial statements from the date when control is obtained; the results of businesses sold during the period are included into the unaudited interim 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.

  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, any excess of Codelco's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

- **Joint Ventures -** The entities that qualify as joint ventures in which joint control exists are accounted for using the equity method.

e) Foreign currency transactions - 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, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items 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.

Monetary assets and liabilities denominated in foreign currencies have been translated into U.S. dollars at the closing exchange rates.

At the end of each reporting period, monetary 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 (06/30/2017: US$40,14; 12/31/2016: US$39,36). Income and expenses denominated in Chilean pesos have been translated into U.S. dollars at the exchange rate at the date of the transactions.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

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:

- 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 of exchange difference on translation".

The exchange rates used in each reporting period were as follows:

	Closing exchange rates	
	6/30/2017	12/31/2016
US$ / CLP	0.00151	0.00149
US$ / GBP	1.30124	1.23396
US$ / BRL	0.30249	0.30744
US$ / EUR	1.14155	1.05396

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.

Income or expenses arising from transactions which, for contractual or legal reasons, consider the possibility of offsetting and which the Corporation intends to liquidate for their net value or realize the assets and settle the liabilities simultaneously, are stated net in the statement of comprehensive income.

g) Property, plant and equipment and depreciation – Items of property, plant and equipment are initially recognized at cost. Subsequent to initial recognition, they are measured at cost, less any accumulated depreciation and any accumulated impairment losses.

Extension, modernization or improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life of the assets are capitalized as increasing the cost of the corresponding assets.

Furthermore, assets acquired under finance lease contracts are included in property, plant and equipment.

Starting fiscal year 2014, 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:

Class of asset	Useful Life
Land	Not depreciated
Land on mine site	Units of production
Buildings	Straight-line over 20-50 years
Buildings in underground mine levels	Units of production level
Vehicles	Straight-line over 3-7 years
Plant and equipment	Units of production
Smelters	Straight-line
Refineries	Units of production
Mining rights	Units of production
Support equipment	Units of production
Intangibles - Software	Straight-line over 8 years
Open pit and underground mine development	Units of production

Leased assets are depreciated over the lease term or their estimated useful life, whichever is shorter.

Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and any change in estimates is recognized prospectively.

Additionally, depreciation method and estimated useful lives of assets, especially plants, facilities and infrastructure are likely to be revised at the beginning of each year and 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 of disposal of an asset is 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, reserves and resources acquired as part of business combinations, where the economic value of the mining properties differs from the carrying amount are recognized at their fair value less any accumulated impairment losses, and less the amounts from use and/or consumption of such reserves.

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. Intangible assets are tested for impairment at least annually, and whenever there is an indication that these assets may be impaired. 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

Development expenses for technology and innovation projects are recognized as intangible assets at cost and are considered to have an indefinite useful life.

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 life are reviewed to determine whether there is an indication that those assets have suffered an impairment loss, If any such indication exists, the Corporation estimates the asset's recoverable amount to determine the extent of the impairment loss.

For assets with indefinite useful lives, their recoverable amounts are annually estimated at the end of each reporting period.

When an asset does not generate cash flows that are independent from other assets, Codelco determines the recoverable amount of the CGU to which the asset belongs.

The Corporation has been defined each of its divisions as a cash generating unit.

Recoverable amount of an asset is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. On the other hand, the fair value less cost of disposal is usually determined for operational assets considering the Life of Mine ("LOM"), based on a model of discounted cash flows, while the assets not included in LOM as resources and potential resources to exploit are measured by using a market model of multiples for comparable transactions.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, an impairment loss is recognized immediately in profit or loss, reducing the carrying amount to its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years.

The estimates of future cash flow for a CGU are based on future production forecasts, future prices of basic products and future production costs. Under IAS 36 *Impairment of Assets,* there are a certain restrictions for future cash flows estimates related to future restructurings and future cost efficiencies. When calculating value in use, it is also necessary to base the calculations on the spot exchange rate at the date of calculation.

j) **Expenditures for exploration and evaluation of mineral resources, mine development and mining operations -** The Corporation has defined an accounting policy for each of these expenditures.

Development expenses for deposits under exploitation whose purpose is to maintain production levels are recognized in profit or loss when incurred.

Exploration and evaluations 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 delimitation of new areas or deposit areas in exploitation and of mining operations (PP&E) are recognized in property, plant and equipment and are recognized in profit or loss during the period in which the benefits are obtained.

k) **Stripping costs -** Costs incurred in removing mine waste materials (overburden) in open pits that are in production, that provide access to mineral deposits, are recognized in property, plant and equipment, when the following criteria set out in IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* are met:

- It is probable that the future economic benefits associated with the stripping activity will flow to the entity.
- It is possible to identify the components of an ore body for which access has been improved as a result of the stripping activity.
- The costs relating to that stripping activity can be measured reliably.

The amounts recognized in property, plant and equipment are depreciated according to the units of production extracted from the ore body related to the specific stripping activity which generated this amount.

l) Income taxes and deferred taxes - Codelco and its Chilean subsidiaries recognize 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. 2.398, as well as, the specific tax on mining referred to in Law 20.026 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. 1.350, which states that tax payments will be made on March, June, September and December of each year, based on a provisional tax return.

Deferred taxes on temporary differences and other events that generate difference between the accounting and tax bases of assets and liabilities are recognized in accordance with IAS 12 *Income taxes*.

Deferred taxes are also recognized for undistributed profits of subsidiaries, associates and joint ventures, originated by withholding taxes on remittances of dividends paid out by such companies to the Corporation.

m) Inventories - Inventories are measured at cost, which does not exceed its 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, amortization and indirect costs of each period, Inventories of products in process are classified in current and non-current inventories, according to the normal cycle of operation.

- Materials in warehouse: These inventories are measured at their acquisition cost. The Corporation estimates an allowance for obsolescence considering the turnover rate of slow-moving materials in the warehouse.

- Materials in transit: These inventories are measured at cost incurred until the end of reporting period. Any difference as a result of an estimate of net realizable value of the inventories lower than its carrying amount is recognized in profit or loss.

n) Dividends – In accordance with Article 6 of D.L. 1.350, the Corporation has a mandatory obligation to distribute its net income as presented in the financial statements. The payment obligation is recognized on an accrual basis.

o) Employee benefits - Codelco recognizes a provision for employee benefits when there is a present obligation (legal or constructive) as a result of services rendered by its employees**.**

The employment contracts stipulate, subject to compliance with certain conditions, the payment of an employee termination indemnity when an employment contract ends. In general, this corresponds to one monthly salary per year of service and considers the components of the final remunerations 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 employees, which are paid based on a fixed percentage applied to the monthly taxable salary of employees covered by this agreement. This employee benefit has been classified as a defined benefit plan.

These plans continue to be unfunded as of June 30, 2017.

The employee termination indemnity and the post-employment medical plan obligations are determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. The defined benefit plan obligations recognized in the statement of financial position represent the present value of the accrued obligations. Actuarial gains and losses are recognized immediately in other comprehensive income and will not be reclassified to profit or loss.

The Corporation's management uses assumptions to determine the best estimate of these benefits. The assumptions include an annual discount rate, expected increases in salaries and turnover rate, among other factors.

In accordance with its operating optimization programs to reduce costs and increase labor productivity by incorporating new current technologies and/or better management practices, the Corporation has established employee retirement programs by amending certain employment contracts or collective union agreements to include benefits encouraging employees to early retire. Accordingly, these arrangements are accounted for as termination benefits and required accruals are established based on the accrued obligation at current value, In case of employee retirement programs which involve multi-year periods, the accrued obligations are updated using a discount rate determined based on financial instruments denominated in the same currency and similar maturities that will be used to pay the obligations.

p) Provisions for decommissioning and site restoration costs - The Corporation is obliged to incur in decommissioning and site restoration costs when environmental disturbance is caused by a mining activity (in development or in production). 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 would 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 an asset, the Corporation considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Corporation test the asset for impairment by estimating its recoverable amount, and recognizes any impairment loss, if any.

q) Leases - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Corporation. All other leases are classified as operating leases.

Operating lease costs are recognized as an expense on a straight-line basis over the lease term. Assets held under finance leases are initially recognized as assets at the inception of the lease at either their fair value or their present value of the minimum lease payments (discounted at the interest rate implicit in the lease), whichever is lower. Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Lease obligations are included in other current or non-current liabilities, as appropriate.

In accordance with IFRIC 4 *Determining whether an Arrangement contains a Lease*, an arrangement is, or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and if the arrangement conveys the right to use the asset, even if that right is not explicitly specified.

All “take-or-pay” contracts and any other service and supply contracts that meet the conditions in IFRIC 4, are reviewed to determine whether they contain a lease.

r) Revenue recognition - Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, according to the shipment or delivery of the goods, in conformity with the agreed upon conditions and are subject to variations related to the content and/or sales price at their settlement date. Notwithstanding the foregoing, there are certain sale contracts for which the significant risks and rewards of ownership have been transferred upon reception of the product at the buyer's destination point, and therefore recognizing revenue at the moment of the transfer.

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.

Sales in the Chilean market are recognized in conformity with the regulations that govern domestic sales as indicated in Articles 7, 8 and 9 of Law No, 16,624, modified by Article 15 of Decree Law No. 1.349 of 1976, on the determination of sales prices for the internal market.

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 these contracts are recognized as revenues.

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.

The provisional pricing sales contain an embedded derivative instrument which represents the forward contract for which the provisional pricing sale is subsequently adjusted.

s) Derivative contracts - Codelco uses derivative financial instruments to reduce the risk of fluctuations in sales prices of its products and of exchange rates.

Derivative are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured 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" lines 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 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 are recognized in profit or loss when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

The total fair value of hedging derivatives is classified as “non-current financial asset or liability”, if the remaining maturity of the hedged item is greater than 12 months, and as “current financial asset or liability”, if the remaining maturity of the hedged item is less than 12 months.

The derivative contracts held by the Corporation have been entered into to apply the risk hedging policies and are accounted for as indicated below:

- ***Hedging policies for exchange rate risk:*** The Corporation enters into exchange rate derivatives to hedge exchange rate variations between the U,S, dollar and the currencies of transactions the Corporation undertakes. In accordance with the policies established by the Board of Directors, these hedge transactions are only entered into when there are recognized assets or liabilities, forecast of highly probable transactions or firm commitments. The Corporation does not enter into derivative transactions for non-hedging purposes.

  Changes in fair value are recognized in profit or loss when the hedging instrument expires or is sold, terminated, or exercised.

- ***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, while to the extent necessary adjusting physical contracts to its standard commercial policies. When the sales agreements are fulfilled and the derivative contracts are settled, the results from sales and derivative transactions are offset.

  Changes in fair value are recognized in profit or loss when the hedging instrument expires or is sold, terminated, or exercised. Gains or losses are recognized as revenue from products.

  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 if the host contract is not recorded at fair value, the procedure determines whether the characteristics and risks of the embedded derivative are not closely related to the host contract, in which case it is required to be recognized separately.

The procedure consists of an initial classification based on the characteristics of each contract that allows for distinguishing among those in which might exist an embedded derivative. In that case, the contract is subject to a more in-depth analysis. If as a result of this assessment it is determined that the contract has an embedded derivative that must be recognized separately, it is measured at fair value and subsequent changes in its fair value are recognized in profit or loss.

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 report to the Chief Executive Officer, through the North and South Central Vice-Presidency 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) its profit or loss and other comprehensive income in two statements 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 nature and purpose of the financial assets.

The Corporation's financial assets are classified into the following categories:

- ***Financial assets at fair value through profit or loss*****:** This category includes those financial assets held for trading or for the purpose of selling them in the near term. Their initial and subsequent recognition is at fair value with any gains and losses arising on remeasurement recognized in profit or loss. Fair value is measured using market observable inputs.

- ***Loans and receivables*****:** This category includes those financial assets with fixed or determinable payments that are not quoted in an active market. Their initial recognition is at fair value, which includes transaction costs that are directly attributable to the acquisition or issue of these financial assets. Subsequent to initial recognition, these financial assets are measured at amortized cost using the effective interest rate method, less any impairment.

An impairment loss of financial assets measured at amortized cost has occurred when there is objective evidence that the Corporation will not be able to recover all amounts in accordance with the original terms.

The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, and it is recognized as an expense in the consolidated statement of comprehensive income.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would had been had the impairment loss not been recognized.

Finally, trade receivables are not considered recoverable when have occurred events such as the dissolution of a company, lack of guarantees to execute or legal pronouncement.

w) Financial liabilities - Financial liabilities are initially recognized at fair value net of transaction costs. Subsequent to their initial recognition, the financial liabilities are measured at amortized cost, using the effective interest rate method.

The Corporation does not hold any financial liabilities held for trading.

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) Allowance for doubtful accounts – The Corporation recognizes an allowance for doubtful accounts after six months have passed from the pre-judicial notification, initiating a judicial collection, Write-offs of uncollected receivables will be recorded once the Corporation has exhausted all means of collection and in the following cases:

a. debtor is declared in bankrupt,
b. absence of debtor's assets and/or
c. the cost of the legal proceedings are higher than the amount of debt

Renegotiations are assessed based on the experience and the background of each debtor.

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 with 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. 13.196 – Law No. 13.196 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 line item other expenses.

aa) Cost of sales - Cost of sales is determined according to the absorption costing method, including the direct and indirect costs, depreciation, amortization and any other expenses directly attributable to the production process.

ab) Environment - The Corporation adheres to the principles of sustainable development, which foster the economic development while safekeeping the environment and the health and safety of its collaborators. The Corporation recognizes that these principles are central for the well-being of its collaborators, care for the environment and success in its operations.

ac) Classification of current and non-current balances - In the consolidated statement of financial position, the balances are classified according to their maturities, that is, as current for those with a maturity equal to or less than twelve months and as non-current for those with a greater maturity. Where there are obligations whose maturity is less than twelve months, but whose long-term refinancing is insured upon a decision by the Corporation, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

3. New accounting pronouncements

a) The following amendments to IFRS have been adopted in these financial statements:

Amendments to IFRS	Date of mandatory application	Summary
Amendment to IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses	Annual periods beginning on or after January 1, 2017	The purpose of the amendments to IAS 12 "Income Taxes" is to provide requirements on recognition of deferred tax assets for unrealized losses, and clarify how to account for deferred tax assets related to debt instruments measured at fair value.
Amendment to IAS 7: Disclosure Initiative	Annual periods beginning on or after January 1, 2017	The amendments to IAS 7 "Statement of Cash Flows" are part of the IASB's initiative aimed at improving presentation and disclosure of information in the financial statements. The amendments add additional disclosure requirements relating to financing activities in the statement of cash flows.
Annual Improvements to IFRS (Cycles 2014-2016) – Amendments to IFRS 12	Annual periods beginning on or after January 1, 2017	*Clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.*

The application of these amendments to IFRS beginning on January 1, 2017, has not had a significant effect in the amounts reported in these unaudited interim consolidated financial statements of the Corporation, however could affect the accounting for future transactions or agreements. Apart from the additional disclosure in Section III, Note 1, the application of the amendments to IAS 7 has had no impact on the interim consolidated financial statements of the Corporation and its subsidiaries,

b) The following new IFRS, amendments and improvements had been issued by the IASB, but their application was not yet mandatory:

New IFRS	Date of mandatory application	Summary
IFRS 9 - Financial Instruments	Annual periods beginning on or after January 1, 2018	Financial assets must be entirely classified on the basis of the business model of the entity for financial asset management and the characteristics of contractual cash flows of financial assets. Financial assets under this standard are measured either at amortized cost or fair value. Only financial assets classified as measured at amortized cost must be tested for impairment.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

IFRS 15 - Revenue From Contracts with Customers	Annual periods beginning on or after January 1, 2018	Provides a new model for revenue recognition, which stresses the concept of the transfer to the customer "control" of assets sold instead of the concept of transferring "risk" alluded to in IAS 18. In addition it requires more detail in disclosures and refers to more detailed sales contracts with multiple elements.
IFRS 16 - Leases	Annual periods beginning on or after January 1, 2019	Requires lessees to recognize assets and liabilities for all rights and obligations originated by leases unless the lease term is 12 months or less or the underlying asset has a low value. Additionally, the Standard establishes new requirements of information to disclose related to the risk exposure on the part of lessors.
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2021	Establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discreational participating features and supersedes IFRS 4 *Insurance contracts.*

Amendments to IFRS	Date of mandatory application	Summary
Amendment to IFRS 10 and IAS 28: Sale or Contribution of Assets	Date to be determined by IASB.	Recognizes the profits or losses of sales of assets between an investor and an associate or a joint venture, which are recognized for the total when the transaction involves assets, which constitute business, will be partial (even if the assets are allocated to a subsidiary).
Amendment to IFRS 2: Classification and Measurement of Share-based Payment Transactions	Annual periods beginning on or after January 1, 2018	Presents modifications related to the classification and valuation of share-based payment transactions.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Applying IFRS 9 “Financial Instruments” with IFRS 4 “Insurance Contracts” (Amendments to IFRS 4)	Annual periods beginning on or after January 1, 2018	Provides instructions for issues related to insurance contracts which will be affected when it first applies IFRS 9 – Financial Instruments.
Amendments to IAS 40: Transfers of investment property	Annual periods beginning on or after January 1, 2018	Clarifies the requirements to the treatment of investment property transfers.
Annual Improvements to IFRS (Cycles 2014-2016) – Amendments to IFRS 1 and IAS 28	Annual periods beginning on or after January 1, 2018	Amendments to IFRS 1: Deleted the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose, Amendments to IAS 28: Clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

New Interpretations	Date of mandatory application	Summary
IFRIC 22: Foreign Currency Transactions and Advance Consideration	Annual periods beginning on or after January 1, 2018	This interpretation addresses the exchange rate to be used in foreign currency transactions when the consideration is paid or received before recognizing related revenues, expenses or assets.
IFRIC 23: Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019	The Interpretation sets out how to determine the accounting tax position when there is uncertainty over income tax treatments.

Management is currently assessing the impact of applying IFRS 9, IFRS 15, IFRS 16 and IFRIC 22, however, it is not practicable to provide a reasonable estimate of the effects that these IFRSs will have until Management finalizes a detail review.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

c) **Reclassifications**

The following reclassification has been made to the Corporation's consolidated financial statements as of December 31, 2016:

Reclasifications ThUS$	12/31/2016 ThUS$	Reclassifications	12/31/2016 New Items
Current assets			
Current tax assets	12,009	(5,486)	6,523
Non Current Assets			
Deferred tax assets	-	23,975	23,975
Other non-financial assets currents	233,886	(233,886)	-
Current tax assets not currents	-	233,886	233,886
Current Liabilities			
Current Tax Liabilities	15,068	5,486	9,582
Non Current Liabilities			
Deferred tax liabilities	3,143,939	(23,975)	3,167,914

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

III. EXPLANATORY NOTES

1. Cash and cash equivalents

The detail of cash and cash equivalents as of June 30, 2017 and December 31, 2016, is as follows:

Item	06/30/2017 ThUS$	12/31/2016 ThUS$
Cash on hand	4,712	6,740
Bank balances	86,614	44,025
Time deposits	739,327	501,278
Mutual Founds - Money Market	2,269	1,497
Rescale agreements	55,705	23,186
Total cash and cash equivalents	**888,627**	**576,726**

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

The Corporation does not hold any significant amounts of cash and cash equivalents that have a restriction on use.

The following table sets forth the reconciliation of financial liabilities arising from financing activities:

			Changes that do not represent cash flow				
Liabilities forfinancing activities	Initial Balance at 01/01/2017 ThUS$	Flows of cash ThUS$	Financial Cost ThUS$	Difference of Change ThUS$	Adjustment Reasonable ThUS$	Reclassification of balances ThUS$	Final Balance at 06/30/2017 ThUS$
Loans with financial institutions	3,154,741	(49,817)	41,734	1,172	-	-	3,147,830
Bond Obligations	11,758,820	(250,766)	262,479	65,781	-	-	11,836,314
Obligations for coverage	171,061	8,319	7,916	(52,552)	21,510	(10,037)	146,216
Financial assets for hedge derivatives	(63,781)	2,270	2,610	(13,254)	(19,068)	10,037	(81,186)
Capital contribution		475,000					475,000
Total liabilities from financing activities	**15,020,841**	**185,006**	**314,739**	**1,147**	**2,442**	**-**	**15,524,175**

2. Trade on 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 of line item trade and other current receivables.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

- For those customers that do not have due balances with the Corporation the accrual presented in line item trade and other current payables.

When future copper price is higher than the provisional invoicing price, the accrual is added to the line item trade and other current receivables.

As of June 30, 2017 and December 31, 2016, trade and other current receivables include an accrual for open invoices of ThUS$11,794 and ThUS$95,971, respectively.

b) Trade and other receivables

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

Items	**Current**		**Non-Current**	
	06/30/2017	**12/31/2016**	**06/30/2017**	**12/31/2016**
	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables (1)	1,178,260	1,549,882	531	524
Allowance for doubtful accounts (3)	(4,501)	(2,238)	-	-
Subtotal trade receivables, net	**1,173,759**	**1,547,644**	**531**	**524**
Other receivables (2)	727,104	713,884	88,475	94,792
Allowance for doubtful accounts (3)	(7,288)	(6,797)	-	-
Subtotal other receivables, net	**719,816**	**707,087**	**88,475**	**94,792**
Total	**1,893,575**	**2,254,731**	**89,006**	**95,316**

(1) Trade receivables correspond to the sales of copper and its by-products.

(2) Other receivables mainly consist of the following items:

- Accounts receivable related to short-term loans and mortgage loans granted to employees.
- Reimbursements from insurance companies.
- Settlements to the Chilean Central Bank under Law 13.196.
- Advance payments to suppliers and contractors, which are deducted from the corresponding payment statements.
- Accounts receivable for tolling services (Ventanas' Smelter).
- VAT credit and other refundable taxes of ThUS$174,686 and ThUS$141,885 as of June 30, 2017 and December 31, 2016, respectively.

(3) The Corporation recognizes an allowance for doubtful accounts based on the experience and analysis of Management regarding the characteristics and aging of the trade receivables portfolio.

The reconciliation of changes in the allowance for doubtful accounts in the period ended June 30, 2017 and in the year ended December 31, 2016, were as follows:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Items	**06/30/2017** ThUS$	**12/31/2016** ThUS$
Opening balance	**9,035**	**8,501**
Increases	3,032	1,497
Write-offs/applications	(278)	(963)
Total movements	**2,754**	**534**
Closing balance	**11,789**	**9,035**

As of June 30, 2017 and December 31, 2016, the balance of past due but not impaired trade receivables, is as follows:

Maturity	**06/30/2017** ThUS$	**12/31/2016** ThUS$
Less than 90 days	13,510	13,232
Between 90 days and 1 year	278	1,505
More than 1 year	14,837	14,551
Total trade receivables past-due but not impaired	**28,625**	**29,288**

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 entered are, in terms of transactions with related persons, subject to the provisions of Title XVI of Law on Corporations, which set 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 customary policy (which was informed through a significant event notice to the SVS), that defines customary transactions as those carried out with its related parties in the normal course of business, which contributes to the social interest and are necessary to the normal development of Codelco's activities.

Likewise, consistent with the legal framework, the Corporation maintains within its internal framework a specific policy about transactions between related persons and companies with Codelco's employees. Codelco's Corporate Policy No.18 ("CCP No. 18"), the latest version currently in force, was approved by the Chief Executive Officer and the Board of Directors.

Accordingly, Codelco without the authorization required in CCP No. 18 and of the Board of Directors, when required by Law or by the Corporation by-laws, shall not enter into any contracts or agreements involving one or more Directors, its Chief Executive Officer, the members of Divisions Managing Committees, Vice-presidents, Legal Counsel, General Auditor, Divisions 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.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

This prohibition also includes the companies in which such administrators are involved through ownership or management, either directly or through representation of other natural persons or legal entities, as well as those individuals who also have ownership or management in those companies.

The Board of Directors has been informed and approved certain transactions as defined in CCP No. 18. The most significant transactions with related persons and the amounts involved are detailed in the following table:

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	01-01-2017 06/30/2017 Amount ThUS$	01-01-2016 06/30/2016 Amount ThUS$	04-01-2017 06/30/2017 Amount ThUS$	04-01-2016 06/30/2016 Amount ThUS$
Ecometales Limited agencia en Chile.	59.087.530-9	Chile	Afiliate	Services	462	-	462	-
Fundación Orquesta Sinfónica Infantil de los Andes.	65.018.784-9	Chile	Founder	Services	247	-	247	-
Fundación de Salud El Teniente.	70.905.700-6	Chile	Afiliate	Services	13	-	13	-
Consultor Jannet Troncoso Carvajal E.I.R.L.	76.174.237-K	Chile	Employee´s relative	Services	32	-	-	-
Anglo American Sur S.A.	77.762.940-9	Chile	Associate	Services	3	-	3	-
Hatch Ingenieros y Consultores Ltda.	78.784.480-4	Chile	Employee´s relative	Services	-	38,898	-	38,898
Clinica San Lorenzo Ltda.	88.497.100-4	Chile	Afiliate	Services	-	1,849	-	719
Sociedad Contractual Minera El Abra.	96.701.340-4	Chile	Associate	Supplies	134	-	133	-
Clínica Río Blanco S.A.	99.573.600-4	Chile	Afiliate	Services	-	2,506	-	2,506
B.Bosch S.A.	84.716.400-K	Chile	Employee´s relative	Supplies	46	-	13	-
Finning Chile S.A.	91.489.000-4	Chile	Employee´s relative	Supplies	-	5,134	-	4,969
Fundación Sewell	65.493.830-K	Chile	Founder	Services	421	5	288	-
Arcadis Chile S.A.	89.371.200-3	Chile	Employee´s relative	Services	-	1,534	-	1,534
Inoxa S.A.	99.513.620-1	Chile	Employee´s relative	Services	14	-	-	-
Sonda S.A.	83.628.100-4	Chile	Employee´s relative	Services	1,443	-	-	-
Xtreme Mining Ltda.	96.953.700-1	Chile	Employee´s relative	Supplies	-	5	-	-
SGS Chile Limitada, Sociedad de Control	80.914.400-3	Chile	Employee´s relative	Services	-	2,251	-	-
Maestranza Acosta y Cía. Ltda.	76.813.840-0	Chile	Employee´s relative	Supplies	-	22	-	9
Komatsu Chile S.A.	96.843.130-7	Chile	Employee´s relative	Supplies	882	1,566	200	1,566
SGS Minerals Ltda.	96.671.880-3	Chile	Employee´s relative	Services	-	255	-	-
R&Q Ingeniería S.A.	84.865.000-5	Chile	Employee´s relative	Services	-	4,551	-	4,551
Nueva Ancor Tecmin S.A.	76.411.929-0	Chile	Employee´s relative	Supplies	83	-	82	-
Sodimac S.A.	96.792.430-K	Chile	Employee´s relative	Supplies	2,121	-	2,087	-
Industrial y Comercial Artimatemb Ltda.	76.108.720-7	Chile	Employee´s relative	Services	40	-	26	-
Kaefer Buildteck SpA	76.105.206-3	Chile	Employee´s relative	Services	97	-	-	-
Teléfonica Chile S.A.	90.635.000-9	Chile	Employee´s relative	Services	99	-	-	-
Industrial Support Company Ltda	90.635.000-9	Chile	Employee´s relative	Services	218		218	-

b) Key Management of the Corporation

In accordance with the policy established by the Board of Directors and its related regulation, those transactions with the Directors, its 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 six and three month, periods ended June 30, 2017 and 2016, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Name	Taxpayer number	Country	Nature of the relationship	Description of the transaction	01/01/2017 06/30/2017	01/01/2016 06/30/2016	04/01/2017 06/30/2017	04/01/2016 06/30/2016
					Amount ThUS$	Amount ThUS$	Amount ThUS$	Amount ThUS$
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Directors´s fees	58	56	28	28
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Directors´s fees	47	45	23	23
Gerardo Jofré Miranda	5.672.444-3	Chile	Director	Directors´s fees	38	45	14	23
Ghassan Dayoub Psele	14.695.762-5	Chile	Director	Directors´s fees	23	-	23	-
Ghassan Dayoub Psele	14.695.762-5	Chile	Director	Payroll	17	-	17	-
Isidoro Palma Penco	4.754.025-9	Chile	Director	Directors´s fees	47	45	23	23
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Directors´s fees	47	45	23	23
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Directors´s fees	47	45	23	23
Oscar Landerretche Moreno	8.366.611-0	Chile	Chairman of the Board	Directors´s fees	70	68	34	35
Paul Schiodtz Obilinovich	7.170.719-9	Chile	Director	Directors´s fees	15	-	15	-
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Directors´s fees	47	45	23	23
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	19	18	9	9

The Ministry of Finance through Supreme Decree No. 36 (“SD No, 36”) dated January 28, 2016, established the compensation for the Corporation’s Directors, In accordance with the current austerity measures, the compensation will not be updated for a period of two years as from March 1, 2016, The compensation to Board of Directors members, is as follows:

a. The Directors of Codelco will receive a fixed monthly compensation of Ch$3,835,860 (three million eight hundred and thirty five thousand, eight hundred and sixty Chilean pesos) for meeting attendance. The payment of the monthly compensation is dependent on meetings attended.

b. The Chairman of the Board will receive a fixed monthly compensation of Ch$7,671,720 (seven million six hundred and seventy one thousand, seven hundred and twenty Chilean pesos).

c. Each member of the Directors’ Committee, whether the one referred to in Article 50 bis) of Law No. 18.046 or another established by the Corporation by-laws, will receive a fixed additional monthly compensation of Ch$1,278,619 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$2,557,240 for meeting attendance.

d. The compensation established in DS No. 36 are effective for a period of two years, as from March 1, 2016, and will be updated on January 1, 2017, in accordance with the same provisions that govern the general salary adjustments of officials of the Public Sector. The compensation for 2017 was increased by 3,2%.

On the other hand, the short-term benefits of key management of the Corporation paid during the six month periods ended June 30, 2017 and 2016, were ThUS$6,502 and ThUS$5,133, respectively.

The methodology to determine the remuneration of key management was approved by the Board of Directors at a meeting held on January 29, 2003.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

During the six month periods ended June 30, 2017 and 2016, severance indemnities were paid to key management of the Corporation for ThUS$439 and ThUS$436, respectively.

There were no payments to key management for other non-current benefits during the six month periods ended June 30, 2017 and 2016.

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 June 30, 2017 and December 31, 2016, is as follows:

Accounts receivable from related companies:

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					06/30/2017	12/31/2016	06/30/2017	12/31/2016
					ThUS$	ThUS$	ThUS$	ThUS$
77.762.940-9	Anglo American Sur S,A,	Chile	Associate	US$	147,503	13,286	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	-	-	21,993	21,489
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	934	383	-	-
96.801.450-1	Agua de la Falda S,A,	Chile	Associate	US$	-	-	224	224
Total					**148,437**	**13,669**	**22,217**	**21,713**

Accounts payable to related companies:

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					06/30/2017	12/31/2016	06/30/2017	12/31/2016
					ThUS$	ThUS$	ThUS$	ThUS$
77.762.940-9	Anglo American Sur S,A,	Chile	Associate	US$	98,084	74,101	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	17,517	21,822	-	-
Foreign	Deutsche Geissdraht GmbH	Germany	Associate	EURO	6,686	7,971	-	-
Total					**122,287**	**103,894**	**-**	**-**

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 six and three month periods ended June 30, 2017 and 2016:

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Taxpayer number	Entity	Nature of the transaction	Country	Index. Currency	01/01/2017 06/30/2017		01/01/2016 06/30/2016		04/01/2017 06/30/2017		04/01/2016 06/30/2016	
					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$
Foreign	Copper Partners Investment Co. Ltd.	Sales of goods	Bermudas	USD	-	-	14,597	14,597	-	-	-	-
Foreign	Copper Partners Investment Co. Ltd.	Dividends received	Bermudas	USD	-		14,430		-	-	14,430	-
77.762.940-9	Anglo American Sur S.A.	Purchase of goods	Chile	USD	26,551	-	-	-	26,551	-	-	-
77.762.940-10	Anglo American Sur S.A.	Dividends receivable	Chile	USD	147,503	-				-	-	-
77.762.940-11	Anglo American Sur S.A.	Purchase of goods	Chile	USD	276,119	(276,119)	222,861	(222,861)	161,837	(161,837)	109,711	(109,711)
96.701.340-4	SCM El Abra	Dividends received	Chile	USD	39,200	-	9,800	-	24,500	-	-	-
96.701.340-4	SCM El Abra	Purchase of goods	Chile	USD	108,734	(108,734)	126,267	(126,267)	47,119	(47,119)	58,248	(58,248)
96.701.340-4	SCM El Abra	Sales of goods	Chile	USD	5,402	5,402	7,930	7,930	1,844	1,844	4,104	4,104
96.701.340-4	SCM El Abra	Other sales	Chile	USD	746	746	746	746	373	373	746	746
96.701.340-4	SCM El Abra	Purchase of services	Chile	USD	229	(229)	223	(223)	150	(150)	-	-
96.701.340-4	SCM El Abra	Commissions received	Chile	USD	46	46	67	67	20	20	31	31
96.701.340-4	SCM El Abra	Other purchases	Chile	USD	773	(773)	816	(816)	390	(390)	677	(677)
96.801.450-1	Agua de la Falda S.A.	Sales of services	Chile	CLP	3	3	3	3	1	1	1	1
Foreign	Deutsche Geissdraht GmbH	Dividends received	Alemania	EURO	1,090	-	328	-	17	-	328	-
76.063.022-5	Inca de Oro S.A.	Aporte	Chile	USD	-	-	(81)	-	-	-	(81)	-
76.028.880-2	Minera Purén SCM	Purchase of goods	Chile	USD	178	-	-	-	178	-	-	-
76.255.054-7	Planta Recuperadora de Metales	Loan	Chile	USD	13,673	-	5,950	-	5,881	-	3,400	-

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.

Transactions with Copper Partners Investment Company Ltd, are carried out under the conditions described in Note 30. b) to these financial statements.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

4. Inventories

The detail of inventories as of June 30, 2017 and December 31, 2016, is as follows:

Items	Current		Non-current	
	06/30/2017 ThUS$	12/31/2016 ThUS$	06/30/2017 ThUS$	12/31/2016 ThUS$
Finished products	439,222	335,431	-	-
Subtotal finished products, net	**439,222**	**335,431**	**-**	**-**
Products in process	1,148,005	1,055,864	401,834	337,411
Subtotal products in process, net	**1,148,005**	**1,055,864**	**401,834**	**337,411**
Material in warehouse and other	507,727	499,905	-	-
Obsolescence allowance adjustment	(97,117)	(90,930)	-	-
Subtotal material in warehouse and other, net	**410,610**	**408,975**	**-**	**-**
Total Inventories	**1,997,837**	**1,800,270**	**401,834**	**337,411**

Inventories of finished goods recognized as cost of sales for the six month periods ended June 30, 2017 and 2016 were ThUS$4,518,597 and ThUS$4,714,521, respectively.

For the period ended June 30, 2017, the Corporation has not reclassified strategic inventories to Property, Plant and Equipment.

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

Changes in Allowance for Obsolescence	ThUS$
Opening Balance 1/1/2017	**(90,930)**
Period provision	(6,187)
Closing Balance 6/30/2017	**(97,117)**

For the period ended June 30, 2017, Codelco recognized write-offs of inventories for ThUS$1,840. There were no write-offs of inventories for the period ended June 30, 2016.

The amount of write-down of inventories recognized as an expense for the six month periods ended June 30, 2017 and 2016 were ThUS$16,970 and ThUS$ 71,166, respectively.

The amount of reversal of write-down inventories for the period ended June 30, 2017 was ThUS$8,924. There were no reversals for the period ended June 30, 2016.

As of June 30, 2017 and December 31, 2016, there are no unrealized gains or losses recognized on the intercompany sales of inventories of finished products.

As of June 30, 2017 and December 31, 2016, there are no inventories pledged as security for liabilities.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

5. Income taxes and deferred taxes

a) Current tax expense

The following table sets forth the components of income tax expense/(benefit) recognized in the statement of comprehensive income for the six month periods ended June 30, 2017 and 2016:

Items	06/30/2017 ThUS$	06/30/2016 ThUS$
Current income tax	(14,632)	-
Effect of Deferred Taxes	(338,903)	296,672
Other	3,795	(4,163)
Total Income Taxes	**(349,740)**	**292,509**

b) Deferred tax assets and liabilities:

The detail of deferred tax assets and liabilities as of June 30, 2017 and December 31, 2016, is as follows:

Deferred tax assets	30/06/2017 ThUS$	31/12/2016 ThUS$
Provisions	1,422,502	1,352,823
Financial leasing	20,107	21,997
Customers advance	9	-
Tax loss carryforward	1,620,597	1,808,782
Other	2,938	-
Total deferred tax assets	**3,066,153**	**3,183,602**

Deferred tax liabilities	30/06/2017 ThUS$	31/12/2016 ThUS$
Tax on mining activity	162,624	145,168
Property, plant and equipment variations	1,040,004	1,015,951
Post-employment benefit obligations	26,594	26,536
Accelerated depreciation for tax purposes	5,141,732	4,999,085
Investment in Anglo American Sur S.A.	-	11,638
Fair value of mining properties acquired	108,518	108,518
Hedging derivatives – future contracts	3,978	482
Undistributed profits of subsidiaries	40,277	20,163
Total deferred tax liabilities	**6,523,727**	**6,327,541**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

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

Deferred taxes	06/30/2017 ThUS$	12/31/2016 ThUS$
Non-current assets	28,706	23,975
Non-current liabilities	3,486,280	3,167,914
Net	**3,457,574**	**3,143,939**

The effects of deferred taxes on the components of other comprehensive income are as follows:

Deferred taxes on components of other comprehensive income	06/30/2017 ThUS$	06/30/2016 ThUS$
Cash flow hedge	14,016	19,994
Defined Benefit Plans	7,299	6,807
Total deferred taxes on components of other comprehensive income	**21,315**	**26,801**

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

Reconciliation of tax rate	06/30/2017						
	Taxable Base			Tax rate			
	25.0% ThUS$	40.0% ThUS$	5.0% ThUS$	25.0% ThUS$	40.0% ThUS$	5.0% ThUS$	Total ThUS$
Profit (loss) before taxes	523,384	523,384	523,384	(130,846)	(209,354)	(26,169)	(366,369)
Profit (loss) before taxes of subsidiaries	32,685	32,685	32,685	(8,171)	(13,074)	(1,633)	(22,878)
Consolidated profit (loss) before taxes	556,069	556,069	556,069	(139,017)	(222,428)	(27,802)	(389,247
Permanent differences:							23,250
First category income tax (25%)	(92,999)			23,250			9,981
Specific tax for state-owned entities Art. 2 D.L. 2,398 (40%)		(24,952)			9,981		(5,559)
Specific tax on mining activities			111,190			(5,559)	11,835
TOTAL TAX EXPENSE				**(115,767)**	**(212,447)**	**(33,361)**	**(349,740)**

Reconciliation of tax rate	06/30/2016						
	Taxable Base			Tax rate			
	24.0% ThUS$	40.0% ThUS$	5% ThUS$	24.0% ThUS$	40.0% ThUS$	5.0% ThUS$	Total ThUS$
Profit (loss) before taxes	(488,483)	(488,483)	(488,483)	117,236	195,393	24,424	337,053
Profit (loss) before taxes of subsidiaries	(7,839)	(7,839)	(7,839)	1,881	3,136	392	5,409
Consolidated profit (loss) before taxes	(496,322)	(496,322)	(496,322)	119,117	198,529	24,816	342,462
Permanent differences:							
First category income tax (24%)	36,645			(8,795)			(8,795)
Specific tax for stated-own entities Art. 2 D.L. 2.398 (40%)		58,617			(23,447)		(23,447)
Specific tax on mining activities			(1,244,480)			(62,224)	(62,224)
TOTAL TAX EXPENSE				**110,322**	**175,082**	**(37,408)**	**247,996**
Tax effect of changes in income tax rate							44,513
TOTAL TAX EXPENSE							**292,509**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Pursuant to Article 2 of the Decree Law 2.398, Codelco is subject to an additional tax rate of 40% to net earnings plus the dividends received in accordance with the law.

Tax Reform in Chile

On September 29, 2014, Law No. 20.780 entitled "Tax Reform which modifies the Income Tax System, and which introduces various adjustments on the Tax System", was enacted.

The principal changes, among others, was the creation of two optional tax systems: (i) The Attributed Income System established a progressive increase in the first category income tax rate to 21%, 22.5%, 24% and 25% for fiscal years 2014, 2015, 2016 and 2017, respectively; and (ii) the Partially Integrated System, established a progressive increase in the first category income to 21%, 22.5%, 24%, 25.5% and 27% for fiscal years 2014, 2015, 2016, 2017 and 2018, respectively.

Notwithstanding the above, the Corporation has applied the General Taxation Regime, with progressive first category income tax rates of 21%, 22.5%, 24% and 25% for fiscal years 2014, 2015, 2016 and 2017 onwards, respectively. The Corporation, as a state-owned company, did not have the option to apply the tax regimes stated in the Tax Reform. Meanwhile, the subsidiaries and associates applied the partially integrated tax system by default.

In relation to the specific tax on mining activities the tax rate applicable is a 5% under Law No. 20.496.

6. Current and non current tax assets and liabilities

The detail of current tax assets and liabilities as of June 30, 2017 and December 31, 2016, is as follows:

Current Tax Assets	06/30/2017 ThUS$	12/31/2016 ThUS$
Recoverable Taxes	-	255,528
Transfer to Non Current Assets	-	(255,528)
Taxes to be recovered	3,668	6,523
Total Current Tax Assets	**3,668**	**6,523**

Current Tax Liabilities	06/30/2017 ThUS$	12/31/2016 ThUS$
Provision Tax	15,323	9,582
Total Current Tax Liabilities	**15,323**	**9,582**

Items	6/30/2017 ThUS$	12/31/2016 ThUS$
Non-Current Tax Assets	233,772	233,886
Total Non-Current Tax Assets	**233,772**	**233,886**

Current tax balances are presented net of monthly provisional tax payments.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Non-current recoverable taxes corresponds to the accumulated positive differences in favor of Codelco from prior periods tax returns. The Corporation has a tax loss carryforward of ThUS$2,503,356, therefore, the recoverable taxes are not expected to be refunded or used in the current period.

7. Property, Plant and Equipment

a) The items of property, plant and equipment as of June 30, 2017 and December 31, 2016, are as follows:

Property, Plant and Equipment, gross	**06/30/2017** ThUS$	**12/31/2016** ThUS$
Construction in progress	6,245,425	6,266,471
Land	155,574	151,239
Buildings	5,313,936	5,141,194
Plant and equipment	14,738,805	14,295,916
Fixtures and fittings	52,439	50,687
Motor vehicles	2,013,186	1,977,631
Land improvements	5,052,510	4,914,797
Mining operations	6,457,592	5,823,625
Mine development	4,053,829	3,980,114
Other assets	1,337,212	1,368,649
Total Property, Plant and Equipment, gross	**45,420,508**	**43,970,323**

Property, Plant and Equipment, accumulated depreciation	**06/30/2017** ThUS$	**12/31/2016** ThUS$
Construction in progress	-	-
Land	6,824	6,824
Buildings	2,801,373	2,734,011
Plant and equipment	9,164,874	8,893,258
Fixtures and fittings	38,873	37,537
Motor vehicles	1,227,513	1,170,564
Land improvements	2,926,416	2,824,931
Mining operations	3,776,681	3,285,416
Mine development	625,220	572,408
Other assets	479,372	468,113
Total Property, Plant and Equipment, accumulated depreciation	**21,047,146**	**19,993,062**

Property, Plant and Equipment, net	**06/30/2017** ThUS$	**12/31/2016** ThUS$
Construction in progress	6,245,425	6,266,471
Land	148,750	144,415
Buildings	2,512,563	2,407,183
Plant and equipment	5,573,931	5,402,658
Fixtures and fittings	13,566	13,150
Motor vehicles	785,673	807,067
Land improvements	2,126,094	2,089,866
Mining operations	2,680,911	2,538,209
Mine development	3,428,609	3,407,706
Other assets	857,840	900,536
Total Property, Plant and Equipment, net	**24,373,362**	**23,977,261**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

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
Conciliation of changes in properties, plant and equipment											
Properties, plant and equipment at the beginning of the period. Opening Balance 01/01/2017	6,266,471	144,415	2,407,183	5,402,658	13,150	807,067	2,089,866	2,538,209	3,407,706	900,536	23,977,261
Changes in property, plant and equipment											
Increases other than those from business, property, plant and equipment combinations	1,183,853	-	858	14,780	2	1,341	8,123	193,539	194	13,295	1,415,985
Depreciation, property, plant and equipment	-	-	(79,579)	(298,920)	(1,361)	(58,774)	(107,826)	(388,952)	(35,909)	(29,952)	(1,001,273)
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	(664,952)	-	101,701	258,443	1,399	33,621	82,197	54,903	125,742	6,946	-
Increases (decreases) by other changes, properties, plant and equipment	(535,366)	4,335	84,676	206,259	395	2,560	54,566	283,212	(69,124)	(30,771)	742
Increase (decrease) by transfers and other changes, properties, plant and equipment	**(1,200,318)**	**4,335**	**186,377**	**464,702**	**1,794**	**36,181**	**136,763**	**338,115**	**56,618**	**(23,825)**	**742**
Dispositions and withdrawals of service, property, plant and equipment											
Retirements, property, plant and equipment	(4,581)	-	(2,276)	(9,289)	(19)	(142)	(832)	-	-	(2,214)	(19,353)
Dispositions and withdrawals of service, property, plant and equipment	**(4,581)**	**-**	**(2,276)**	**(9,289)**	**(19)**	**(142)**	**(832)**	**-**	**-**	**(2,214)**	**(19,353)**
Increase (decrease) in properties, plant and equipment	**(21,046)**	**4,335**	**105,380**	**171,273**	**416**	**(21,394)**	**36,228**	**142,702**	**20,903**	**(42,696)**	**396,101**
Properties, plant and equipment at the end of the period. Closing balance 06/30/2017	**6,245,425**	**148,750**	**2,512,563**	**5,573,931**	**13,566**	**785,673**	**2,126,094**	**2,680,911**	**3,428,609**	**857,840**	**24,373,362**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

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
Conciliation of changes in properties, plant and equipment											
Properties, plant and equipment at the beginning of the period. Opening Balance 01/01/2016	4,890,617	133,133	2,368,259	5,484,686	17,549	886,847	2,052,818	2,610,250	3,204,310	979,842	22,628,311
Changes in property, plant and equipment											
Increases other than those from business, property, plant and equipment combinations	2,613,389	-	1,167	50,282	94	3,415	1,244	358,759	4,280	32,679	3,065,309
Depreciation, property, plant and equipment	-	(6,824)	(165,079)	(552,804)	(2,451)	(120,513)	(197,960)	(739,075)	(67,022)	(82,014)	(1,933,742)
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	(1,424,507)	17,603	258,561	548,873	675	38,898	263,637	51,634	244,594	32	-
Increases (decreases) by other changes, properties, plant and equipment	209,532	503	(50,202)	(91,987)	(2,491)	1,548	(24,651)	271,636	21,544	(29,995)	305,437
Increase (decrease) by transfers and other changes, properties, plant and equipment	**(1,214,975)**	**18,106**	**208,359**	**456,886**	**(1,816)**	**40,446**	**238,986**	**323,270**	**266,138**	**(29,963)**	**305,437**
Dispositions and withdrawals of service, property, plant and equipment											
Retirements, property, plant and equipment	(22,560)	-	(5,523)	(36,392)	(226)	(3,128)	(5,222)	(14,995)	-	(8)	(88,054)
Dispositions and withdrawals of service, property, plant and equipment	**(22,560)**	**-**	**(5,523)**	**(36,392)**	**(226)**	**(3,128)**	**(5,222)**	**(14,995)**	**-**	**(8)**	**(88,054)**
Increase (decrease) in properties, plant and equipment	**1,375,854**	**11,282**	**38,924**	**(82,028)**	**(4,399)**	**(79,780)**	**37,048**	**(72,041)**	**203,396**	**(79,306)**	**1,348,950**
Properties, plant and equipment at the end of the period. Closing balance 12/31/2016	**6,266,471**	**144,415**	**2,407,183**	**5,402,658**	**13,150**	**807,067**	**2,089,866**	**2,538,209**	**3,407,706**	**900,536**	**23,977,261**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

c) The balance of construction in progress, is directly associated with the operating activities of the Corporation, and relates to the acquisition of equipment and projects in construction.

d) The Corporation has contracted insurance policies to cover the potential risks to which the various elements of property, plant and equipment are subject, and any claims that could arise from their activities during the period, these policies provide adequate coverage of the potential risks.

e) Borrowing costs capitalized for the period ended June 30, 2017 and 2016 were ThUS$97,955 and ThUS$76,412, respectively. The annual capitalization average rate for the period ended June 30, 2017 and 2016 was 3.99% and 3.85%, respectively.

f) Expenditures 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	**01/01/2017 06/30/2017** ThUS$	**01/01/2016 06/30/2016** ThUS$
Recognized in profit /(loss)	29,164	13,801
Cash outflows disbursed	21,926	21,141

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

Other assets, net	**06/30/2017** ThUS$	**12/31/2016** ThUS$
Leased assets	98,840	98,695
Mining properties from the purchase of Anglo American Sur S,A, shares	402,000	402,000
Maintenances and other major repairs	252,275	285,144
Other assets – Calama Plan	99,301	108,327
Other	5,424	6,370
Total other assets, net	**857,840**	**900,536**

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 June 30, 2017 and December 31, 2016, there were no impairment indicators for items of property, plant and equipment. Consequently, the Corporation has not recognized any impairment losses.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

8. Investments accounted for using the equity method

The following table sets forth the carrying amount and the share of profit (loss) of the investments accounted for using the equity method:

Concepto	Equity value		Accrued income		Accrued income	
	30/06/2017 ThUS$	31/12/2016 ThUS$	01/01/2017 30/06/2017 ThUS$	01/01/2016 30/06/2016 ThUS$	04/01/2017 30/06/2017 ThUS$	04/01/2016 30/06/2016 ThUS$
Associates accounted for at the Net Asset Value	3,658,371	3,753,974	118,658	(28,919)	105,309	(28,858)
Business Sets	-	-	-	-	-	(7,484)
Total	3,658,371	3,753,974	118,658	(28,919)	105,309	(36,342)

a) Associates

Agua de la Falda S.A.

As of June 30, 2017, Codelco holds a 43.28% ownership interest in Agua de la Falda S.A., with the remaining 56.72% 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 June 30, 2017, 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 copper cathodes.

Sociedad Contractual Minera Purén

As of June 30, 2017, 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.

As of June 30, 2017, Codelco holds a 37% ownership interest, with the remaining 63% owned by Suez Energy Andino S.A. These current shareholdings were established on November 5, 2010, when the Corporation did not participate in the capital increase agreed to at Shareholders' meeting of such company. Prior to the capital increase, the Corporation and Suez Energy Andino S.A. held a 50% ownership interest each.

The corporate purpose of this company is the production, storage, marketing, transportation and distribution of all types of fuel, and the acquisition, construction, maintenance and operation of infrastructure facilities and construction projects necessary for transport, reception, processing and storage both in Chile and abroad, by itself or in partnership with third parties.

Inca de Oro S.A.

On June 1, 2009, Codelco's Board of Directors authorized the incorporation of a new company aimed to develop studies allowing the continuity of the Inca de Oro Project, which is a wholly-owned subsidiary of Codelco.

On February 15, 2011, the business association of Codelco and Minera PanAust IDO Ltda. in respect to the Inca de Oro deposit was approved. As a result Minera PanAust IDO Ltda holds 66% ownership interest and the remaining 34% is held by Codelco. Prior to the association, Codelco owned 100% of the company. This transaction resulted in a gain after taxes of ThUS$33,668 recognized in the year ended December 31, 2011.

At the Extraordinary meeting of the shareholders held on December 30, 2014, it was agreed to a capital increase of ThUS$102,010, reducing Codelco's ownership interest to 33.19%.

As of December 31, 2015, the Corporation reduced the carrying amounts of mining property and exploration and evaluation expenditures as a result of an impairment loss recognized.

As of June 30, 2017, Codelco holds a 33.19% ownership interest in this company.

Planta Recuperadora de Metales SpA

On December 3, 2012, Planta Recuperadora Metales SpA was incorporated by Codelco, which held a 100% ownership interest of this company.

On July 7, 2014, Codelco reduced its ownership interest in Planta Recuperadora de Metales SpA to 51%, with the remaining 49% ownership interest held by LS-Nikko Copper Inc.

On October 14, 2015, Codelco reduced its ownership interest to 34% interest, with LS-Nikko Copper Inc, holding the remaining 66%.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of June 30, 2017, LS-Nikko Copper Inc, is the controlling shareholder of this company based on the control elements set out in the shareholders' agreement.

The principal business activity of the company is the processing of intermediate products of the refining and processing of copper and other metals aiming to recover the copper, other metals and other sub products, their transformation in commercial products and the selling and distribution of all class of goods or inputs derived from such process.

Deutsche Giessdraht GmbH

As of June 30, 2017, Codelco through its subsidiary Codelco Kupferhandel GmbH holds a 40% ownership interest, with the remaining 60% owned by Aurubis.

The company produces wire rods in its Emmerich, Germany facility.

Anglo American Sur S.A.

As June 30, 2017, the controlling shareholder of Anglo American Sur S.A. is Inversiones Anglo American Sur S.A. holding a 50.06% ownership interest, while the 49.94% non-controlling interest is held by Inversiones Mineras Acrux 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.

The following table sets forth the carrying amount and share in profit (loss) of investments in associates:

Associates	Taxpayer Numbers	Funct. Cuurenc.	Equity Interest		Equity Method		Accrued Net Income		Accrued result	
			06/30/2017	12/31/2016	06/30/2017	12/31/2016	01/01/2017 30/06/2017	01/01/2016 30/06/2016	04/01/2017 30/06/2017	04/01/2016 30/06/2016
			%	%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Deutsche Geissdraht GmbH	Foreign	EURO	40.0%	40.0%	3,274	3,594	488	499	238	236
Agua de la Falda S.A.	96.801.450-1	USD	43.3%	43.3%	4,780	5,064	(283)	(131)	(133)	(82)
Sociedad Contractual Minera El Abra	96.701.340-4	USD	49.0%	49.0%	595,586	628,977	5,808	9,956	3,223	1,486
Minera Purén SCM	76.028.880-2	USD	35.0%	35.0%	9,886	10,091	(28)	(21)	(11)	(7)
Sociedad GNL Mejillones S.A.	76.775.710-7	USD	37.0%	37.0%	72,918	70,485	2,460	862	1,419	204
Inca de Oro S.A.	73.063.022-5	USD	33.2%	33.2%	12,919	12,937	(23)	-	-	-
Anglo American Sur S.A.	77.762.940-9	USD	29.5%	29.5%	2,948,417	3,011,836	110,636	(39,883)	100,690	(30,621)
Planta Recuperadora de Metales SpA	76.255.054-7	USD	34.0%	34.0%	10,591	10,990	(400)	(201)	(117)	(74)
TOTAL					**3,658,371**	**3,753,974**	**118,658**	**(28,919)**	**105,309**	**(28,858)**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The following tables set forth the detail of assets and liabilities as of June 30, 2017 and December 31 2016 and the main movements in the carrying amount and profit (loss) for the periods ended June 30, 2017 and 2016 of investments in associates accounted for using the equity method:

Assets and Liabilities	06/30/2017 ThUS$	12/31/2016 ThUS$
Current Assets	1,715,515	1,711,809
Non-current Assets	5,957,665	5,835,998
Current Liabilities	1,001,704	527,116
Non-current Liabilities	1,632,866	1,538,710

Net Income	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Revenue	1,181,424	1,092,661	616,970	506,238
Cost of sales	(954,335)	(1,185,938)	(436,766)	(464,205)
Profit (loss) for the period	227,089	(93,277)	180,204	42,033

Movements of Investment in Associates	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$
Opening balances	**3,753,974**	**3,977,786**
contributions	-	81
Dividends	(214,522)	(10,128)
result of the period	65,913	(28,919)
Foreign exchange differences	282	(490)
Reverse Deterioration Anglo American Sur S.A.	52,745	-
Other comprehensive results	(27)	-
Other	6	14,643
Final balance	**3,658,371**	**3,952,973**

The following tables provide details of asset and liabilities of the main associates as of June 30, 2017 and December 31, 2016, and their profit (loss) for the periods ended June 30, 2017 and 2016.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Anglo American Sur S.A.

Assets and liabilities	06/30/2017 ThUS$	12/31/2016 ThUS$
Current Assets	1,234,089	1,187,986
Non-current Assets	4,261,193	4,121,970
Current Liabilities	871,340	378,584
Non-current Liabilities	1,107,372	1,035,354

Net Income	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Revenue	896,414	807,975	482,240	377,120
Cost of sales	(685,847)	(922,594)	(311,766)	(470,853)
Profit (loss) for the period	210,567	(114,619)	170,474	(93,733)

Sociedad Contractual Minera El Abra

Assets and liabilities	06/30/2017 ThUS$	12/31/2016 ThUS$
Current Assets	403,612	451,765
Non-current Assets	1,140,548	1,151,562
Current Liabilities	59,065	48,497
Non-current Liabilities	269,505	271,203

Net Income	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Revenue	221,959	257,483	93,004	115,040
Cost of sales	(210,105)	(237,164)	(86,426)	(112,006)
Profit (loss) for the period	11,854	20,319	6,578	3,034

b) Joint ventures

On April 7, 2016, the Corporation completed the process to no longer participate as a shareholder in Copper Partners Investment Company Limited ("CUPIC") of which Codelco indirectly held a 50% ownership interest through its subsidiary Codelco International, with the remaining 50% held by Album Enterprises Limited (a subsidiary of Minmetals). See Note 30, b) for more detail information.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Results	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Income and Other Income	-	-	-	(33,599)
Ordinary expenses	-	-	-	18,631
Gain (loss)	-	-	-	(14,968)

Investment in Joint Ventures	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$
Beginning balance	**-**	**114,031**
Decreased participation	-	(99,601)
Dividends	-	(14,430)
Closing Balance	**-**	**-**

c) Additional information on unrealized profits (losses)

The Corporation has recognized unrealized profits (losses) for purchases and sales transactions of products, mining properties, property, plant and equipment and ownership rights with its associates and joint ventures. The most significant transactions giving rise to unrealized profits include the transaction carried out in 1994 for the initial contribution of mining properties to Sociedad Contractual Minera El Abra.

Codelco enters into transactions for the purchase and sale of copper with Sociedad Contractual Minera El Abra, As of June 30, 2017 and December 31, 2016, there were no unrealized profits (losses) recognized in the carrying amount of inventories of finished products.

Codelco enters into transactions for the purchase and sale of copper with Anglo American Sur S,A, As of June 30, 2017 and December 31, 2016, there were no unrealized profits (losses) recognized in the carrying amount of inventories of finished products.

For the period ended June 30, 2017, the Corporation has recognized unrealized profits of ThUS$3,920 (ThUS$3,920 as of December 31, 2016) for the service transaction related to the use of the LNG terminal of the associate Contractual Minera El Abra.

d) Investments in associates acquired through business combinations

On August 24, 2012, Codelco recognized the acquisition of ownership interest in Anglo American Sur S,A, by applying the acquisition method, which resulted in the initial recognition of the cost of the investment for ThUS$6,490,000 that corresponded to the proportionate share (29,5%) of the net fair value of the identifiable assets and liabilities acquired.

In determining the share of the fair value of the identifiable assets and liabilities acquired, the Corporation considered the resources and mineral reserves that could be measured reliably and the assessment of intangibles and all other considerations about contingent assets and liabilities.

The allocation of the purchase price at fair value between the identifiable assets and liabilities was prepared by management using its best estimate and taking into account all relevant and available information at the acquisition date of Anglo American Sur S.A.

The acquisition did not result in obtaining control of the acquired company.

The Corporation used a discounted cash flows model to estimate cash flow projections, based on the life of mine. These projections were based on estimated production and future prices of minerals, operating costs and capital costs, among other estimates made at the date of acquisition. Additionally, proven and probable resources to explore were not included in the mine plan, therefore, they were valued separately using a market model. Such resources are included in item "Mineral Resources".

As part of this process and by applying the valuation criteria indicated above, the fair value of the net assets of Anglo American Sur S.A. was US$22,646 million, therefore the proportionate share acquired by Inversiones Mineras Becrux SpA (29.5%) was equivalent to US$6,681 million at the acquisition date.

e) Additional information on impairment of investments accounted for using the equity method

As of December 31, 2015, the Corporation identified indicators of impairment in the operating units of Anglo American Sur S.A. Consequently, and with the purpose of making the corresponding adjustments to the investment in this associate, the Corporation estimated its recoverable amount.

In determining the recoverable amount, the Corporation applied the methodology of fair value less costs of disposal. The recoverable amount of the operating units was determined based on the life of mine by using a discounted cash flow model whose main assumptions included ore reserves declared by the associate, copper price, supply costs, foreign exchange rates, discount rate and market information for the long-term assets valuation. The discount rate used was annual rate of 8% after taxes.

Furthermore, the proven reserves not included in the LOM, as well as the probable reserves to explore, have been valued using a multiples market approach for comparable transactions, Such methodology is consistent with the methodologies used at the acquisition date, which is described in letter d) above.

The recoverable amount as estimated was less than the carrying amount of the identified assets of the associate, therefore, the Corporation recognized an impairment loss of ThUS$2,439,495, which was included within the line item “Share of profit or loss of associates and joint ventures accounted for using the equity method" in the consolidated statements 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 has been no indicators requiring the recognition of further impairment losses on the recoverable amount of the investment held in Anglo American Sur S.A.

As of December 31, 2016, the parent company of Anglo American Sur S.A. reviewed the discounted cash flow model of its cash generating units (CGU), determining an impairment loss for the *El Soldado* CGU of US$ 200 million due to the uncertainty related to obtaining the required approval of its operational plan from the National Mining and Geology Service ("SERNAGEOMIN" in its Spanish acronym), which raises questions about the generation of future economic benefits to support the value of the assets related to such CGU.

Consequently, and with the purpose of making the corresponding adjustments to the recognition its investment in the associate, the Corporation estimated its recoverable amount by considering the fair value of the identified net assets of the associate *El Soldado*.

The recoverable amount as estimated was less than the carrying amount of the identified assets of the associate, therefore, the Corporation recognized an impairment loss of ThUS$78,811 over the identified assets related to El Soldado operations, which was included within the line item "Share of profit or loss of associates and joint ventures accounted for using the equity method" in the statement of comprehensive income for the year ended December 31, 2016.

On April 27, 2017, the SERNAGEOMIN approved the updated mine plan for El Soldado, based on this resolution Anglo American Sur S.A. has resumed the operations of the mine. Consequently, the company recognized a reversal of an impairment loss for US$ 193 million.

As of June 30, 2017, Codelco made a corresponding adjustment to the identified assets at the acquisition date of the investment associated with El Soldado operations by recognizing a reversal of an impairment loss of ThUS$52,745, which is presented in the line item "Share of profit or loss of associates and joint ventures accounted for using the equity method".

f) Share of profit or loss for the period

The share in profit or loss of the associate Anglo American Sur S.A. recognized for the period ended June 30, 2017 was a gain of ThUS$62,117. 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 a deduction of ThUS$4,227 for the period ended June 30, 2017 recognized within line item "Share of profit or loss of associates and joint ventures accounted using the equity method" in the consolidated statements of comprehensive income.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

9. Intangible assets other than goodwill

As of June 30, 2017 and December 31, 2016, the intangible assets other than goodwill are described as follows:

a) This item is composed of the following:

Item	06/30/2017 ThUS$	12/31/2016 ThUS$
Intangible assets with finite useful lives, net	18,208	14,314
Intangible assets with indefinite useful lives	182,970	182,583
Total	**201,178**	**196,897**

b) Carrying amount and accumulated amortization:

	06/30/2017		
Item	Gross ThUS$	Accumulated Amortization ThUS$	Net ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,958	-	7,958
Software	5,357	(3,565)	1,792
Technological development and innovation	175,012	-	175,012
Other	17,219	(831)	16,388
Total	**205,574**	**(4,396)**	**201,178**

	12/31/2016		
Item	Gross ThUS$	Accumulated Amortization ThUS$	Net ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,959	-	7,959
Software	2,984	(1,079)	1,905
Technological development and innovation	174,624	-	174,624
Other	12,874	(493)	12,381
Total	**198,469**	**(1,572)**	**196,897**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

c) Reconciliation of the carrying amount at beginning and end of the period:

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development and innovation	Other	Total
Reconciliation of changes in intangible assets other than goodwill						
Intangible assets other than goodwill. Opening balance (01/01/2017)	**28**	**7,959**	**1,905**	**174,624**	**12,381**	**196,897**
Changes in intangible assets other than goodwill						
Increases other than those arising from business combinations, intangible assets other than goodwill	-	-	70	388	177	635
Amortization, intangible assets other than goodwill	-	-	(235)	-	(176)	(411)
Increases (decreases) in transfers and other changes, intangible assets other than						
Increases (decreases) in transfers and other changes, intangible assets other than goodwill	-	-	(17)	-	4,396	4,379
Increases (decreases) due to other changes, intangible assets other than goodwill	-	(1)	69	-	(52)	16
Increase (decrease) in transfers and other changes, intangible assets other than	**-**	**(1)**	**52**	**-**	**4,344**	**4,395**
Provisions and withdrawals of service, intangible assets other than goodwill						
Service retirements / retirements, intangible assets other than goodwill	-	-	-	-	(338)	(338)
Provisions and withdrawals of service, intangible assets other than goodwill	**-**	**-**	**-**	**-**	**(338)**	**(338)**
Increase (decrease) in intangible assets other than goodwill	**-**	**(1)**	**(113)**	**388**	**4,007**	**4,281**
Intangible assets other than goodwill. Final Balance 06/30/2017	**28**	**7,958**	**1,792**	**175,012**	**16,388**	**201,178**

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development and innovation	Other	Total
Reconciliation of changes in intangible assets other than goodwill						
Intangible assets other than goodwill. Opening balance (01/01/2016)	**28**	**7,959**	**1,293**	**164,424**	**12,378**	**186,082**
Changes in intangible assets other than goodwill						
Increases other than those arising from business combinations, intangible assets other than goodwill	-	-	212	10,200	1,061	11,473
Amortization, intangible assets other than goodwill	-	-	(358)	-	(352)	(710)
Increases (decreases) in transfers and other changes, intangible assets other than goodwill						
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	-	-	515	-	(515)	-
Increases (decreases) due to other changes, intangible assets other than goodwill	-	-	243	-	(191)	52
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	**-**	**-**	**758**	**-**	**(706)**	**52**
Provisions and withdrawals of service, intangible assets other than goodwill						-
Increase (decrease) in intangible assets other than goodwill	**-**	**-**	**612**	**10,200**	**3**	**10,815**
Intangible assets other than goodwill. Final Balance 06/30/2016	**28**	**7,959**	**1,905**	**174,624**	**12,381**	**196,897**

d) Additional Information

- The Corporation has significant intangible assets for ThUS$175,012 and ThUS$174,624, as of June 30, 2017 and December 31, 2016, respectively, related to the “Continuous Mining” Project.

- Continuous Mining is a project of the Corporation aim to develop an internal technological breakthrough associated with the exploitation of underground mines, the main characteristics of the project are: (1) reduction in the exposure of workers to mineral extraction areas; (2) increasing the pace of mineral extraction; and (3) simultaneous mineral extraction from different sections.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

- This project began in 2005, when the first conceptual tests were made, and in 2007 and 2008 it was applied as pilot level and from 2009 were made the basic and detail engineering and the construction phase for industrial validation at the West sector of third panel of Andina Division, which is expected to be carried out through 2018, It is expected that its subsequent implementation will be at Chuquicamata Underground and of the new mining projects of Codelco.

- As of June 30, 2017 and December 31, 2016, there are no fully amortized intangible assets that are still in use.

- For the periods ended June 30, 2017 and 2016, research and technological development and innovation expenses were ThUS$387 and ThUS$6,066, respectively. On the other hand, research disbursements were ThUS$17,678 and ThUS$6,513 for the periods ended June 30, 2017 and 2016, respectively.

10. Subsidiaries

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

Assets and liabilities	06/30/2017 ThUS$	12/31/2016 ThUS$
Current assets	644,652	483,773
Non Current Assets	3,738,834	3,805,109
Current Liabilities	354,865	377,574
Non Current Liabilities	1,342,010	1,298,938

Profit (loss)	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Revenues	1,040,073	788,914	597,964	388,604
Cost of sales	(966,873)	(850,622)	(513,337)	(442,276)
Profit (loss) of period	73,200	(61,708)	84,627	(53,672)

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

11. Other non-current non-financial assets

Other non-current non-financial assets as of June 30, 2017 and December 31, 2016, are as follows:

Other non-current non-financial assets	06/30/2017 ThUS$	12/31/2016 ThUS$
Advance payment (Law No,13,196) (1)	7,183	8,099
Other	6,154	6,218
Total	**13,337**	**14,317**

(1) Corresponds to the advance payment received for the copper sales contract signed with CUPIC. This amount will be amortized according to the shipments made.

12. Current and non-current financial assets

Current and non-current financial assets included in the statement of financial position are as follows:

	06/30/2017				
Classification in the statement of financial position	At fair value though profit and loss	Loans and receivables	Derivatives for hedging		**Total financial assets**
			Hedging derivatives	Cross currency swap	
	ThUS$	ThUS$	ThUS$	ThUS$	**ThUS$**
Cash and cash equivalents	2,269	886,358	-	-	**888,627**
Trade and other current receivables	11,794	1,881,781	-	-	**1,893,575**
Non – current receivables	-	89,006	-	-	**89,006**
Current receivables from related parties	-	148,437	-	-	**148,437**
Non – current receivables from related parties	-	22,217	-	-	**22,217**
Other current financial assets	-	1,484	154	-	**1,638**
Other non - current financial assets	-	8,799	-	81,186	**89,985**
TOTAL	**14,063**	**3,038,082**	**154**	**81,186**	**3,133,485**

	12/31/2016				
Classification in the statement of financial position	At fair value though profit and loss	Loans and receivables	Derivatives for hedging		**Total financial assets**
			Hedging derivatives	Cross currency swap	
	ThUS$	ThUS$	ThUS$	ThUS$	**ThUS$**
Cash and cash equivalents	1,497	575,229	-	-	**576,726**
Trade and other current receivables	95,971	2,158,760	-	-	**2,254,731**
Non – current receivables	-	95,316	-	-	**95,316**
Current receivables from related parties	-	13,669	-	-	**13,669**
Non – current receivables from related parties	-	21,713	-	-	**21,713**
Other current financial assets	-	2,391	7,470	-	**9,861**
Other non - current financial assets	-	6,550	254	63,781	**70,585**
TOTAL	**97,468**	**2,873,628**	**7,724**	**63,781**	**3,042,601**

- **Financial assets at fair value through profit or loss:** This category mainly includes receivables from provisional invoicing sales.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

- **Loans and receivables:** It corresponds to financial assets with fixed or determinable payments that 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.

- **Hedging derivatives:** Correspond to the receivable balance for changes in fair value of derivative contracts to hedge existing transactions and which affect profit or loss when the transactions are settled. The detail of derivative hedging transactions are included in Note 29.

  As of June 30, 2017 and December 31, 2016, there were no reclassifications between the different categories of financial instruments.

13. Interest-bearing borrowings

Current and non-current interest-bearing borrowings consists of loans from financial institutions, bond issue obligations and finance leases, which are measured at amortized cost using the effective interest rate method.

The following tables set forth other current/non-current financial liabilities as of June 30, 2017 and December 31, 2016:

Items	06/30/2017					
	Current			Non-current		
	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial institutions	165,467		165,467	2,982,363	-	2,982,363
Bonds issued	157,330		157,330	11,678,984	-	11,678,984
Financial Lease	26,657		26,657	97,036	-	97,036
Hedging derivatives		21,605	21,605	-	135,122	135,122
Other financial liabilities	1,121		1,121	71,284	-	71,284
Total	**350,575**	**21,605**	**372,180**	**14,829,667**	**135,122**	**14,964,789**

Items	12/31/2016					
	Current			Non-current		
	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial institutions	166,294	-	166,294	2,988,447	-	2,988,447
Bonds issued	150,563	-	150,563	11,608,257	-	11,608,257
Financial Lease	23,683	-	23,683	100,808	-	100,808
Hedging derivatives	-	10,155	10,155	-	161,619	161,619
Other financial liabilities	1,915	-	1,915	72,338	-	72,338
Total	**342,455**	**10,155**	**352,610**	**14,769,850**	**161,619**	**14,931,469**

- **Loans from financial institutions:**

The loans obtained by the Corporation aim to finance production operations oriented towards the foreign market,

On August 23, 2012, the subsidiary Inversiones Gacrux SpA (Gacrux) signed a credit agreement with Oriente Copper Netherlands BV (a subsidiary of Mitsui & Co, Ltd, ("Mitsui")) for approximately US$1,863 million, renewable monthly until November 26, 2012, after which, if not paid or renegotiated, will automatically become a loan with a 7,5 years maturity from the date of disbursement, and an annual rate Libor + 2.5%. This loan has no guarantees ("non-recourse") to be given by Codelco.

The proceeds from the loan were used by Codelco's indirect subsidiary Inversiones Mineras Becrux SpA to acquire 24.5% of the shares of Anglo American Sur S,A,, including other acquisition-related expenses.

On October 31, 2012, the credit agreement was amended, the new terms established an annual fixed interest rate of 3.25% and a 20-year maturity, to be paid in 40 semi-annual installments of principal and interest, and maintaining the "non-recourse" condition. Under previous agreements, Mitsui is entitled to an additional interest equivalent to one-third of the savings obtained by Gacrux under the renegotiated credit as compared to the conditions from the credit agreement originally signed. Furthermore, Mitsui (through a subsidiary) held an option to acquire from Gacrux an additional 15.25% of the shares of Inversiones Mineras Acrux SpA ("Acrux"), at a fixed price of approximately US$998 million.

On November 26, 2012, Mitsui exercised the call option and acquired the additional ownership interest in Acrux. The proceeds received were used by Codelco to partially pre-pay the debt with Mitsui.

On November 26, 2016, Codelco signed a credit agreement with Oriente Copper Netherlands BV renegotiating the payment of principal at the end of the contract. The terms established an annual interest rate of Libor +2.5% with a 5 year maturity to be payable in one installment at maturity with semi-annual interest payment.

On May 26, 2017, Codelco signed a credit agreement with Oriente Copper Netherlands BV renegotiating the semi-annual payment. The terms established an annual interest rate of Libor +2.5% with a 5 year maturity to be payable in one installment at maturity with semi-annual interest payment. As of June 30, 2017, the outstanding balance of the credit agreements is ThUS$736,457.

- ***Bond issued:***

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF 6,900,000 of a single series labeled "Series B", which consists of 6,900 bonds for UF 1,000 each. These bonds are payable in a single installment on April 1, 2025, at an annual interest rate of 4% and semi-annual interest payments.

On September 21, 2005, the Corporation issued and placed bonds in the U,S, market under Rule 144-A and Regulation S, for a nominal amount of ThUS$500,000. These bonds are payable in a single installment on September 21, 2035, at an annual interest rate of 5.6250% and semi-annual interest payments.

On October 19, 2006, the Corporation issued and placed bonds in the U,S, market under Rule 144-A and Regulation S, for a nominal amount of ThUS$500,000. These bonds are payable in a single installment on October 24, 2036, at an annual interest rate of 6.15% and semi-annual interest payments.

On January 20, 2009, the Corporation issued and placed bonds in the U,S, market under Rule 144-A and Regulation S, for a nominal amount of ThUS$600,000. These bonds are payable in a single installment on January 15, 2019, at an annual interest rate of 7.5% and semi-annual interest payments.

On 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 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 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) ThUS$1,250,000 at an annual interest rate of 3% and maturity on July 17, 2022, and (ii) ThUS$750,000 at an annual interest rate of 4,25% and maturity on July 17, 2042, and each have annual interest payments.

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 October 18, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$950,000, payable in a single installment on October 18, 2043, at an annual interest rate of 5.625% and semi-annual interest payments.

On July 9, 2014, the Corporation issued and placed bonds in the international financial markets, under Rule 144-A and Regulation S, for a nominal amount of EUR$600,000,000, payable in a single installment on July 9, 2024, at an annual interest rate of 2.25% and semi-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 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.

As of June 30, 2017 and December 31, 2016, the Corporation is not required to comply with any financial covenant related to borrowings from financial institutions and bond obligations.

Financial debt commissions and expenses:

Transactions costs incurred in obtaining financial resources are deducted from the loan proceeds and are amortized using the effective interest rate.

- **Finance leases:**

Finance lease contracts mainly corresponds to buildings and machinery.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of June 30, 2017, the details of loans from financial institutions and bond obligations are as follows:

06-30-2017													
Taxpayer ID Number	Country	Loans with financial entities	Institución	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of Interest	Nominal Interest Rate	Tasa efectiva	Current balance ThUS$	Non-current balance ThUS$
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	07/17/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.78%	1.88%	993	299,654
Foreign	EE.UU	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	07/19/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.78%	1.90%	1,085	299,721
Foreign	EE.UU	Bilateral Credit	Mizuho Corporate Bank Ltd	09/16/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.87%	2.12%	233	299,167
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd	05/24/2019	Floating	US$	96,000,000	Half-yearly capital contributions from 2015 to the present.	Semi-annual	1.97%	2.32%	24,097	23,804
Foreign	EE.UU	Bilateral Credit	Mizuho Corporate Bank Ltd	06/05/2019	Floating	US$	95,000,000	Maturity	Quarterly	1.84%	2.04%	107	94,613
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	06/16/2019	Floating	US$	300,000,000	Maturity	Quarterly	1.78%	1.84%	1,198	299,422
Foreign	EE.UU	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	09/30/2021	Floating	US$	250,000,000	Maturity	Quarterly	1.91%	1.97%	968	249,469
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	11/03/2021	Floating	US$	300,000,000	Maturity	Quarterly	1.79%	1.96%	866	298,334
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	04/13/2022	Floating	US$	300,000,000	Maturity	Quarterly	1.81%	2.00%	1,176	297,777
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	05/24/2022	Floating	US$	224,000,000	Half-yearly capital contributions from 2015 to the present.	Semi-annual	1.87%	2.05%	32,307	127,369
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2032	Fixed	US$	874,959,000	Half-yearly capital contributions from 2015 to the present.	Semi-annual	3.25%	5.37%	43,748	652,090
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2021	Fixed	US$	23,946,863	At maturity with semi-annual interest payments	Semi-annual	3.79%	4.02%	-	24,484
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	05/26/2022	Fixed	US$	16,395,765	At maturity with semi-annual interest payments	Semi-annual	3.92%	3.98%	-	16,135
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	Euro				1.24%	1.24%	31,709	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				1.22%	1.22%	25,841	-
			Other institutions									1,139	324
						TOTAL						**165,467**	**2,982,363**

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	01/15/2019	Fixed	US$	600,000,000	At Maturity	Semi-annual	7.50%	7.79%	20,760	597,542
144-A REG.S	Luxembourg	11/04/2020	Fixed	US$	1,000,000,000	At Maturity	Semi-annual	3.75%	3.98%	5,808	992,755
144-A REG.S	Luxembourg	11/04/2021	Fixed	US$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.06%	7,144	1,141,314
144-A REG.S	Luxembourg	07/17/2022	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.17%	17,196	1,240,094
144-A REG.S	Luxembourg	08/13/2023	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.50%	4.74%	12,773	740,317
BCODE-B	Chile	04/01/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	2,724	290,115
144-A REG.S	Luxembourg	09/16/2025	Fixed	US$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.78%	25,924	1,962,980
BCODE-C	Chile	08/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	3,472	424,720
144-A REG.S	Luxembourg	09/21/2035	Fixed	US$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	7,796	491,392
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	5,881	496,271
144-A REG.S	Luxembourg	07/17/2042	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	14,617	732,459
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	10,777	932,812
144-A REG.S	Luxembourg	11/04/2044	Fixed	US$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	7,400	960,695
144-A REG.S	Luxembourg	07/09/2024	Fixed	EUR	600,000,000	At Maturity	Annual	2.25%	2.48%	15,058	675,518
				TOTAL						**157,330**	**11,678,984**

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

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As of December 31, 2016, the details of loans from financial institutions and bond obligations are as follows:

31-12-2016													
Taxpayer ID Number	Country	Loans with financial entities	Institución	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of Interest	Nominal Interest Rate	Tasa efectiva	Current balance ThUS$	Non-current balance ThUS$
Foreign	EE.UU	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	09/30/2021	Floating	US$	250,000,000	Maturity	Quarterly	1.63%	1.70%	884	249,373
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	11/03/2021	Floating	US$	300,000,000	Maturity	Quarterly	1.50%	1.66%	730	298,130
Foreign	EE.UU	Bilateral Credit	Mizuho Corporate Bank Ltd	09/16/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.58%	1.83%	211	298,900
Foreign	EE.UU	Bilateral Credit	Bank of America N.A.	10/11/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.53%	1.75%	1,006	298,905
Foreign	EE.UU	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	07/19/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.51%	1.62%	979	299,657
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	07/17/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.51%	1.60%	854	299,529
Foreign	EE.UU	Bilateral Credit	Mizuho Corporate Bank Ltd	06/05/2019	Floating	US$	95,000,000	Maturity	Quarterly	1.57%	1.81%	95	94,496
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	06/16/2019	Floating	US$	300,000,000	Maturity	Quarterly	1.50%	1.58%	1,010	299,287
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd	05/24/2019	Floating	US$	96,000,000	Half-yearly capital contributions from 2015 to the present.	Semi-annual	1.83%	2.23%	24,110	35,695
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	05/24/2022	Floating	US$	224,000,000	Half-yearly capital contributions from 2015 to the present.	Semi-annual	1.73%	1.91%	32,304	143,227
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2032	Fixed	US$	874,959,000	Half-yearly capital contributions from 2015 to the present.	Semi-annual	3.25%	5.37%	67,754	643,142
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2021	Fixed	US$	23,946,863	At maturity with semi-annual interest payments	Semi-annual	3.79%	4.02%	915	27,629
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	Euro				1.24%	1.24%	30,097	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				1.22%	1.22%	3,723	-
			Other institutions									1,622	477
TOTAL												**166,294**	**2,988,447**

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	15/01/2019	Fixed	US$	600,000,000	Maturity	Semi-annual	7.50%	7.79%	20,788	596,805
144-A REG.S	Luxembourg	04/11/2020	Fixed	US$	1,000,000,000	Maturity	Semi-annual	3.75%	3.98%	5,905	991,758
144-A REG.S	Luxembourg	04/11/2021	Fixed	US$	1,150,000,000	Maturity	Semi-annual	3.88%	4.07%	7,386	1,140,413
144-A REG.S	Luxembourg	17/07/2022	Fixed	US$	1,250,000,000	Maturity	Semi-annual	3.00%	3.17%	17,221	1,239,279
144-A REG.S	Luxembourg	13/08/2023	Fixed	US$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	12,840	739,645
144-A REG.S	Luxembourg	09/07/2024	Fixed	Euro	600,000,000	Maturity	Annual	2.25%	2.48%	6,729	622,361
BCODE-B	Chile	01/04/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	2,773	286,431
144-A REG.S	Luxembourg	16/09/2025	Fixed	US$	2,000,000,000	Maturity	Semi-annual	4.50%	4.78%	26,353	1,961,203
BCODE-C	Chile	24/08/2026	Fixed	U.F.	10,000,000	Maturity	Semi-annual	2.50%	2.48%	3,474	417,595
144-A REG.S	Luxembourg	21/09/2035	Fixed	US$	500,000,000	Maturity	Semi-annual	5.60%	5.78%	7,925	491,260
144-A REG.S	Luxembourg	24/10/2036	Fixed	US$	500,000,000	Maturity	Semi-annual	6.20%	6.22%	5,998	496,222
144-A REG.S	Luxembourg	17/07/2042	Fixed	US$	750,000,000	Maturity	Semi-annual	4.25%	4.41%	14,638	732,251
144-A REG.S	Luxembourg	18/10/2043	Fixed	US$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	11,010	932,674
144-A REG.S	Luxembourg	04/11/2044	Fixed	US$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	7,523	960,360
TOTAL										**150,563**	**11,608,257**

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

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The undiscounted amounts that the Corporation will have to disburse to settle the obligations with financial institutions, are as follows:

06/30/2017					Current			Non-current			
Creditor Name	Currency	Effective Interest Rate	Nominal Interest Rate	Payments of Interest	Less than 90 days	Less than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Export Dev Canada	US$	1.88%	1.78%	Quarterly	-	4,075	4,075	302,564	-	-	302,564
Bank of Tokyo Mitsubishi Ltd.	US$	1.90%	1.78%	Quarterly	-	4,087	4,087	302,705	-	-	302,705
Mizuho Corporate Bank Ltd.	US$	2.12%	1.87%	Quarterly	1,430	4,244	5,674	301,446	-	-	301,446
Bank of Tokyo-Mitsubishi Ltd.	US$	2.32%	1.97%	Semi-annual	-	24,840	24,840	24,360	-	-	24,360
Mizuho Corporate Bank Ltd	US$	2.04%	1.84%	Quarterly	446	1,325	1,771	96,747	-	-	96,747
Export Dev Canada	US$	1.84%	1.78%	Quarterly	2,710	2,693	5,403	306,421	-	-	306,421
Bank of Tokyo Mitsubishi Ltd.	US$	1.97%	1.91%	Quarterly	1,206	3,631	4,837	9,688	257,024	-	266,712
Export Dev Canada	US$	1.95%	1.79%	Quarterly	1,374	4,078	5,452	10,918	308,200	-	319,118
Scotiabank & Trust (Cayman) Ltd	US$	2.00%	1.81%	Quarterly	-	-	-	-	309,582	-	309,582
Japan Bank International Cooperation	US$	2.05%	1.87%	Semi-annual	-	34,882	34,882	67,949	65,519	-	133,468
BOND 144-A REG. 2019	US$	7.79%	7.50%	Semi-annual	22,500	22,500	45,000	645,000	-	-	645,000
BOND 144-A REG. 2020	US$	3.98%	3.75%	Semi-annual	-	37,500	37,500	75,000	1,018,750	-	1,093,750
BOND 144-A REG. 2021	US$	4.07%	3.88%	Semi-annual	-	44,563	44,563	89,125	1,216,844	-	1,305,969
BOND 144-A REG. 2022	US$	3.17%	3.00%	Semi-annual	18,750	18,750	37,500	75,000	75,000	1,268,750	1,418,750
BOND 144-A REG. 2023	US$	4.75%	4.50%	Semi-annual	16,875	16,875	33,750	67,500	67,500	800,625	935,625
BOND 144-A REG. 2025	US$	4.78%	4.50%	Semi-annual	45,000	45,000	90,000	180,000	180,000	2,315,000	2,675,000
BOND 144-A REG. 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	879,688	992,188
BOND 144-A REG. 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	945,875	1,068,875
BOND 144-A REG. 2042	US$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,403,438	1,530,938
BOND 144-A REG. 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,098,906	2,312,656
BOND 144-A REG. 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	2,054,938	2,246,038
Oriente Copper Netherlands B.V.	US$	5.37%	3.25%	Semi-annual	37,881	37,707	75,588	146,852	141,137	672,960	960,949
Oriente Copper Netherlands B.V.	US$	4.02%	3.79%	Semi-annual	-	920	920	1,842	25,330	-	27,172
Oriente Copper Netherlands B.V.	US$	3.92%	3.98%	Semi-annual	-	653	653	1,304	17,698	-	19,002
				Total ThUS$	**178,173**	**470,287**	**648,460**	**3,088,346**	**4,066,509**	**12,440,180**	**19,595,035**
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,728,000	8,832,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	124,228	124,228	248,457	496,913	496,913	11,118,055	12,111,882
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	18,846,055	20,943,882
				Subtotal ThUS$	**10,526**	**10,526**	**21,052**	**42,104**	**42,104**	**756,495**	**840,703**
BONO 144-A REG. 2024	EUR	2.48%	2.25%	Anual	13,500,000	-	13,500,000	27,000,000	27,000,000	640,500,000	694,500,000
				Total EUR	13,500,000	-	13,500,000	27,000,000	27,000,000	640,500,000	694,500,000
				Subtotal ThUS$	**15,411**	**-**	**15,411**	**30,822**	**30,822**	**731,163**	**792,806**
				Total ThUS$	**204,110**	**480,813**	**684,923**	**3,161,272**	**4,139,435**	**13,927,838**	**21,228,544**

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

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

12/31/2016					Current			Non-current			
Debtor's Name	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
Bank of Tokyo Mitsubishi Ltd.	US$	1.70%	1.63%	Quarterly	2,062	2,073	4,135	8,269	258,122	-	266,391
Export Dev Canada	US$	1.66%	1.50%	Quarterly	1,151	3,415	4,566	9,131	309,143	-	318,274
Mizuho Corporate Bank Ltd.	US$	1.83%	1.58%	Quarterly	1,188	3,629	4,817	303,629	-	-	303,629
Bank of America N.A.	US$	1.75%	1.53%	Quarterly	1,011	3,475	4,486	305,792	-	-	305,792
Bank of Tokyo Mitsubishi Ltd.	US$	1.62%	1.51%	Quarterly	-	3,426	3,426	304,644	-	-	304,644
Export Dev Canada	US$	1.60%	1.51%	Quarterly	1,155	3,428	4,583	303,327	-	-	303,327
Mizuho Corporate Bank Ltd	US$	1.81%	1.57%	Quarterly	373	1,140	1,513	97,255	-	-	97,255
Export Dev Canada	US$	1.58%	1.50%	Quarterly	2,244	3,428	5,672	306,533	-	-	306,533
Bank of Tokyo-Mitsubishi Ltd.	US$	2.23%	1.83%	Semi-annual	-	25,001	25,001	36,666	-	-	36,666
Japan Bank International Cooperation	US$	1.91%	1.73%	Semi-annual	-	34,937	34,937	68,207	65,966	16,139	150,312
BOND 144-A REG. 2019	US$	7.79%	7.50%	Semi-annual	22,500	22,500	45,000	667,500	-	-	667,500
BOND 144-A REG. 2020	US$	3.98%	3.75%	Semi-annual	-	37,500	37,500	75,000	1,037,500	-	1,112,500
BOND 144-A REG. 2021	US$	4.07%	3.88%	Semi-annual	-	44,563	44,563	89,125	1,239,125	-	1,328,250
BOND 144-A REG. 2022	US$	3.17%	3.00%	Semi-annual	18,750	18,750	37,500	75,000	75,000	1,287,500	1,437,500
BOND 144-A REG. 2023	US$	4.75%	4.50%	Semi-annual	16,875	16,875	33,750	67,500	67,500	817,500	952,500
BOND 144-A REG. 2025	US$	4.78%	4.50%	Semi-annual	45,000	90,000	135,000	180,000	180,000	2,360,000	2,720,000
BOND 144-A REG. 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	893,750	1,006,250
BOND 144-A REG. 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	961,250	1,084,250
BOND 144-A REG. 2042	US$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,419,375	1,546,875
BOND 144-A REG. 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,125,625	2,339,375
BOND 144-A REG. 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	2,078,825	2,269,925
Oriente Copper Netherlands B.V.	US$	5.37%	3.25%	Semi-annual	-	75,588	75,588	146,852	141,137	672,960	960,949
Oriente Copper Netherlands B.V.	US$	4.02%	3.79%	Semi-annual	-	915	915	1,840	25,789	-	27,629
				Total ThUS$	**142,310**	**552,607**	**694,917**	**3,430,195**	**3,783,207**	**12,632,924**	**19,846,326**
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,866,000	8,970,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	124,228	124,228	248,457	496,913	496,913	11,242,284	12,236,111
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	19,108,284	21,206,111
				Subtotal ThUS$	**10,320**	**10,320**	**20,641**	**41,282**	**41,282**	**752,035**	**834,598**
BONO 144-A REG. 2024	EUR	2.48%	2.25%	Anual	-	13,500,000	13,500,000	27,000,000	27,000,000	640,500,000	694,500,000
				Total EUR	-	13,500,000	13,500,000	27,000,000	27,000,000	640,500,000	694,500,000
				Subtotal ThUS$	**-**	**14,229**	**14,229**	**28,457**	**28,457**	**675,067**	**731,981**
				Total ThUS$	**152,630**	**577,156**	**729,786**	**3,499,934**	**3,852,946**	**14,060,025**	**21,412,905**

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

The present value of future lease payments for financial lease obligations are detailed in the following table:

Financial Leases	06/30/2017			12/31/2016		
	Gross ThUS$	Interest ThUS$	Present Value ThUS$	Gross ThUS$	Interest ThUS$	Present Value ThUS$
Less than 90 days	8,395	(2,419)	5,976	10,907	(2,497)	8,410
Between 90 days and 1 year	28,031	(7,350)	20,681	22,535	(7,262)	15,273
Between 1 and 2 years	27,775	(7,593)	20,182	32,335	(10,047)	22,288
Between 2 and 3 years	22,776	(6,539)	16,237	24,697	(8,574)	16,123
Between 3 and 4 years	13,480	(4,617)	8,863	32,388	(9,458)	22,930
Between 4 and 5 years	9,880	(3,196)	6,684	7,710	(1,856)	5,854
More than 5 years	58,654	(13,584)	45,070	42,706	(9,093)	33,613
Total	168,991	(45,298)	123,693	173,278	(48,787)	124,491

The total future lease payments for operating leases and rental expenses recognized in the statements of comprehensive income are summarized in the following tables:

Future lease payments for operating issues	**06/30/2017 ThUS$**	**12/31/2016 ThUS$**
Less than one year	504,534	591,697
Between one and five years	438,037	440,030
More than five years	44,149	32,823
TOTAL	986,720	1,064,550

Rental fees recognized in the Statement of Comprehensive Income	**06/30/2017 ThUS$**	**06/30/2016 ThUS$**
Rental expenses	118,270	49,950

14. 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.

Regarding financial liabilities, the following table shows a comparison as of June 30, 2017 between the carrying amount and the fair value of financial liabilities other than those whose carrying amount is a reasonable approximation of fair value.

Financial liabilities	**Accounting treatment for valuation**	**Carrying amount ThUS$**	**Fair value ThUS$**
Bond Obligations	Amortized cost	11,836,314	12,771,413

15. 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 for assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents financial assets and liabilities measured at fair value as of June 30, 2017:

Financial instruments measured at fair value	06/30/2017			
	Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$	Total ThUS$
Financial Assets				
Provisional price sales contracts	-	11,794	-	11,794
Cross Currency Swap	-	81,186	-	81,186
Mutual fund units	2,269	-	-	2,269
Metal futures contracts	154	-	-	154
Financial Liabilities				
Metal futures contracts	5,455	5,056	-	10,511
Cross Currency Swap	16,150	130,066	-	146,216

There were no transfers between the different levels for the period ended June 30, 2017.

16. Trade and other payables

The detail of trade and other current payables as of June 30, 2017 and December 31, 2016, is as follows:

Items	Currents	
	06/30/2017 ThUS$	12/31/2016 ThUS$
Trade payables	776,707	983,320
Dividends payables	169,863	-
Payables to employees	16,132	31,624
Withholdings	85,819	76,615
Withholding taxes	16,073	41,364
Other payables	92,675	75,203
Total	**1,157,269**	**1,208,126**

17. Other provisions

The detail of other current and non-current provisions as of June 30, 2017 and December 31, 2016, is as follows:

Other Provisions	**Current**		**Non-current**	
	06/30/2017 ThUS$	**12/31/2016** ThUS$	**06/30/2017** ThUS$	**12/31/2016** ThUS$
Sales-related provisions (1)	2,553	14,174	-	-
Operating (2)	101,762	102,270	-	-
Law No, 13,196	97,127	99,014	-	-
Other provisions	21,302	74,076	18,073	17,176
Onerous Contract (6)	468	468	1,365	1,600
Decommissioning and restoration (3)	-	-	1,566,972	1,544,823
Legal proceedings	-	-	34,411	29,013
Total	223,212	290,002	1,620,821	1,592,612

(1) Corresponds to a sales-related accruals, which includes charges for freight, loading, and unloading that were not invoiced at the end of the period.
(2) Corresponds to a provision for customs duties, freight on purchases, electricity, among others.
(3) Corresponds to a provision recognized for an onerous contract with Copper Partners Investment Company Ltd, See Note 30,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 2.01% for the obligations in Chilean currency and 1.38% 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 11 and 82 years. The Corporation determines and recognizes the liability in accordance with the accounting policies mentioned in note II.1 letter d) and II.2 letter o) of the Accounting Policies.

Changes in Other provisions, were as follows:

Changes	01/01/2017 06/30/2017			
	Other Provisions, non-current	Provision for mine closure	Contingencies	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	18,776	1,544,823	29,013	1,592,612
Financial expenses	-	12,281	-	12,281
Payment of liabilities	-	-	(6,838)	(6,838)
Foreign currency translation	71	9,785	(3,928)	5,928
Onerous contract, transfer to current	(235)	-	-	(235)
Other increases (decreases)	826	83	16,164	17,073
Closing Balance	19,438	1,566,972	34,411	1,620,821

18. 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 regardless of the reason for employee's departure. The provision for medical care plans recognizes the contractual obligation that the Corporations with its employees to cover their medical care costs.

Both long-term employee benefits are stated in the terms of employment contracts and collective bargaining agreements as agreed to by the Corporation and its employees.

These defined benefit liabilities are recognized in the statement of financial position, at the present value of the defined benefit obligation. The discount rate applied is determined by reference to the market yields of government bonds in the same currency and estimated term of the post-employment benefit obligations.

The defined benefit obligations are denominated in Chilean pesos, therefore the Corporation is exposed to foreign exchange rate risk.

Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income and are not subsequently reclassified to profit or loss.

For the period ended June 30, 2017, 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	06/30/2017	
	Retirement plan	Health plan
Annual Discount Rate	4.24%	4.66%
Voluntary Annual Turnover Rate for Retirement (Men)	3.90%	3.90%
Voluntary Annual Turnover Rate for Retirement (Women)	4.30%	4.30%
Salary Increase (real annual average)	3.41%	3.41%
Future Rate of Long-Term Inflation	3.00%	3.00%
Inflation Health Care	5.05%	5.05%
Mortality tables used for projections	CB14-RV14	CB14-RV14
Average duration of future cash flows (years)	7.10	17.58
Expected Retirement Age (Men)	60	60
Expected Retirement Age (Women)	59	59

The discount rates correspond to the rates in the secondary market of government bonds issued in Chile. The annual inflation corresponds to the long-term expectation set by the Central Bank of Chile. The turnover rates were determined using the past three years of historical experience of the Corporation's employees 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 SVS, which are considered an appropriate representation of the Chilean market and given the lack of comparable statistical series to develop independent studies. The weighted average duration corresponds to weighted average maturity of estimated cash flows of the respective defined benefit plans.

b. The detail of current and non-current provisions for post-employment benefits as of June 30, 2017 and December 31, 2016, is as follows:

Accrual for employee benefits	Current		Non-current	
	06/30/2017 ThUS$	12/31/2016 ThUS$	06/30/2017 ThUS$	12/31/2016 ThUS$
Employees' collective bargaining agreements	89,168	205,931	-	-
Employee termination benefit	29,029	29,521	752,148	748,185
Bonus	16,479	20,237	-	-
Vacation	142,650	157,634	-	-
Medical care programs (4)	407	408	545,036	537,829
Retirement plans (5)	6,387	8,233	8,612	14,415
Other	14,218	17,621	8,561	8,442
Total	298,338	439,585	1,314,357	1,308,871

(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 post-employment benefit obligation, is as follows:

Movements	01/01/2017 06/30/2017		01/01/2016 12/31/2016	
	Retirement plan ThUS$	Health plan ThUS$	Retirement plan ThUS$	Health plan ThUS$
Opening balance	777,706	538,237	738,013	457,989
Service cost	31,601	(14)	68,499	32,735
Financial cost	4,666	4,333	11,882	9,389
Paid contributions	(48,555)	(13,069)	(92,335)	(44,704)
Actuarial (gains)/losses	3,398	7,045	12,339	54,586
Subtotal	768,816	536,532	738,398	512,905
Gains)/Losses on foreign exchange rate	12,361	8,911	39,308	25,332
Final Total	781,177	545,443	777,706	538,237

As of June 30, 2017, the remeasurement of the termination indemnities plan resulted in an actuarial gain for experience adjustment of ThUS$3,398 recognized in other comprehensive income. Similarly, the remeasurement of the medical care plan resulted in the recognition of an actuarial gain for experience adjustment of ThUS$7,045.

The balance of the defined benefit liability as of June 30, 2017, comprises a short term portion of ThUS$29,029 and ThUS$407 for the termination indemnities plan and the medical care plan, respectively. The expected amount of the defined benefit liability projected at June 30, 2018, consists of ThUS$854,101 for the termination indemnities plan and ThUS$527,367 for the medical care plan. The expected monthly average future disbursements related to defined benefit plans are of ThUS$2,419 for termination indemnities and of ThUS$34 for medical care.

The following table sets forth the sensitivity analysis of the value of the actuarial liability, from an average scenario to a low or high scenario with unit percentage change, respectively, and the two separate effects of reduction or increase of the carrying amount of the liability:

Severance Benefits for Years of Service	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.236%	4.236%	5.236%	5.52%	-4.85%
Financial effect on the real increase in income	2.912%	3.412%	3.912%	-2.24%	2.38%
Demographic effect of job rotations	3.440%	3.940%	4.440%	1.31%	-1.33%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	-0.06%	0.06%
Health Benefits and Other	**Low**	**Medium**	**High**	**Reduction**	**Increase**
Financial effect on interest rates	3.658%	4.658%	5.658%	7.82%	-6.87%
Financial effect on health inflation	4.550%	5.050%	5.550%	-6.05%	6.77%
Demographic effect, planned retirement age	58 / 57	60 / 59	62 / 61	3.68%	-3.68%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	1.55%	-1.22%

c. Termination benefits

The Corporation under its operational optimization programs seeks to reduce costs and increase labor productivity, 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 the Corporation can no longer withdraw the offer of those benefits.

As of June 30, 2017 and December 31, 2016, the termination benefits current balance was ThUS$6,387 and ThUS$8,233, respectively, while the non-current balance was ThUS$8,612 and ThUS$14,415, respectively. The non-current portion is associated with the provision related to the term of the collective bargaining process that Codelco's management negotiated during the month of December 2012 with the employee unions of the Chuquicamata Division. The non-current amounts recognized have been discounted using a discount rate equivalent to that used for calculating employee benefits provisions and whose outstanding balances are part of the balances as of June 30, 2017 and December 31, 2016.

d. Employee benefits expenses

The employee benefit expenses recognized for the periods ended June 30, 2017 and 2016, are as follows:

Expenditure by Nature of Employee Benefits	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Benefits - Short term	768,552	779,811	382,782	389,319
Benefits - Post employment	(14)	3,154	(259)	749
Benefits - Termination	16,476	8,279	5,689	5,430
Benefits by years of service	31,601	34,476	17,117	15,109
Total	**816,615**	**825,720**	**405,329**	**410,607**

19. Equity

The Corporation's total equity as of June 30, 2017 is ThUS$10,386,378 (ThUS$9,890,409 as of December 31, 2016 and ThUS$9,514,964 as of June 30, 2016).

In accordance with article 6 of Decree Law 1.350 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. 20.790. Such Law sets forth an extraordinary capital contribution of up to US$3 billion for the Corporation during the period of 2014-2018. The resources obtained from such capital contribution, together with the capitalization of the profits obtained during such period – up to US$800 million – generated in that period, will serve to boost the Investment Plan in mining projects, sustainability, mining development and renewal of equipment and industrial plants. At December 31, 2014, there were no capitalized resources under such statute.

Pursuant to the Exempt Finance Decree (Decree No. 197 of December 31, 2015 issued by the Ministry of Finance), the Corporation was authorized to capitalize US$225 million of the net profit registered in the financial statements as of December 31, 2014.

Those resources will be taken from the profits for year 2015 for their capitalization.

Pursuant to the ORD Finance Ministry Officio No. 1410 dated on May 27, 2016, it was established that the aforementioned Decree confirms the impossibility of capitalizing the aforementioned US$225 million, consequently the capitalization fund comprised of said amount was reversed.

On October 28, 2015, it was reported that after reviewing the Development Business Plan 2014-2018 for Codelco, it was decided to make a capital contribution of US$600 million that was made effective on December 2, 2015.

On December 1, 2016, it was informed that, pursuant to Article 1 of Law No. 20.790, it was decided to make an extraordinary capital contribution of US$500 million, which was made effective on December 28, 2016.

Both capital contributions were funded by the Public Treasury through the sale of financial assets.

On January 27, 2017, Law No. 20.989 on extraordinary capitalization was enacted. The Law authorizes the transferring of funds from application of the Copper Reserved Law to the Public Treasury, allowing an extraordinary capitalization to Codelco of up to US$950 million for year 2017 aiming to reduce Codelco's indebtedness in an amount equivalent to the difference between the funds transferred as required by the Reserved Law and cash flow surpluses obtained by the Corporation.

On March 13, 2017, through Decree No. 322 it was authorized an extraordinary capital contribution under Article 2 of Law No. 20.989, for a total amount of US$475 million. The capital contribution was made effective on April 13, 2017.

As of June 30, 2017, there are provisions recognized for dividends payable for ThUS$169,863.

The unaudited interim 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 unaudited interim consolidated statement of changes in equity.

Reclassification adjustments from other comprehensive income to profit or loss resulted in a loss of ThUS$788 and ThUS$609 for the periods ended June 30, 2017 and 2016, respectively.

a) Other reserves

The detail of other reserves as of June 30, 2017 and December 31, 2016, is as follows:

Other Reserves	**06/30/2017 ThUS$**	**12/31/2016 ThUS$**
Foreign exchange differences on conversion reserves	(6,985)	(10,607)
Cash flow hedge reserves	4,278	12,342
Capitalization fund and reserves	4,962,393	4,955,966
Reserve of gains (losses) of defined benefit plans	(270,329)	(267,171)
Other reserves	626,507	626,862
Total other reserves	**5,315,864**	**5,317,392**

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:

Subsidiaries	Non-controlling participation		Net equity		Gain (loss)			
	06/30/2017 %	12/31/2017 %	06/30/2017 ThUS$	12/31/2017 ThUS$	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Biosigma S.A.	-	33.30%	-	-	-	(313)	-	(135)
Inversiones Gacrux SpA	32.20%	32.20%	1,006,422	978,664	36,458	(11,690)	32,908	(9,416)
Ecosea Farming S.A.	8.68%	14.97%	-	-	-	-	-	-
Others	-	-	2	2	8	2	(2)	2
Total			1,006,424	978,666	36,466	(12,001)	32,906	(9,549)

For the period ended June 30, 2017, Inversiones Gacrux SpA did not distribute any dividends to non-controlling interests.

The percentage of non-controlling interest in 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	**06/30/2017 ThUS$**	**12/31/2016 ThUS$**
Current Assets	281,580	113,993
Non-current assets	2,952,418	3,014,897
Current liabilities	146,757	152,607
Non-current liabilities	702,056	670,771

Results	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	01/04/2017 30/06/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Revenues	390,941	188,092	261,566	81,331
Expenses	(306,750)	(249,299)	(168,281)	(126,713)
Profit (loss) of the period	84,191	(61,207)	93,285	(45,382)

Cash flow	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$
Net cash flow from operating activities	63,659	(793)
Net cash flow from investing activities	(939)	-
Net cash flow from financing activities	(44,301)	(40,836)

20. Revenue

Revenues for the six and three month periods ended June 30, 2017 and 2016, are as follows:

Item	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Revenue from sales of own copper	4,594,036	4,040,828	2,211,838	1,986,904
Revenue from sales of third-party copper	927,108	887,931	493,865	446,936
Revenue from sales of molybdenum	235,264	185,511	135,695	100,821
Revenue from sales of other products	234,319	291,089	119,851	149,866
Loss in futures market	(1,077)	674	206	2,122
Total	**5,989,650**	**5,406,033**	**2,961,455**	**2,686,649**

21. Expenses by nature

Expenses by nature for the six and three month periods ended June 30, 2017 and 2016, are as follows:

Item	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Short-term benefits to employees	768,552	779,811	382,782	389,319
Depreciation	546,165	584,666	281,957	285,679
Amortization	458,049	443,632	239,143	214,584
Total	**1,772,766**	**1,808,109**	**903,882**	**889,582**

22. Impairment of Assets

As of June 30, 2017 and December 31, 2016, there were no impairment losses or reversals of impairment losses previously recognized. Consequently, there have been not adjustments to the carrying amount of the assets of the Corporation's CGUs.

23. Other income and expenses by function

Other income and expenses by function for the six and three month periods ended June 30, 2017 and 2016, are as follows:

a) Other income by function

Item	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Penalties to suppliers	5,641	4,135	2,772	1,712
Delegated Administration	2,117	2,003	1,024	1,002
Miscellaneous sales (net)	14,101	5,133	7,571	4,570
Insurances recoveries by incidents	16,752	24,515	16,752	24,515
Gain from intragroup transactions	-	14,283	-	14,283
Other income	34,114	28,849	17,662	23,346
Totales	72,725	78,918	45,781	69,428

b) Other expenses by function

Item	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Law No. 13.196	(466,633)	(399,494)	(224,850)	(193,800)
Research expenses	(48,826)	(22,746)	(39,603)	(16,665)
Bonus for the end of collective bargaining	(1,304)	(10,166)	(1,290)	(208)
Expenses plan	(16,476)	(8,279)	(5,689)	(5,430)
Write-off of investment projects	(547)	(16,501)	(547)	(153)
Write-off of property, plant & equipment	(5,965)	(57)	(5,965)	-
Medical care plan	14	(3,154)	259	(749)
Write-off inventories	(1,840)	-	(1,606)	-
Lost due to onerous contract	-	(21,503)	-	(21,503)
Extraordinary gratification	(3,312)	-	(633)	-
Other	(60,452)	(63,554)	(19,661)	(52,438)
Totales	(605,341)	(545,454)	(299,585)	(290,946)

24. Finance costs

The detail of finance costs for the six and three month periods ended June 30, 2017 and 2016, is as follows:

Item	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Bond interests	(174,049)	(187,490)	(85,263)	(90,489)
Bank loan interests	(36,823)	(34,032)	(18,432)	(19,180)
Exchange differences on severance indemnity provision	(5,830)	(4,786)	(2,840)	(2,409)
Exchange differences on other non-current provisions	(24,109)	(33,968)	(10,591)	(17,200)
Other	(21,229)	(19,435)	(11,207)	(10,363)
Total	**(262,040)**	**(279,711)**	**(128,333)**	**(139,641)**

25. Operating segments

The Corporation has defined its Divisions as its operating segments in accordance with the requirements of IFRS 8, *Operating Segments*. The revenues and expenses of the Head Office are allocated among the defined operating segments.

The mining deposits in operation, where the Corporation conducts its extractive and processing activities are managed by the following Divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina and El Teniente. In addition, the smelting and refining activities are managed at the Ventanas Division. All these Divisions have a separate operational management, which report 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
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

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.

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 function 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 each Division.

Administrative Expenses

- Administrative expenses associated and identified with each Division are directly allocated,
- Administrative expenses recorded in cost centers associated with the sales function and administrative expenses of subsidiaries are allocated in proportion to the revenues of each Division.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in proportion to inventory balances in warehouse in each Division.
- The remaining administrative expenses are allocated in proportion to operating cash outflows of each Division.

Other Expenses, by function

- Other expenses associated and identified with each Division are directly allocated.
- Expenses for pre-investment studies and other expenses by function of subsidiaries are allocated in proportion to the revenues of each Division.

Other gains

- Other gains associated and identified with each Division are directly allocated.
- Other gains of subsidiaries are allocated in proportion to the revenues of each Division.

Finance Income

- Finance income associated and identified with each Division are 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. 13.196

- The amount of the contribution is allocated and accounted for in proportion to the invoiced and recorded amounts for copper and sub-product exports of each Division, that are subject to the surcharge.

Income tax income (expenses)

- Corporate income tax under D.L. 2.398 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. 2.398 of each Division.

Impairment losses

- The impairment loss recognized as of December 31, 2016 for the investment in Anglo American Sur S. A. (see Note 8) has been allocated directly to Head Office expenses, and has not been allocated to any of the operating segments.

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.

c) Cash flows by segments

The operating segments defined by the Corporation, has a cash management which refers mainly to operational activities that need to be covered periodically with funds constituted in each of these segments and whose amounts are not significant in relation to corporate balances of cash and cash equivalents.

Conversely, activities such as obtaining financing, investment and payment of relevant financial obligations are mainly based at the Head Office.

d) Impairment

As of June 30, 2017, there were no impairment losses or reversals of impairment losses previously recognized, Consequently, there have been not adjustments to the carrying amount of the assets of the Corporation's CGUs. As of June 30, 2017, the Corporation recognized a reversal of an impairment loss previously recognized in its investment Anglo American Sur (See Explanatory Notes,8).

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

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

From 01/01/2017 to 06/30/2017											
Segments	**Chuquicamata**	**R. Tomic**	**Salvador**	**Andina**	**El Teniente**	**Ventanas**	**G. Mistral**	**M. Hales**	**Total Segments**	**Subsidiaries, associates and Head Office, net**	**Total Consolidated**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Revenue from sales of own copper	870,033	876,913	201,579	575,681	1,087,726	5,614	341,226	645,930	4,604,702	(10,666)	4,594,036
Revenue from sales of third-party copper	(1,165)	-	(104)	-	-	22,702	-	100,779	122,212	804,896	927,108
Revenue from sales of molybdenum	141,446	21,305	9,390	20,503	42,492	-	-	-	235,136	128	235,264
Revenue from sales of other products	44,207	-	22,004	3,323	35,885	96,819	-	32,081	234,319		234,319
Revenue from futures market	227	93	118	(11)	417	(2,024)	104	(1)	(1,077)		(1,077)
Revenue between segments	66,498	-	53,121	402	194	48,217	-	-	168,432	(168,432)	-
Revenue	**1,121,246**	**898,311**	**286,108**	**599,898**	**1,166,714**	**171,328**	**341,330**	**778,789**	**5,363,724**	**625,926**	**5,989,650**
Cost of sales of own copper	(709,610)	(608,279)	(207,310)	(416,963)	(647,107)	(5,586)	(252,603)	(498,153)	(3,345,611)	7,305	(3,338,306)
Cost of sales of copper third-party copper	-	-	-	-	-	(23,561)	-	(100,811)	(124,372)	(800,397)	(924,769)
Cost of sales of molybdenum	(43,084)	(16,287)	(5,740)	(8,216)	(18,067)	-	-	-	(91,394)	(123)	(91,517)
Cost of sales of other products	(26,471)	-	(13,325)	(116)	(33,908)	(100,098)	-	(5,379)	(179,297)		(179,297)
Cost of sales between segments	(167,243)	40,148	(28,222)	5,800	5,209	(57,611)	-	33,487	(168,432)	168,432	-
Cost of sales	**(946,408)**	**(584,418)**	**(254,597)**	**(419,495)**	**(693,873)**	**(186,856)**	**(252,603)**	**(570,856)**	**(3,909,106)**	**(624,783)**	**(4,533,889)**
Gross profit	**174,838**	**313,893**	**31,511**	**180,403**	**472,841**	**(15,528)**	**88,727**	**207,933**	**1,454,618**	**1,143**	**1,455,761**
Other income, by function	4,317	1,563	12,391	6,580	9,217	790	2,635	968	38,461	34,264	72,725
Distribution costs	(810)	(40)	(267)	(123)	(207)	(299)	-	(407)	(2,153)	(3,119)	(5,272)
Administrative expenses	(22,951)	(10,399)	(7,509)	(12,515)	(34,246)	(3,920)	(12,670)	(10,928)	(115,138)	(92,643)	(207,781)
Other expenses, by function	(50,200)	(7,191)	(13,377)	(8,575)	(10,785)	(1,594)	(3,884)	(4,650)	(100,256)	(38,452)	(138,708)
Law No. 13.196	(101,074)	(87,012)	(22,268)	(55,738)	(99,530)	(7,692)	(33,002)	(60,317)	(466,633)		(466,633)
Other gains (losses)	-	-	-	-	-	-	-	-	-	3,010	3,010
Finance income	567	302	267	197	736	78	415	174	2,736	9,106	11,842
Finance costs	(47,078)	(21,994)	(7,030)	(40,596)	(83,624)	(3,542)	(5,921)	(26,619)	(236,404)	(25,636)	(262,040)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	263	-	123	(294)	430	-	-	-	522	118,136	118,658
Exchange differences	(1,264)	(8,806)	(1,569)	(2,302)	(12,932)	(1,539)	(1,619)	(461)	(30,492)	4,999	(25,493)
Profit (loss) before taxes	**(43,392)**	**180,316**	**(7,728)**	**67,037**	**241,900**	**(33,246)**	**34,681**	**105,693**	**545,261**	**10,808**	**556,069**
Income tax expenses	**19,938**	**(120,270)**	**4,178**	**(47,773)**	**(161,857)**	**20,709**	**(23,234)**	**(79,169)**	**(387,477)**	**37,737**	**(349,740)**
Profit (loss)	**(23,454)**	**60,046**	**(3,550)**	**19,264**	**80,043**	**(12,537)**	**11,447**	**26,524**	**157,784**	**48,545**	**206,329**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

From 01/01/2016 to 06/30/2016											
Segments	**Chuquicamata**	**R. Tomic**	**Salvador**	**Andina**	**El Teniente**	**Ventanas**	**G. Mistral**	**M. Hales**	**Total Segments**	**Subsidiaries, associates and Head Office, net**	**Total Consolidated**
	ThUS$	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Revenue from sales of own copper	806,815	729,769	204,462	351,652	1,112,230	68,897	265,642	502,216	4,041,683	(855)	4,040,828
Revenue from sales of third-party copper	(11,756)	-	(124)	-	-	22,727	-	178,971	189,818	698,113	887,931
Revenue from sales of molybdenum	103,622	5,971	5,212	32,685	38,282	-	-	-	185,772	(261)	185,511
Revenue from sales of other products	39,127	-	28,692	3,491	44,479	122,678	-	52,622	291,089		291,089
Revenue from futures market	1,204	1,118	371	110	1,413	(3,966)	274	150	674		674
Revenue between segments	99,529	-	51,046	347	141	47,382	-	-	198,445	(198,445)	-
Revenue	**1,038,541**	**736,858**	**289,659**	**388,285**	**1,196,545**	**257,718**	**265,916**	**733,959**	**4,907,481**	**498,552**	**5,406,033**
Cost of sales of own copper	(697,987)	(586,565)	(229,183)	(431,788)	(743,765)	(67,425)	(241,313)	(542,067)	(3,540,093)	(5,640)	(3,545,733)
Cost of sales of copper third-party copper	437	-	-	-	-	(24,448)	-	(186,619)	(210,630)	(701,031)	(911,661)
Cost of sales of molybdenum	(42,513)	(10,080)	(4,620)	(12,598)	(17,876)	-	-	-	(87,687)	(1,317)	(89,004)
Cost of sales of other products	(18,364)	-	(15,139)	(26)	(34,416)	(117,776)	-	(2,035)	(187,756)		(187,756)
Cost of sales between segments	(170,567)	25,298	(31,937)	3,294	7,537	(50,088)	-	18,018	(198,445)	198,445	-
Cost of sales	**(928,994)**	**(571,347)**	**(280,879)**	**(441,118)**	**(788,520)**	**(259,737)**	**(241,313)**	**(712,703)**	**(4,224,611)**	**(509,543)**	**(4,734,154)**
Gross profit	**109,547**	**165,511**	**8,780**	**(52,833)**	**408,025**	**(2,019)**	**24,603**	**21,256**	**682,870**	**(10,991)**	**671,879**
Other income, by function	8,257	(261)	6,501	1,909	6,085	436	6,423	490	29,840	49,078	78,918
Distribution costs	(1,425)	(20)	(238)	(169)	(144)	(147)	-	(612)	(2,755)	(2,646)	(5,401)
Administrative expenses	(20,438)	(10,159)	(5,222)	(10,068)	(25,392)	(2,956)	(13,858)	(11,096)	(99,189)	(76,956)	(176,145)
Other expenses, by function	(25,712)	(19,711)	(8,797)	(20,904)	(19,257)	(3,017)	107	(5,221)	(102,512)	(43,448)	(145,960)
Law No. 13.196	(81,774)	(71,282)	(21,993)	(31,770)	(96,017)	(16,249)	(25,870)	(54,539)	(399,494)	-	(399,494)
Other gains (losses)	-	-	-	-	-	-	-	-	-	14,363	14,363
Finance income	671	271	213	144	694	96	19	218	2,326	11,075	13,401
Finance costs	(59,578)	(17,460)	(12,609)	(45,827)	(82,946)	(3,271)	(5,605)	(26,768)	(254,064)	(25,647)	(279,711)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	268	-	110	(83)	(1,105)	-	-	-	(810)	(28,109)	(28,919)
Exchange differences	(76,459)	(29,944)	(20,274)	(15,505)	(53,785)	(3,399)	(8,065)	(24,472)	(231,903)	(7,350)	(239,253)
Profit (loss) before taxes	**(146,643)**	**16,945**	**(53,529)**	**(175,106)**	**136,158**	**(30,526)**	**(22,246)**	**(100,744)**	**(375,691)**	**(120,631)**	**(496,322)**
Income tax expenses	**85,209**	**(16,505)**	**32,099**	**108,738**	**(97,466)**	**17,518**	**12,211**	**58,880**	**200,684**	**91,825**	**292,509**
Profit (loss)	**(61,434)**	**440**	**(21,430)**	**(66,368)**	**38,692**	**(13,008)**	**(10,035)**	**(41,864)**	**(175,007)**	**(28,806)**	**(203,813)**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The assets and liabilities related to each operating segment, including the Corporation's head office as of June 30, 2017 and December 31, 2016, are detailed in the following tables:

06/30/2017										
Category	Chuquicamata ThUS$	Radomiro Tomic ThUS$	Salvador ThUS$	Andina ThUS$	El Teniente ThUS$	Ventanas ThUS$	G. Mistral ThUS$	M. Hales ThUS$	Subsidiaries, associates and Head Office, net ThUS$	Total Consolidated ThUS$
Current assets	1,077,054	619,363	190,333	234,829	667,664	114,461	246,014	344,360	1,465,502	4,959,580
Non-current assets	5,775,697	2,117,134	717,432	4,097,866	5,921,643	355,103	1,217,919	3,536,687	5,373,268	29,112,749
Current liabilities	359,283	94,548	81,425	160,425	300,391	49,651	71,220	87,717	1,036,757	2,241,417
Non-current liabilities	910,424	235,485	289,519	302,179	929,662	68,999	127,910	69,826	18,510,530	21,444,534

06/30/2016										
Category	Chuquicamata ThUS$	Radomiro Tomic ThUS$	Salvador ThUS$	Andina ThUS$	El Teniente ThUS$	Ventanas ThUS$	G. Mistral ThUS$	M. Hales ThUS$	Subsidiaries, associates and Head Office, net ThUS$	Total Consolidated ThUS$
Current assets	953,971	605,154	229,135	292,710	746,672	135,869	217,749	437,085	1,072,073	4,690,418
Non-current assets	5,349,989	2,156,765	717,540	3,998,820	5,828,982	349,229	1,260,025	3,602,612	5,466,750	28,730,712
Current liabilities	567,733	112,502	122,596	170,520	414,811	58,474	81,686	107,128	827,003	2,462,453
Non-current liabilities	918,652	227,952	285,138	298,700	916,632	67,643	127,021	65,092	18,161,438	21,068,268

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Revenue per geographical areas	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Total revenue from domestic customers	330,933	415,133	165,099	268,631
Total revenue from foreign customer	5,658,717	4,990,900	2,796,356	2,418,018
Total	**5,989,650**	**5,406,033**	**2,961,455**	**2,686,649**

Revenue per geographical areas	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
China	1,283,545	1,525,590	589,994	728,164
Rest of Asia	917,174	868,218	448,758	442,824
Europa	1,880,195	1,533,068	958,795	1,313,309
America	1,182,420	989,541	414,988	684,692
Other	726,316	489,616	548,920	(482,340)
Total	**5,989,650**	**5,406,033**	**2,961,455**	**2,686,649**

Principal Customers	Country	01/01/2017 06/30/2017 ThUS$
Glencore International Ag.	Switzerland	311,786
Southwire Company	USA	311,341
Trafigura Pte. Ltd.	Singapore	276,125
Nexans France	France	272,223
Red Kite Master Fund Ltd.	USA	209,214
Wanxiang Resources (Singapore)	Singapore	142,571
Maike Metals International Ltd.	China	139,828
Mrod Corp.	USA	136,154
Metal Challenge Company Limite	British Virgin Islands	121,789
Mitsui & Co. Ltd.	Japan	117,289
Total		**2,038,321**

26. Foreign exchange differences

The detail of foreign exchange differences for the six and three month periods ended June 30, 2017 and 2016, is as follows:

Gain (loss) from foreign exchange differences recognized in income	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$	04/01/2017 06/30/2017 ThUS$	04/01/2016 06/30/2016 ThUS$
Gain from foreign exchange differences	20,791	59,286	4,823	9,889
Loss from foreign exchange differences	(46,284)	(298,539)	(6,993)	(76,539)
Total exchange difference, net	**(25,493)**	**(239,253)**	**(2,170)**	**(66,650)**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

27. Statement of cash flows

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

Other collections from operating activities	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$
VAT Refund	639,307	673,984
Other	401,529	22,014
Total	**1,040,836**	**695,998**

Other payments from operating activities	01/01/2017 06/30/2017 ThUS$	01/01/2016 06/30/2016 ThUS$
Contribution to the Chilean Treasury (Law No. 13.196)	(466,291)	(517,234)
Finance hedge and sales	644	999
VAT and other similar taxes paid	(571,004)	(539,042)
Total	**(1,036,651)**	**(1,055,277)**

28. 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.

Taking into consideration the financial assets and liabilities as of June 30, 2017 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$33 million in gains or losses, respectively. This result is obtained by identifying the main items (including assets and financial liabilities) denominated foreign currencies in order to measure the impact on profit or loss that a variation of +/- 10 Chilean pesos would have in terms of US$, with respect to the closing exchange rate at the end of the reporting period.

As of June 30, 2017, the balance of time deposits denominated in Chilean pesos was ThUS$53,152 (ThUS$11,624 as of December 31, 2016).

- 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 June 30, 2017, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US$12 million change in finance costs, before tax. This estimation is made by identifying the liabilities assigned to 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 June 30, 2017 amount to ThUS$12,556,636 and ThUS$2,427,508, 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. The host contract is the sale of metals contained in the concentrate or cathode at the provisional invoice price, and the embedded derivative is the forward contract for which the provisional sale is subsequently adjusted. 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 statements 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 assets futures market.

As of June 30, 2017, if the future price of copper fluctuates by + / - 5% (with the other variables constant), the result would vary + / - US$135 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect as of June 30, 2017 (MTMF 489). For the estimate indicated, all of those physical sales contracts were valued according to the monthly average immediately following the close of the financial statements, and proceeds to be estimated regarding what the final settlement price will be if there is a difference of + / - 5% with respect to the future price known to date to this period.

In order to protect its cash flow and adjust it, 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.

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 a derivative market.

As of June 30, 2017, a variation of U,S, ¢ 1 in the price per pound of copper, considering derivatives contracted by the Corporation, involves a change in income or payments for existing contracts (exposures) of ThUS$150 before taxes. This calculation is obtained from a simulation curves of future copper prices, which are used to assess the subscribed derivative instruments by the Corporation; estimations would vary the exposure of these instruments if there is an increase / U,S, ¢ 1 decrease in the price per pound of copper.

The Corporation has not entered into any hedging transactions with the specific purpose of hedging the price risk caused by fluctuations in prices of production inputs.

c. Liquidity risk

The Corporation ensures that it has sufficient resources, such as pre-approved credit lines (including refinancing), in order to meet short-term requirements, after considering the necessary working capital for its operations and any other commitments it has.

In this sense, Codelco Chile maintains resources at its disposal sufficient to meet its obligations, whether in cash, liquid financial instruments or credit facilities.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

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 room 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 06/30/2017	**Less than one year ThUS$**	**Between one and five years ThUS$**	**More than five years ThUS$**
Loans from financial institutions	165,467	2,330,273	652,090
Bonds	157,330	2,731,611	8,947,373
Finance leases	26,657	51,966	45,070
Derivatives	21,605	-	135,122
Other financial liabilities	1,121	71,284	-
Total	**372,180**	**5,185,134**	**9,779,655**

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 in charge of the Vice Presidency of Commercialization.

In general, the Corporation's other accounts receivable have a high credit quality according to the Corporation's evaluations, based on each debtor's solvency analysis and payment history.

The maximum exposure to credit risk as of June 30, 2017 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.

The client items include allowances, which are not significant, designed to cover possible insolvencies. These provisions are determined based on review of the debt balances and the clients' characteristics, to cover possible 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 June 30, 2017 and 2016, 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 periods ended June 30, 2017 and 2016, no guarantees have been executed to ensure the collection of third party debt.

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

29. 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. Exchange rate hedges

The Corporation has taken measures to protect itself from exchange rate variations, whose negative exposure, net of taxes, amounts to ThUS$11,987.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

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

June 30,2017

Hedge item	Bank	Type of derivative contract	Maturity	Currency	Amount ThUS$	Financial obligation: hedging instrument ThUS$	Exposure ThUS$	Asset ThUS$	Liability ThUS$
Bond UF Mat. 2025	Credit Suisse (U.S.A)	Swap	04/01/2025	US$	276,971	208,519	74,796	340,474	(265,678)
Bond EUR Mat. 2024	Santander (Chile)	Swap	07/09/2024	US$	342,465	409,650	(65,329)	401,403	(466,732)
Bond EUR Mat. 2024	Deustche Bank (England)	Swap	07/09/2024	US$	342,465	409,680	(64,733)	405,170	(469,903)
Bond UF Mat. 2026	Santander (Chile)	Swap	08/24/2026	US$	401,407	406,212	6,390	465,280	(458,890)
Total					**1,363,308**	**1,434,061**	**(48,876)**	**1,612,327**	**(1,661,203)**

As of June 30, 2017, the balance for cash deposit guarantees amount to ThUS$4.

The current methodology for valuing currency swaps uses the bootstrapping technique from the mid - swap rate to construct the curves (zero) in UF and US$ respectively, from market information.

b. Cash flows hedging contracts and commercial policy adjustment

The Corporation enters into metals hedging activities. The results of such hedges are recorded at its maturity or when the instruments are sold. Such results increase or decrease the total sales revenue based on the market prices of the metals. As of June 30, 2017, these operations generated a gain of ThUS$1,717.

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 June 30, 2017, the Corporation performed derivative market transactions of copper that represent 379,925 metric tons of fine copper. These hedging operations are part of the Corporation’s commercial policy.

The current contracts as of June 30, 2017, present a negative exposure of ThUS$10,508 and their final result will only be known at their maturity, offsetting the hedging transactions with revenue from the sale of the hedged products.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

The transactions settled during the six month period ended June 30, 2017 resulted in a net positive effect on net income of ThUS$752, which is comprised of the amounts received for sales contracts for ThUS$946 and the values paid for purchases contracts for ThUS$195.

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

As of June 30, 2017, the Corporation maintains derivative contracts for the sale of gold for MOZT 13.9 and silver for MOZT 244.8.

The contracts outstanding as of June 30, 2017 show a positive exposure of ThUS$151. The final result will only be known at the expiration of such operations, after offsetting between hedging and income from the sale of the goods.

The transactions settled during the six month period ended June 30, 2017 resulted in a negative effect on net income of ThUS$2,469, which is comprised of the negative amounts received for sales contracts for ThUS$2,024 and the negative values paid for purchases contracts for ThUS$445. These hedging transactions mature in September 2017.

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

The Corporation does not pose cash flow hedges backed by future production as of June 30, 2017.

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

June 30, 2017			**Maturity date**				
ThUS$	**2017**	**2018**	**2019**	**2020**	**2021**	**Upcoming**	**Total**
Flex Com Cobre (Asset)	-	114	-	-	-	-	114
Flex Com Cobre (Liability)	(3,526)	(5,910)	(1,186)	-	-	-	(10,622)
Flex Com Gold/Silver	151	-	-	-	-	-	151
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	(3,375)	(5,796)	(1,186)	-	-	-	(10,357)

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

December 31, 2016			Maturity date				
ThUS$	2017	2018	2019	2020	2021	Upcoming	Total
Flex Com Cobre (Asset)	7,563	190	-	-	-	-	7,753
Flex Com Cobre (Liability)	-	(576)	(54)	-	-	-	(630)
Flex Com Gold/Silver	(112)	-	-	-	-	-	(112)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	7,451	(386)	(54)	-	-	-	7,011

June 30, 2017			Maturity date				
ThTM/Ounces	2017	2018	2019	2020	2021	Upcoming	Total
Copper Futures [MT]	120,800	223,425	35,700	-	-	-	379,925
Gold/Silver Futures [ThOZ]	258,725	-	-	-	-	-	258,725
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

December 31, 2016			Maturity date				
ThTM/Ounces	2017	2018	2019	2020	2021	Upcoming	Total
Copper Futures [MT]	246,990	84,175	8,000	-		-	339,165
Gold/Silver Futures [ThOZ]	527,655	-	-	-		-	527,655
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

30. 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 in which 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 Lawsuits: There are several tax lawsuits due to IRS tax assessments, for which the Corporation has filed the corresponding opposition.

- Labor Lawsuits: Labor lawsuits filed by workers of the Andina Division against the Corporation, relating to occupational illness (silicosis).

- Mining and Other Lawsuits derived from operations: The Corporation has been participating and will probably continue to participate as a claimant and defendant in certain lawsuits relating to its operations and mining activities through which it seeks to exercise or oppose certain actions or exceptions with regard to certain mining concessions that have been established or are pending constitution, and its other activities. These processes do not currently have a fixed amount and do not essentially affect the development of Codelco.

A case by case analysis of these lawsuits has shown that there are a total of 323 cases that have a clearly estimated value. It is estimated that 250 of these, which represent 77.4% of the total and which amount to ThUS$34,411, could have a negative impact on the Corporation. There are also 24 lawsuits, representing 7% of the total and which amount to ThUS$462, about which there is no certainty that the outcome would be unfavorable for Codelco. For the 449 remaining cases, which amount to ThUS$674, the Corporation's legal advisors believe that an unfavorable outcome is remote. In addition, there are 41 lawsuits for undetermined amounts. It is believed that the result of 31 of these could be unfavorable to Codelco.

In connection with the long-term sale contract which Codelco held with its associated company Copper Partners Investment Company (CuPIC), the IRS has issued to the Corporation: (i) for the fiscal year 2006 and 2007, the Settlements No, 1 and No. 2, and the Assistant Director-Control (SDF) Ex, Resolution No.1, all of them issued on July 30, 2010, (ii) for the fiscal year 2008 and 2009, the Settlements No. 45, No. 46 and No. 47, all of them issued on June 29, 2012, (iii) for the fiscal year 2010 and 2011, the Settlements No. 7 and No. 8, both of them issued on September 27, 2014, (iv) for the fiscal year 2012, the Settlements No. 92 and No. 93, both of them issued on June 30, 2015. In addition, the IRS issued payment vouchers No. 478211, No. 478143 and No. 478179, all of them issued on June 12, 2015 which is associated with settlements No, 45, No. 46 and No. 47, previously mentioned.

The previously mentioned settlements were contested by the Corporation through several administrative and judicial means. As a part of such procedures, the Corporation and the IRS agreed to make certain adjustments to the tax basis. At August 31, 2015, the IRS notified to the Corporation the Exempted Resolutions No. 53247/2015; No. 25058/2015; SDF

No,3496/2015, which were issued taking into account certain legal aspects, background and information provided by the Corporation to the IRS during the tax audit period. The Resolutions provide evidence of the adjustment to the tax basis and cancel the Liquidations previously mentioned, Instead, the IRS issued the tax collection No. 531137; 531125; 531117; 531103, amounting to ThUS$148,935, paid on August 31, 2015, (Composition of the taxes calculated: ThUS$110,000 for Specific Tax for Mining, ThUS$16,000 for First Category Tax, ThUS$23,000 for Specific Tax for State-Owned Companies 40%). Such agreement has enabled the calculated and collected differences due to this same concept is foreseen for the years 2012, 2013 and 2014. Finally, through Resolution No.17020000038 issued on September 8, 2015 and Exempt Resolution DGC 17600 No.118/2015, the IRS cancels the collections Nos. 478211, 478143 and 478179.

For litigations with a probable unfavorable outcome for the Corporation, the necessary provisions has been recognized as “provisions for legal proceedings”.

b) Other Commitments

i. On January 21, 2016, in an Extraordinary Session, the Committee Management Board proposed a segmented view of the Salvador Division, subject to KPIs which will be monitored semiannually and their compliance will be measured at the end of 2016, Regarding the Rajo Inca Project, a preliminary assessment was proposed during June 2016 and another one during March 2017, which must provide the information to make the decision about the Salvador Division continuity, It should be noted that the above depends on the copper market conditions and the financing capacity of the Corporation.

On the same date January 21, 2016, at the Ordinary Season of the Board, it was proposed:

- To take a segmented view of the Division, by analyzing Mine Concentrator, Smelter and Refinery.
- Any future decision must necessarily consider the direct cost of the closure for each one of the business units.

At the Ordinary Session of June 30, 2016, the Board agreed to approve the study to evaluate the alternative of opening the Rajo Inca mine and the ore processing in the current concentrator plant.

ii. 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 the latter for the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid by the buyer at a price formed by a fixed readjustable component plus a variable component, which depends on current copper prices at the time of shipment.

During the first quarter of 2006 and on the basis of the negotiated financial terms, financing contracts were formalized with the China Development Bank allowing CuPIC to make the US$550 million advance payment to Codelco in March 2006.

With regard to financial obligations incurred by the associate CuPIC with the China Development Bank, Codelco Chile and Codelco International Ltd, must meet certain commitments, mainly relating to the delivery of financial information. In addition, Codelco Chile must maintain 51% ownership of Codelco International Limited.

According to the Sponsor Agreement, dated March 8, 2006, the Codelco International Ltd. subsidiary gave its participation in CuPIC as a guarantee to the China Development Bank.

Subsequently, on March 14, 2012, CuPIC paid off its debt to the abovementioned bank. As of June 30, 2017. Codelco does not hold any indirect guarantee regarding its participation in this associated company.

On December 17, 2015, the Codelco administration presented a restructuration for the Supply Contract, which implies its removal of the 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 (described in Note 30, letter b), paragraph ii) of these financial statements), which establishes the reduction of half of the outstanding tonnage to deliver to said 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 to the profits generated by CuPIC from January 1, 2016 and the date of signing the agreement.

• Additionally, the cessation of dividends reception as a consequence of the removal of the Codelco share in the ownership of CuPIC since 2016, led to a reduction of the net profit estimated to Codelco until the end of the contract signed with that company (year 2021). This implied that such contract qualifies as an onerous contract, according to IAS 37, which negatively impacts on earnings before tax of Codelco in ThUS$22,184 (negative net tax effect of ThUS6,599 as of April 7, 2016).

iii. 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.

iv. Law 19.993 dated December 17, 2004, which authorized the purchase of the Refinery and Smelter Las Ventanas assets from ENAMI, established 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 mode or another form agreed upon by the parties.

v. 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 June 30, 2017 and December 31, 2016.

vi. 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 energy consumption due to lower demand 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 supply these Divisions is comprised by two contracts:

- Contract No.1 for 176 MW, current until December 2030

- Contract No.2 for 334 MW, current until December 2045. 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.

The both of these contracts adapt to 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 return at market price the energy not consumed by Codelco.

These contracts have maturity date in 2030 and 2045.

vii. On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA S.A. (associate until January 2011), with a maturity in 2017:

- This replaces the one signed on November 22, 1995, for the supply of electricity to the Chuquicamata work center, for a 15-year term beginning in January 2010 for between 200 and 280 MW in power and all associated electric energy. The approximate cost of the contract is US$1,380 million for the whole period.

- Modification of the contract dated December 21, 1995 for the Radomiro Tomic work center, for a maximum power of 110 MW, in which new prices are established, for the power and energy contemplated in the contract as well as their new adjustment formulas from January 2010.

viii. On November 11, 2011, Law No. 20.551 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.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

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 record 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 o) of Main Accounting Policies.

As of June 30, 2017, the Corporation has agreed guarantees for an annual amount of U.F. 26,114.150 to comply with the aforementioned Law N°20.551. The following table details the main given guarantees:

Transmitter	Mine site	Amount	Currency	Date	Maturity date	Emission rate	ThUS$
Banco Estado	Ventana	333,069	UF	03/16/2017	03/18/2018	0.09	13,370
Banco Estado	Radomiro Tomic	2,691,723	UF	05/10/2017	05/10/2018	0.07	108,048
Banco Estado	Ministro Hales	1,453,078	UF	05/10/2017	05/13/2018	0.07	58,328
Banco Bci	Chuquicamata	2,957,857	UF	05/23/2017	05/26/2018	0.15	118,731
Banco Itau	Chuquicamata	3,900,000	UF	05/17/2017	05/26/2018	0.13	156,549
Banco Itau	Chuquicamata	610,000	UF	05/23/2017	05/26/2018	0.13	24,486
Banco Chile	El Teniente	2,632,299	UF	06/05/2017	06/01/2018	0.15	105,662
Banco Santander	El Teniente	5,000,000	UF	06/01/2017	06/01/2018	0.15	200,704
Banco Estado	Gabriela Mistral	1,513,907	UF	06/12/2017	06/14/2018	0.07	60,769
Banco Chile	Salvador	2,355,477	UF	08/11/2016	08/17/2017	0.27	94,551
Banco Estado	Andina	2,666,740	UF	11/02/2016	11/03/2017	0.09	107,045
Total		**26,114,150**					**1,048,241**

ix. On August 24, 2012, Codelco through its subsidiary Inversiones Mineras Nueva Acrux SpA (Nueva Acrux) (which 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.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

31. 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:

Direct Guarantees provided to Financial Institutions					
Creditor of the Guarantee	Type of Guarantee	03/31/2017			12/31/2016
		Currency	Maturity	ThUS$	ThUS$
Urban Regional Manager, Metropolitan	Building project	UF	Mar-17	-	9
Urban Regional Manager, Valparaíso	Building project	UF	Jan-17	-	43
Urban Regional Manager, Valparaíso	Building project	UF	Jan-17	-	28
Urban Regional Manager, Valparaíso	Building project	UF	Jan-17	-	47
Ministry of Public Works	Building project	USD	Jun-18	209	209
Minitry of National Property	Acquisition real estate	UF	Aug-17	108	-
Oriente Copper Netherlands B.V.	Pledge on shares	USD	Nov-32	877,813	877,813
Sernageomin	Environmental	USD	Mar-17	-	8,500
Sernageomin	Environmental	UF	May-17	-	11,390
Sernageomin	Environmental	UF	May-17	-	84,981
Sernageomin	Environmental	UF	May-17	-	42,053
Sernageomin	Environmental	UF	Jun-17	-	41,122
Sernageomin	Environmental	UF	Nov-17	107,561	107,561
Sernageomin	Environmental	UF	Aug-17	94,538	94,538
Sernageomin	Environmental	UF	Jun-17	-	38,994
Sernageomin	Environmental	UF	Jun-17	-	197,419
Sernageomin	Environmental	UF	May-17	-	153,987
Sernageomin	Environmental	UF	May-17	-	83,812
Sernageomin	Environmental	UF	Jun-17	-	-
Sernageomin	Environmental	UF	Mar-18	13,156	-
Sernageomin	Environmental	UF	May-18	106,936	-
Sernageomin	Environmental	UF	May-18	57,302	-
Sernageomin	Environmental	UF	Jun-18	104,598	-
Sernageomin	Environmental	UF	Jun-18	199,215	-
Sernageomin	Environmental	UF	Jun-18	60,716	-
Sernageomin	Environmental	UF	May-18	118,924	-
Sernageomin	Environmental	UF	May-18	156,804	-
Sernageomin	Environmental	UF	May-18	24,526	-
Total				**1,922,407**	**1,742,507**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

As for the documents received as collateral, they cover mainly obligations of suppliers and contractors related to the various development projects. Below are given the amounts received as collateral, grouped according to the Operating Divisions that have received these amounts:

Guarantees received from third parties		
Division	06/30/2017 ThUS$	12/31/2016 ThUS$
Andina	10,760	21,905
Chuquicamata	12,492	21,621
Casa Matriz	776,883	703,173
Radomiro Tomic	5,230	5,352
Salvador	14,428	30,893
Ministro Hales	5	5
El Teniente	39,492	58,602
Ventanas	2,800	5,044
Gabriela Mistral	-	721
Total	**862,090**	**847,316**

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

32. Balances in foreign currency

a) Assets by Type of Currency

Category	06/30/2017 ThUS$	31/12/2016 ThUS$
Liquid assets	**890,265**	**586,587**
US Dollars	836,276	540,977
Euros	12,605	7,892
Other currencies	4,456	4,282
Non-indexed Ch$	34,755	30,795
U.F.	2,173	2,641
Cash and cash equivalents	**888,627**	**576,726**
US Dollars	835,373	531,946
Euros	12,332	7,640
Other currencies	4,456	4,282
Non-indexed Ch$	34,477	30,422
U.F.	1,989	2,436
Other current financial assets	**1,638**	**9,861**
US Dollars	903	9,031
Euros	273	252
Other currencies	-	-
Non-indexed Ch$	278	373
U.F.	184	205
Short and long term receivables	**2,153,235**	**2,385,429**
US Dollars	1,440,625	1,635,971
Euros	122,371	92,701
Other currencies	1,007	1,347
Non-indexed Ch$	559,099	631,582
U.F.	30,133	23,828
Trade and other receivables	**1,893,575**	**2,254,731**
US Dollars	1,269,971	1,600,589
Euros	122,371	92,701
Other currencies	975	1,316
Non-indexed Ch$	471,140	537,292
U.F.	29,118	22,833

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Category	06/30/2017 ThUS$	12/31/2016 ThUS$
Rights receivables, non-current	**89,006**	**95,316**
US Dollars	-	-
Euros	-	-
Other currencies	32	31
Non-indexed Ch$	87,959	94,290
U.F.	1,015	995
Due from related companies, current	**148,437**	**13,669**
US Dollars	148,437	13,669
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Due from related companies, non-current	**22,217**	**21,713**
US Dollars	22,217	21,713
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Rest of assets	**31,028,829**	**30,449,114**
US Dollars	30,586,593	29,990,703
Euros	36,836	49,273
Other currencies	426	222
Non-indexed Ch$	128,003	137,356
U.F.	276,971	271,560
Total assets	**34,072,329**	**33,421,130**
US Dollars	32,863,494	32,167,651
Euros	171,812	149,866
Other currencies	5,889	5,851
Non-indexed Ch$	721,857	799,733
U.F.	309,277	298,029

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

b) Liability by type of currency:

Current liability by currency	06/30/2017		12/31/2016	
	Up to 90 days ThUS$	90 days to 1 year ThUS$	Up to 90 days ThUS$	90 days to 1 year ThUS$
Current liabilities	**1,972,276**	**269,141**	**2,206,764**	**255,689**
US Dollars	943,020	177,019	1,755,127	186,464
Euros	113,176	57,550	132,463	33,820
Other currencies	8,790	-	9,261	-
Non-indexed Ch$	892,936	29,112	265,106	29,714
U.F.	14,354	5,460	44,807	5,691
Other current financial liabilities	**130,866**	**241,314**	**127,616**	**224,994**
US Dollars	106,377	177,019	111,045	184,204
Euros	15,058	57,550	6,729	33,820
Other currencies	-	-	-	-
Non-indexed Ch$	1,420	1,547	1,401	1,494
U.F.	8,011	5,198	8,441	5,476
Bank loans	**3,450**	**162,017**	**4,550**	**161,744**
US Dollars	2,775	104,467	3,892	127,924
Euros	-	57,550	-	33,820
Other currencies	-	-	-	-
Non-indexed Ch$	359	-	359	-
U.F.	316	-	299	-
Obligations	**120,320**	**37,010**	**112,741**	**37,822**
US Dollars	99,066	37,010	99,765	37,822
Euros	15,058	-	6,729	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	6,196	-	6,247	-
Finance lease	**5,975**	**20,682**	**8,410**	**15,273**
US Dollars	3,999	13,937	6,044	8,303
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	477	1,547	471	1,494
U.F.	1,499	5,198	1,895	5,476
Others	**1,121**	**21,605**	**1,915**	**10,155**
US Dollars	537	21,605	1,344	10,155
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	584	-	571	-
U.F.	-	-	-	-
Other current liabilities	**1,841,410**	**27,827**	**2,079,148**	**30,695**
US Dollars	836,643	-	1,644,082	2,260
Euros	98,118	-	125,734	-
Other currencies	8,790	-	9,261	-
Non-indexed Ch$	891,516	27,565	263,705	28,220
U.F.	6,343	262	36,366	215

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Non-current liability by currency	06/30/2017				12/31/2016			
	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$
Non-Current liabilities	5,974,136	3,298,705	5,804,364	6,367,329	5,993,933	2,866,846	5,893,456	6,314,033
US Dollars	5,614,404	3,156,691	4,810,970	5,324,894	5,613,354	2,728,331	4,916,894	5,307,827
Euros	5	-	(9,412)	-	22	-	(10,015)	-
Other currencies	2	-	-	-	6	-	-	-
Non-indexed Ch$	335,170	135,522	274,187	536,271	360,111	130,378	268,192	514,850
U.F.	24,555	6,492	728,619	506,164	20,440	8,137	718,385	491,356
Other non-current financial liabilities	2,021,950	3,163,184	5,513,936	4,265,719	2,334,118	2,736,469	5,604,973	4,255,909
US Dollars	2,004,948	3,156,692	4,794,729	4,265,719	2,315,498	2,728,332	4,896,603	4,255,909
Euros	-	-	(9,412)	-	-	-	(10,015)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	4,301	-	-	-	5,927	-	-	-
U.F.	12,701	6,492	728,619	-	12,693	8,137	718,385	-
Bank loans	1,316,705	1,013,568	-	652,090	1,626,564	575,514	143,227	643,142
US Dollars	1,316,476	1,013,568	-	652,090	1,626,564	575,132	143,227	643,142
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	229	-	-	-	-	382	-	-
Obligations	597,542	2,134,069	5,333,744	3,613,629	596,805	2,132,171	5,266,514	3,612,767
US Dollars	597,542	2,134,069	3,943,391	3,613,629	596,805	2,132,171	3,940,127	3,612,767
Euros	-	-	675,518	-	-	-	622,361	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	714,835	-	-	-	704,026	-
Finance Lease	36,419	15,547	45,070	-	38,411	28,784	33,613	-
US Dollars	19,646	9,055	31,286	-	20,392	21,029	19,254	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	4,301	-	-	-	5,326	-	-	-
U.F.	12,472	6,492	13,784	-	12,693	7,755	14,359	-
Others	71,284	-	135,122	-	72,338	-	161,619	-
US Dollars	71,284	-	820,052	-	71,737	-	793,995	-
Euros	-	-	(684,930)	-	-	-	(632,376)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	601	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other liabilities non-current	3,952,188	135,521	290,427	2,101,609	3,659,817	130,377	288,482	2,058,123
US Dollars	3,609,457	-	16,241	1,059,175	3,297,857	-	20,291	1,051,918
Euros	5	-	-	-	22	-	-	-
Other currencies	2	-	-	-	6	-	-	-
Non-indexed Ch$	330,870	135,522	274,187	536,271	354,185	130,378	268,192	514,850
U.F.	11,855	-	-	506,164	7,748	-	-	491,356

33. Sanctions

As of June 30, 2017 and December 31, 2016, neither Codelco Chile nor its Directors and Managers have been sanctioned by the SVS or any other administrative authorities.

34. 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, including the Sustainable Development Policy (2003) and the Corporate Security, Occupational Health and Environmental Management Policy (2007).

The environmental management systems of the divisions and the Head Office, structure their efforts in order to comply with the commitments assumed by the corporation's environmental policies, incorporating planning, operating, verifying and reviewing elements. As of June 30, 2017, they have received ISO 14001 certification for the environmental management of Chuquicamata, Radomiro Tomic, Andina, Salvador, El Teniente, Ventanas, Gabriela Mistral and the Head Office.

To comply with the Circular No. 1,901 of 2008 of the SVS, the details of the Corporation's main expenditures related to the environment during the three month periods ended June 30, 2017 and 2016, respectively, and the projected future expenses are stated below.

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Entity	Proyect name	Disbursements 06/30/2017				06/30/2016	disbursements	
		Proyect Status	Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
	Chuquicamata		**100,257**			**46,328**	**965,955**	
Codelco Chile	Talambre dam capacity extension, 8th stage	In Progess	23,731	Asset	P, P & E	3,752	302,612	2020
Codelco Chile	Emergency restoration system dust control crushing plant 2/3	In Progess	4,488	Asset	P, P & E	314	1,804	2018
Codelco Chile	Extension of 5th cps smelting	Finished	-	Asset	P, P & E	7,712	-	2016
Codelco Chile	Replacement of circulation pot 1A and 2A	In Progess	8,074	Asset	P, P & E	3,967	23,759	2018
Codelco Chile	Standarization sampling and weighing system	Finished	-	Asset	P, P & E	1,027	-	-
Codelco Chile	Construction installation surplus management	In Progess	3,031	Asset	P, P & E	-	4,035	2017
Codelco Chile	Replacement of water treatment plant	In Progess	3,324	Asset	P, P & E	1,219	36,688	2018
Codelco Chile	Replacement gas management system	In Progess	240	Asset	P, P & E	-	10,525	2018
Codelco Chile	Acid plant tranformation 3-4 DC/DA	In Progess	25,190	Asset	P, P & E	-	404,767	2019
Codelco Chile	Enablement refining gas treatment system	In Progess	1,653	Asset	P, P & E	-	75,201	2019
Codelco Chile	Dryer replacement n ° 5 fuco	In Progess	1,172	Asset	P, P & E	-	63,741	2019
Codelco Chile	Acid plants	In Progess	16,689	Expenditure	Adm. Expense	16,291	19,942	2017
Codelco Chile	Solid waste	In Progess	1,096	Expenditure	Adm. Expense	900	2,589	2017
Codelco Chile	Tailings	In Progess	9,770	Expenditure	Adm. Expense	10,478	11,828	2017
Codelco Chile	Water treatment plant	In Progess	1,330	Expenditure	Adm. Expense	374	7,466	2017
Codelco Chile	Environmental monitoring	In Progess	469	Expenditure	Adm. Expense	294	998	2017
	Salvador		**37,106**			**29,335**	**184,817**	
Codelco Chile	Improved integration of the gas process	Finished	383	Asset	P, P & E	-	610	2017
Codelco Chile	Improvement of integrated gas collection process	In Progess	16,412	Asset	P, P & E	12,106	165,120	2018
Codelco Chile	Environmental improvement to Puerto Barquito	Finished	-	Asset	P, P & E	1,630	-	-
Codelco Chile	Concentrator filter plant construction	In Progess	5,213	Asset	P, P & E	-	4,500	2017
Codelco Chile	Tailings	In Progess	1,775	Expenditure	Adm. Expense	1,272	914	2017
Codelco Chile	Acid plants	In Progess	12,405	Expenditure	Adm. Expense	13,123	12,668	2017
Codelco Chile	Solid waste	In Progess	528	Expenditure	Adm. Expense	853	533	2017
Codelco Chile	Water treatment plant	In Progess	390	Expenditure	Adm. Expense	351	472	2017
	Andina		**93,685**			**64,389**	**144,313**	
Codelco Chile	Drain water treatment	In Progess	-	Asset	P, P & E	8,562	-	-
Codelco Chile	Water Normative Phase 2	In Progess	3,288	Asset	P, P & E	2,642	1,970	2018
Codelco Chile	Building evacuation and capturing towers, ovejería	Finished	-	Asset	P, P & E	280	-	2016
Codelco Chile	Construction site emergency plan	In Progess	6,898	Asset	P, P & E	206	18,369	2017
Codelco Chile	Construction adduction Los Leones	Finished	-	Asset	P, P & E	66	-	-
Codelco Chile	Drain water treatment DLN	In Progess	7,680	Asset	P, P & E	-	1,714	2017
Codelco Chile	Level 640 tranque	In Progess	25,581	Asset	P, P & E	10,131	53,322	2017
Codelco Chile	Improved water internal tip E2	In Progess	896	Asset	P, P & E	2,298	4,477	2017
Codelco Chile	Replacement Ovejeria line tailings	Finished	-	Asset	P, P & E	406	-	2016
Codelco Chile	Improvement of power supply	Finished	-	Asset	P, P & E	460	-	2016
Codelco Chile	Water rights and lands early acquisition	Finished	-	Asset	P, P & E	381	-	2016
Codelco Chile	Construction of emergency transport system works	In Progess	8,405	Asset	P, P & E	941	12,150	2017
Codelco Chile	Construction early alert plan	In Progess	291	Asset	P, P & E	-	-	2017
Codelco Chile	Solid waste	In Progess	1,190	Expenditure	Adm. Expense	1,150	1,358	2017
Codelco Chile	Water treatment plant	In Progess	1,781	Expenditure	Adm. Expense	1,415	2,051	2017
Codelco Chile	Trailing	In Progess	24,624	Expenditure	Adm. Expense	34,110	33,110	2017
Codelco Chile	Acid drainage	In Progess	11,513	Expenditure	Adm. Expense	1,341	13,861	2017
Codelco Chile	Environmental monitoring	In Progess	587	Expenditure	Adm. Expense	-	956	2017
Codelco Chile	Sustainability and external matters management	In Progess	951	Expenditure	Adm. Expense	-	975	2017
Subtotal			**231,048**			**140,052**	**1,295,085**	

(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Entity	Proyect name	Disbursements 06/30/2017				06/30/2016	disbursements	
		Proyect Status	Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
	El Teniente		**102,309**			**97,022**	**455,654**	
Codelco Chile	Construction of 7th phase of Carén	Finished	-	Asset	P, P & E	1,582	-	-
Codelco Chile	Construction of 6th phase of Carén	In Progess	6,871	Asset	P, P & E	23,578	379	2017
Codelco Chile	Scale and bridges replacement	Finished	-	Asset	P, P & E	52	-	-
Codelco Chile	Coya module acquisition	Finished	-	Asset	P, P & E	249	-	-
Codelco Chile	Construction of slag treatment plant	In Progess	10,083	Asset	P, P & E	-	266,850	2018
Codelco Chile	Smelting emissions network	In Progess	16,087	Asset	P, P & E	1,832	114,099	2019
Codelco Chile	Acid plants	In Progess	35,927	Expenditure	Adm. Expense	33,403	27,773	2017
Codelco Chile	Solid waste	In Progess	2,682	Expenditure	Adm. Expense	1,631	1,843	2017
Codelco Chile	Water treatment plant	In Progess	6,967	Expenditure	Adm. Expense	6,524	6,775	2017
Codelco Chile	Tailings	In Progess	23,692	Expenditure	Adm. Expense	28,171	37,935	2017
	Gabriela Mistral		**7,028**			**7,239**	**7,439**	
Codelco Chile	Installation of gravel dump phase IV	In Progess	6,150	Asset	P, P & E	-	-	2017
Codelco Chile	Installation of modular pool cover	Finished	-	Asset	P, P & E	73	-	-
Codelco Chile	Improved automatic disconnection system	Finished	12	Asset	P, P & E	195	-	-
Codelco Chile	Replacement three tracked tractors	In Progess	8	Asset	P, P & E	2	5,866	2018
Codelco Chile	Replacement wheeldozer	Finished	-	Asset	P, P & E	239	-	-
Codelco Chile	Installation of gravel dump	Finished	-	Asset	P, P & E	5,558	-	-
Codelco Chile	Stage VI gravel dump facility	In Progess	44	Asset	P, P & E	-	377	2017
Codelco Chile	Environmental monitoring	In Progess	25	Expenditure	Adm. Expense	28	35	2016
Codelco Chile	Solid waste	In Progess	756	Expenditure	Adm. Expense	412	1,076	2016
Codelco Chile	Water treatment plant	In Progess	18	Expenditure	Adm. Expense	732	-	2017
Codelco Chile	Environmental consultancy	In Progess	15	Expenditure	Adm. Expense	-	85	2017
	Ventanas		**10,493**			**22,113**	**26,155**	
Codelco Chile	Capturing of second gases	In Progess	1,221	Asset	P, P & E	2,022	-	2016
Codelco Chile	Capturing of racking gases	Finished	-	Asset	P, P & E	1,620	-	2016
Codelco Chile	Treatment of gases in line	Finished	-	Asset	P, P & E	1,788	-	2016
Codelco Chile	Eliminating Visible Smokes	In Progess	765	Asset	P, P & E	3,840	490	2017
Codelco Chile	Fugitive gas treatment	In Progess	81	Asset	P, P & E	160	1,669	2017
Codelco Chile	Treatment of secondary gases	Finished		Asset	P, P & E	14	-	2016
Codelco Chile	Reparation of exchanger	In Progess	-	Asset	P, P & E	24	-	2017
Codelco Chile	Second gas collection CT	In Progess	95	Asset	P, P & E	-	2,211	2017
Codelco Chile	Fugitive gas treatment CT	In Progess	510	Asset	P, P & E	-	2,056	2017
Codelco Chile	Acid plants	In Progess	5,830	Expenditure	Adm. Expense	8,531	13,770	2017
Codelco Chile	Solid waste	In Progess	448	Expenditure	Adm. Expense	1,049	1,187	2017
Codelco Chile	Environmental monitoring	In Progess	381	Expenditure	Adm. Expense	627	741	2017
Codelco Chile	Water treatment plant	In Progess	1,162	Expenditure	Adm. Expense	2,438	4,031	2017
	Radomiro Tomic		**1,463**			**2,179**	**1,662**	
Codelco Chile	Application of monitoring system	In Progess	199	Asset	P, P & E	73	-	2017
Codelco Chile	Solid waste	In Progess	565	Expenditure	Adm. Expense	554	664	2017
Codelco Chile	Environmental monitoring	In Progess	232	Expenditure	Adm. Expense	1,111	472	2017
Codelco Chile	Water treatment plant	In Progess	467	Expenditure	Adm. Expense	441	526	2017
	Ministro Hales		**1,366**			**5,222**	**1,986**	
Codelco Chile	Improving accessibility and integration villas	Finished	-	Asset	P, P & E	4,439	-	-
Codelco Chile	Solid waste	In Progess	877	Expenditure	Adm. Expense	417	1,008	-
Codelco Chile	Environmental monitoring	In Progess	393	Expenditure	Adm. Expense	171	366	-
Codelco Chile	Water treatment plant	In Progess	96	Expenditure	Adm. Expense	195	612	-
	Ecometales Limited		**306**			**207**	**519**	
Ecometales Limited	Smelting plant of foundry dust	In Progess	306	Expenditure	Adm. Expense	217	519	2017
Subtotal			**138,515**			**133,982**	**493,415**	
Total			**369,563**			**274,034**	**1,788,500**	

35. Subsequent events

- On July 25, 2017, it was communicated as relevant notice, Codelco's issuance of bonds in New York for US$ 1.5 billion with maturity in 2027 and US$1.25 billion with maturity in 2047, at annual interest rates of 3.839% and 4.674% and annual coupon of 3.625% and 4.5%, respectively.

  The issuance was led by HSBC Securities Inc., JP Morgan Securities LLC, Merryll Lynch, Pierce, Fenner & Smith and MUFG Securities Americas Inc.

  The proceeds from the issuance will be incorporated to the financing program for the Corporation's investment plan.

  The issuance of bonds of the Corporation does not contemplate an increase of the net debt. these operations will allow the company to optimize its debt maturity profile. Consequently. on July 25, 2017. Codelco launched in New York an offer of purchase of its bonds issued in dollars with maturities between 2019 and 2025. As a result of these transactions. in relation to US$ 2.75 billion. in nominal terms. 86% of the funds from the new issuance (US$ 2.35 billion out of US$ 2.75 billion US dollars) were used to refinance old debt. the average rate of refinanced funds will decline from 4.36% to 4.02%.

  The effect in profit or loss associated with the refinancing was a loss after taxes of US$42 million.

- On August 2, 2017 it was communicated as relevant notice that a Public Law Nullity petition was filed against the Audit Report No. 900 of 2016, issued by the Comptroller Office General of the Republic dated May 10, 2017

- On August 3, 2017 it was communicated as relevant notice. the details of the financing transaction carried out on July 25, 2017, as requiered by Circular No. 1.072.

The Corporation's management is not aware of any other significant events of a financial or any other nature that have occurred between July 1, 2017 and the date of issuance of these financial statements (August 31, 2017) that may affect the unaudited interim consolidated financial statements.

Nelson Pizarro Contador Chief Executive Officer	Alejandro Rivera Stambuk Chief Financial Officer
Gonzalo Zamorano Martínez Accounting and Finance Control Manager	Javier Tapia Avila Accountant Director