

An aerial photograph of a large mining truck, viewed from above, driving on a dirt road in a quarry. The truck's bed is filled with a pile of greyish-blue crushed rock. The surrounding terrain is rugged and shows signs of excavation. The lighting is bright, suggesting a sunny day.

PRESENTATION OF RESULTS

First Quarter, 2017

Nelson Pizarro, President & CEO
26 May 2017

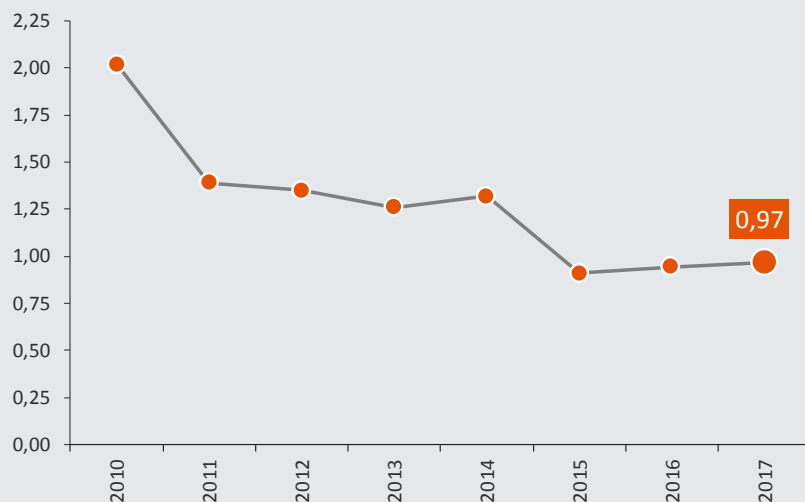


WORKPLACE SAFETY

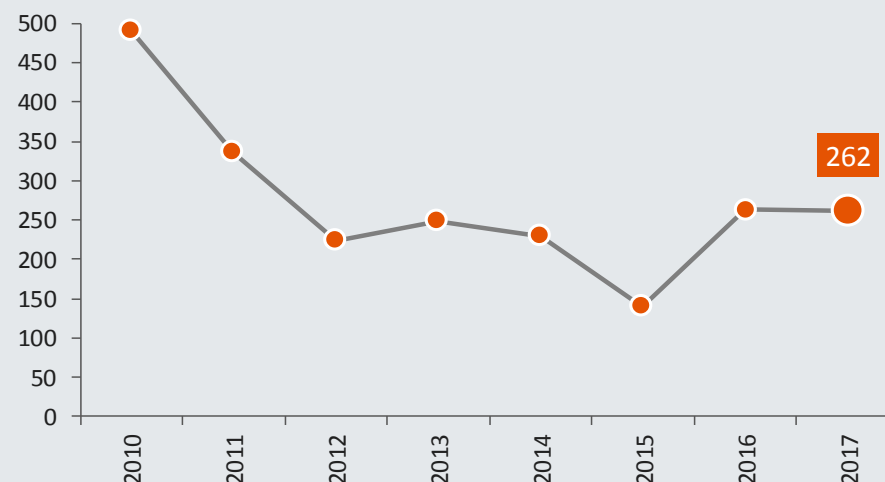
Frequency rate **increased by 3.1%.**

Severity rate **unchanged.**

Frequency rate, own and contractors' workers
(Lost-time injuries/Million man-hours worked)



Severity rate, own and contractors' workers
(Lost days/Million man-hours worked)



In the first quarter, the company maintained its highest historical safety standards, with the **frequency rate increasing slightly** while the **severity rate remained unchanged.**

Lamentably, however, it faced the death of one worker at its Andina Division in January.



RESULTS

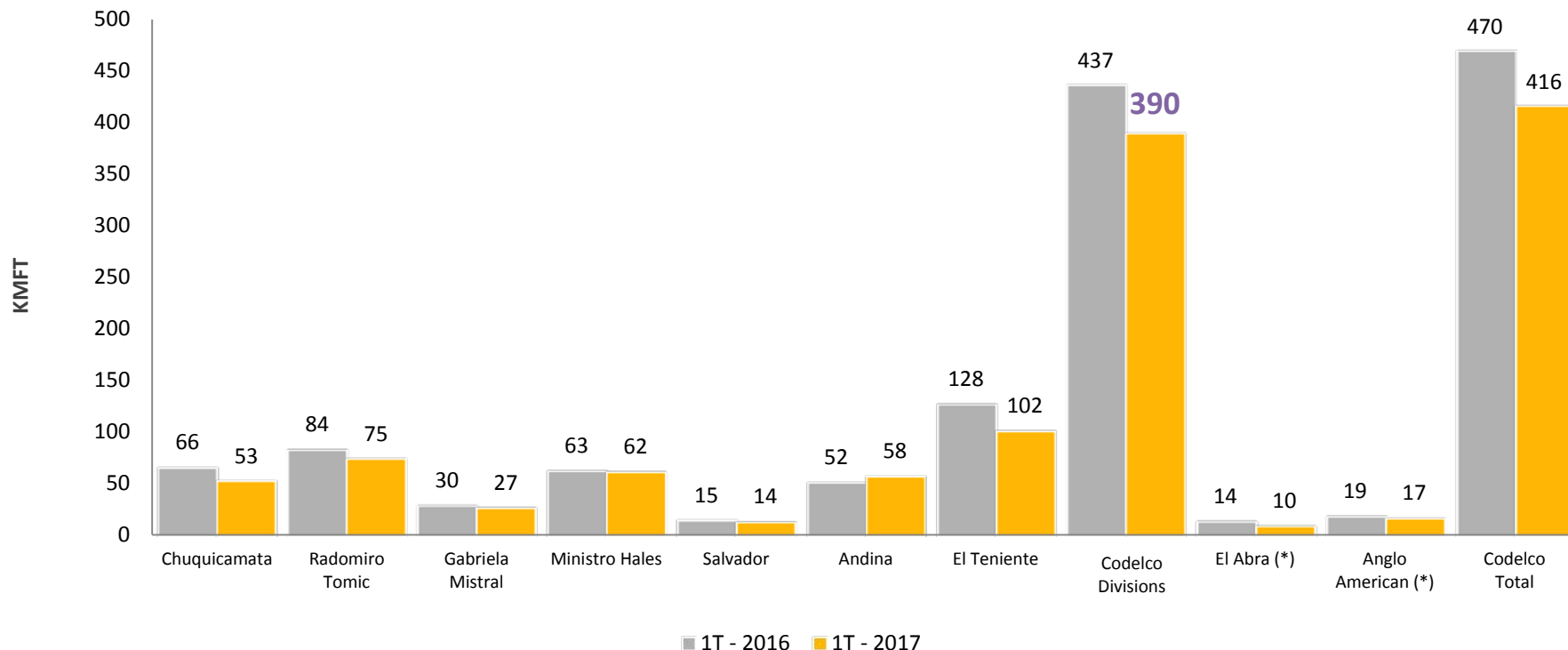


Codelco produced 390 KMFT despite drop in ore grade

Despite a 3.7% drop in ore grade, Codelco achieved **own production of 390 KMFT.**

The reduction of 11% over the first quarter of 2016 was explained by lower ore grades and lower processing at Chuquicamata and El Teniente Divisions, respectively.

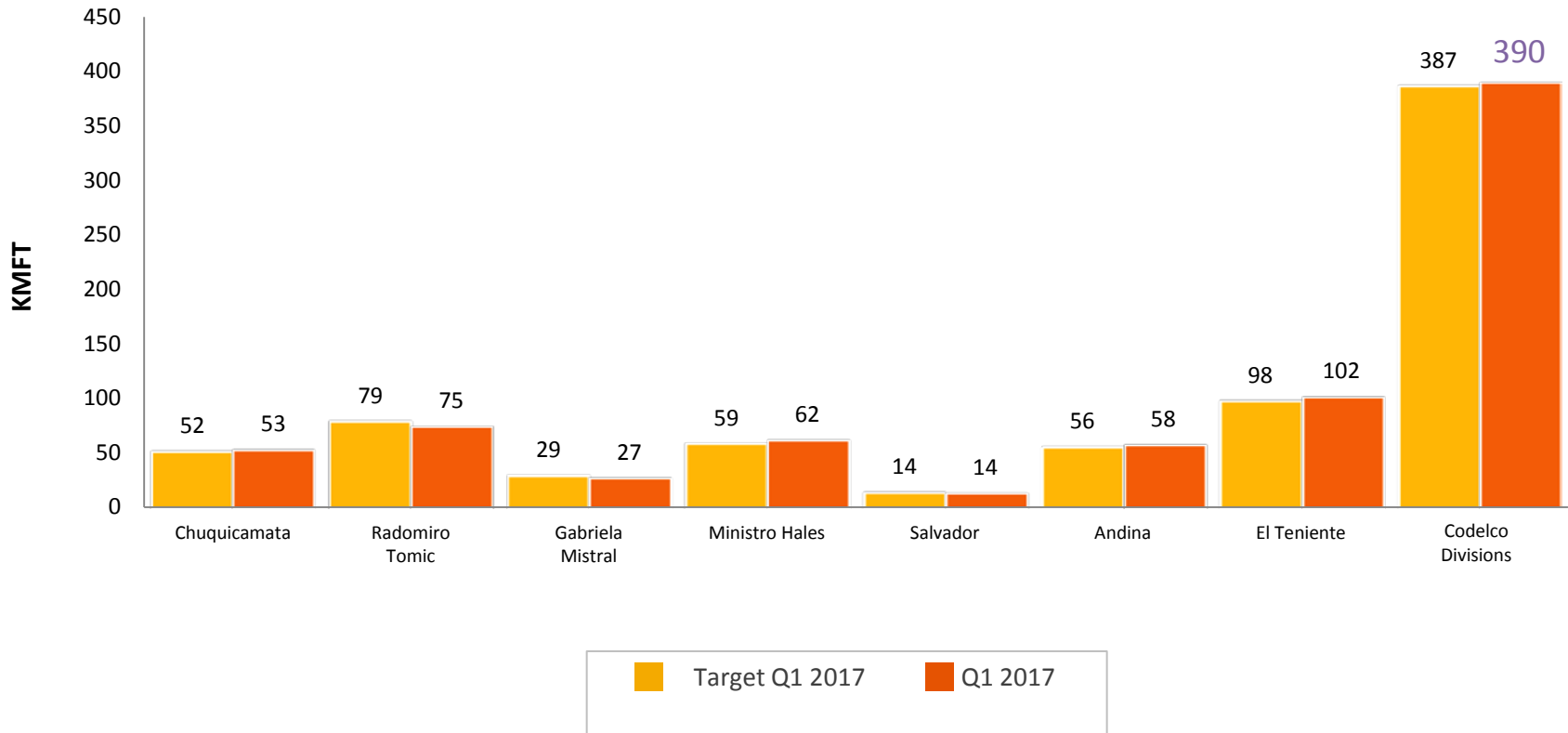
According to its plan, the company expects **own production over the whole year to exceed 2016.**



(*) Proportion of production corresponding to Codelco's stake: El Abra 49%, Anglo American Sur 20%.

Codelco met its production target

With **own production of 390 KMFT**, Codelco met the target it had undertaken to achieve.



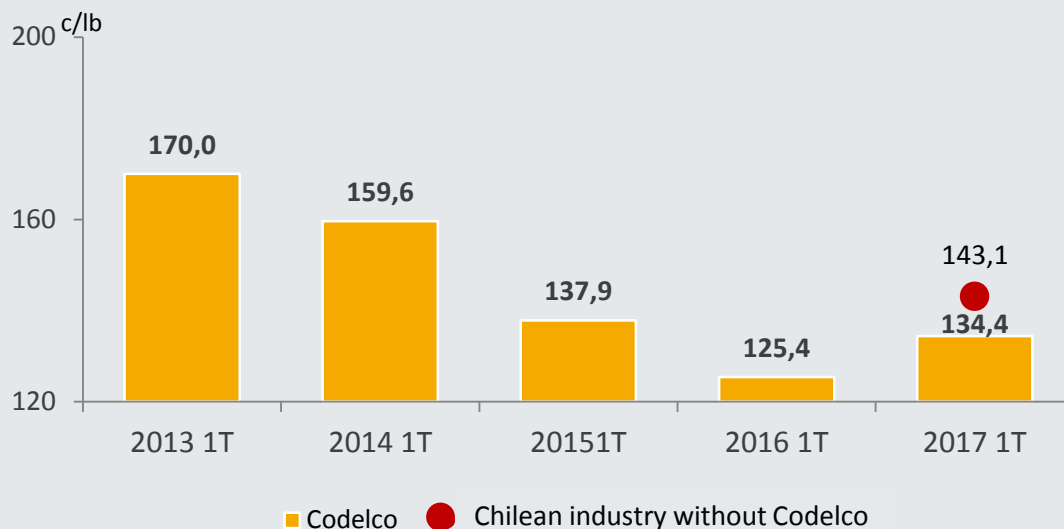
Codelco reduced its net cathode cost by 4%

	Q1-2016 (c/lb)	Q1-2017 (c/lb)	Var (%)
Cash cost (C1)	125.4	134.4	+7%
Net cathode cost (C3)	213.8	205.0	-4%

4% reduction in net cathode cost (C3)

Thanks to cost savings, exchange-rate difference and depreciation.

Codelco / Cash cost (C1) of Chilean industry (without Codelco)



7% increase in cash cost (C1)

Due largely to lower production as compared to the same quarter of previous year, the drop in the exchange rate and the higher price of inputs.

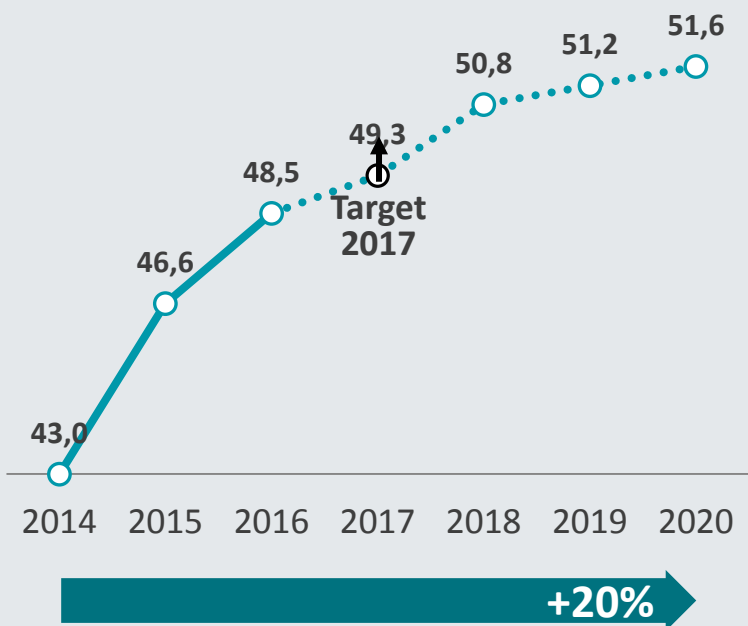
6% lower than the industry (C1)

Sources: Wood Mackenzie and Codelco.

Codelco exceeded its quarterly productivity target

Productivity by year ¹

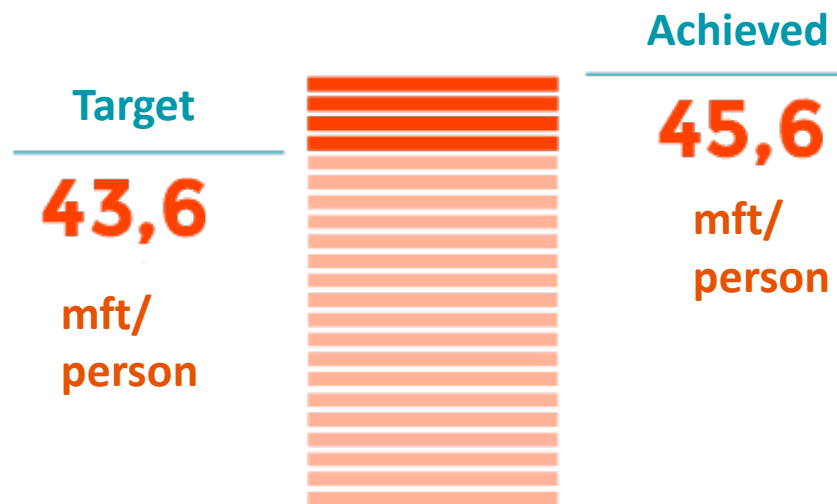
MFT /person



(1) Includes production and workforce of mining divisions, smelters and refineries.

Quarterly productivity

The **productivity target was surpassed** by 5% thanks to improved workforce management and optimization of contracts with third parties.

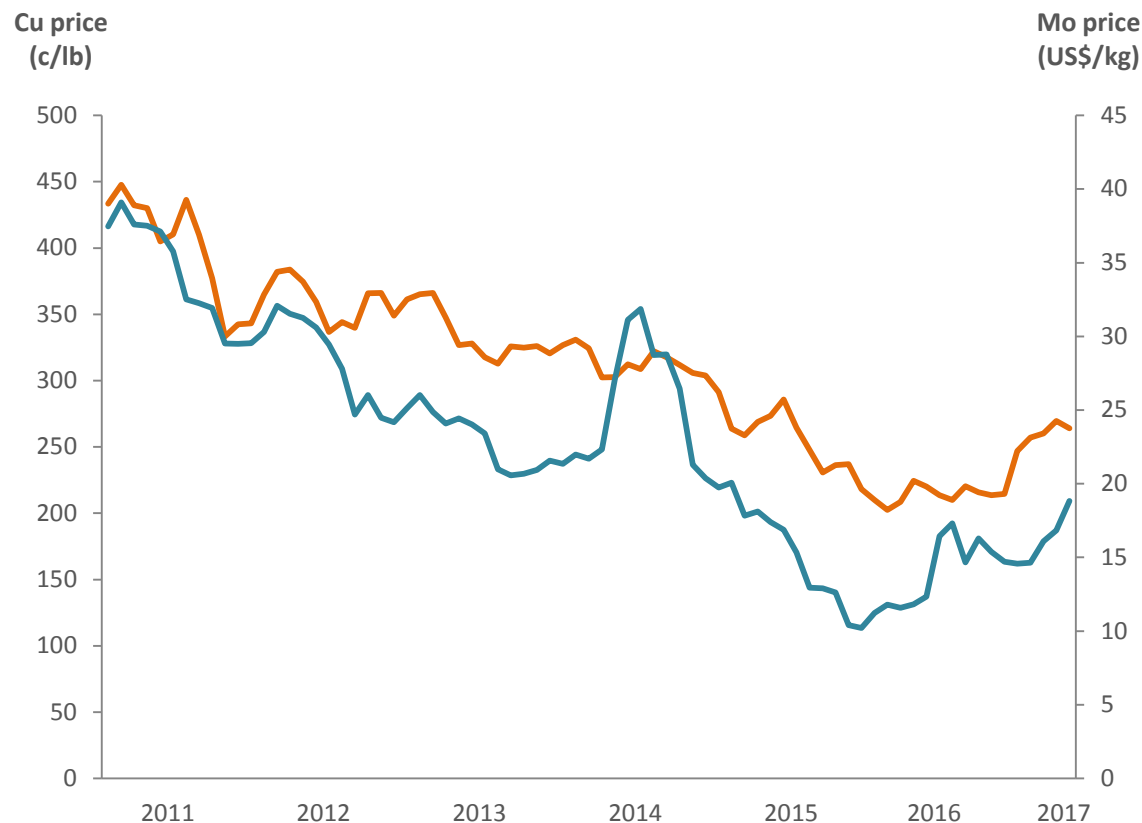




Copper price was 25% up on first quarter of 2016

In the first quarter, copper averaged **264.5 c/lb**, up by 25% on the same period in 2016 (211.9 c/lb).

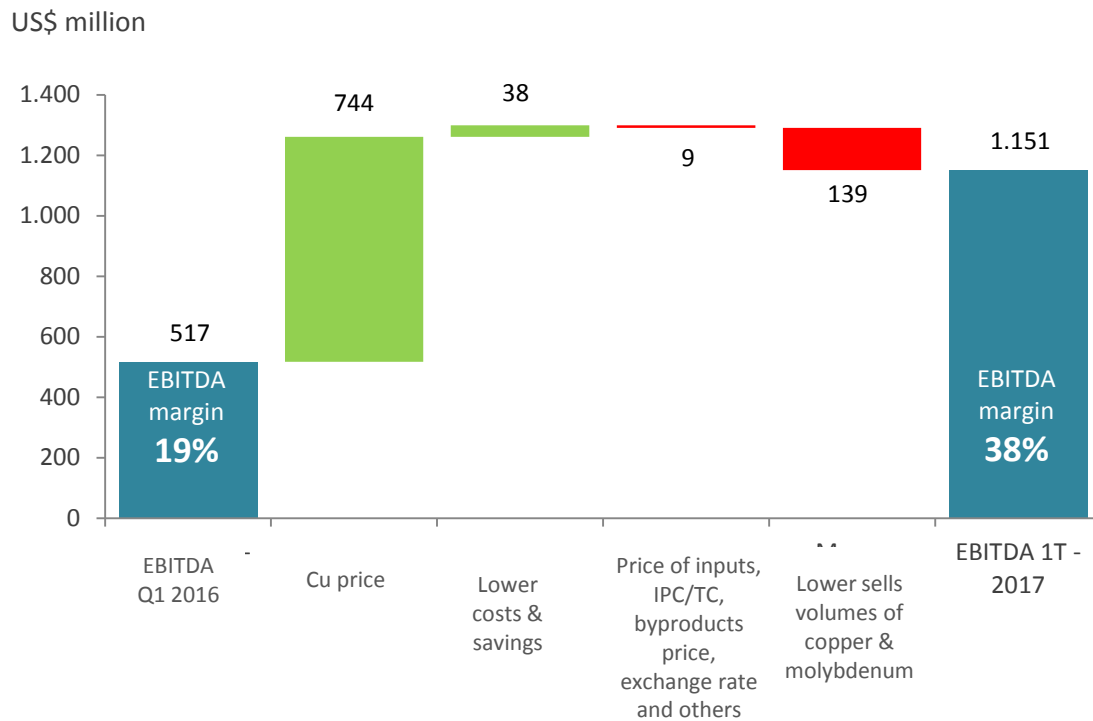
The price of molybdenum (**17.3 US\$/kg**) increased by 47% over the same period in 2016 (11.7 US\$/kg).



Cu price and cost savings were reflected in a 122% increase in EBITDA^(*) over Q1 2016

First-quarter EBITDA reached **US\$1,151 million**.

The EBITDA margin reached **38%**, double its level in the same quarter of 2016.



The EBITDA margin of 38%, similar to that seen when copper was over 300 c/lb, was achieved with a price of 265 c/lb, thanks to cost reductions.

(*) Consolidated, before Reserved Copper Law.



Capitalization of US\$475 million makes investments viable and improves net debt/EBITDA ratio

US\$475
million

In April, Codelco received a **capital injection** from its owner as established by the law that returns payments in excess of profits under the Reserved Copper Law.

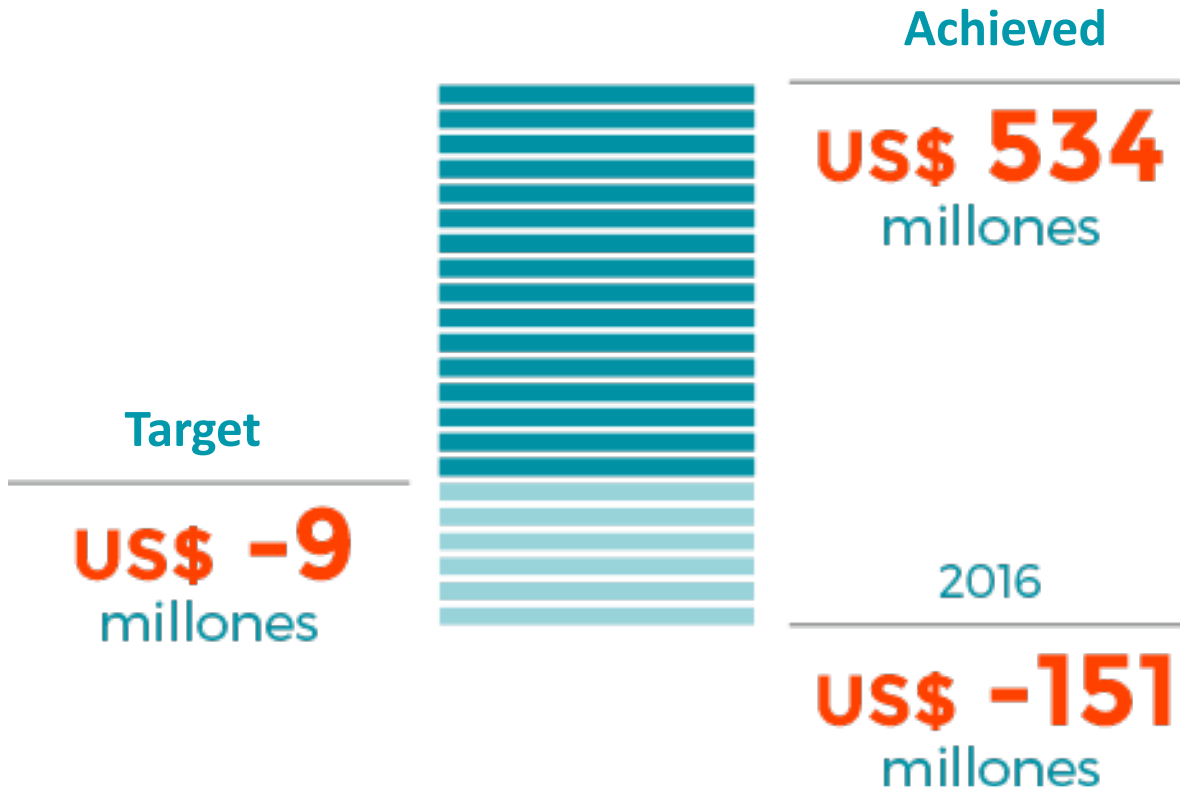
3.3

net debt/EBITDA
ratio

In the first quarter, the annualized average dropped by 42% over 2016.



Profits for the country of US\$534 million, more than in the whole of 2016



These profits are the result of **management**, **lower costs** and the **improved price** of copper.

Progress on projects

Structural projects

Underground Chuquicamata

Total advance of 47.8%.

Excavation of transport tunnel reaching completion, with advance of 6,336 m.

Traspaso Andina

Total advance of 36.8%.

Start of excavation of mineral distribution center.

Onsite reception of supplies for primary crusher.

New Mine Level

Total advance of 43.1%.

Approval of Alternative Development Plan for El Teniente Division, drawn up on basis of results of validation of constructability of New Mine Level Project.

Other projects

North District Desalination Plant

Public invitation issued to participate in tender.

Lithium

Search for a partner moving ahead according to plan for award at end of year. Chilean Nuclear Energy Commission gave authorization for extraction and sale of lithium.

Andina Future Development / Rajo Inca Mine

In process of preparing information for request for funding for Feasibility Studies Phase.

Responsible dialogue maintained in collective bargaining

13 unions, over 8,000 workers

Low level of conflict and mutually beneficial agreements



Upcoming negotiations:

Radomiro Tomic	Professionals Union	Aug 2017
El Teniente	Role A Supervisors Union	Sept 2017
El Teniente	San Lorenzo Union (Rajo Sur)	Nov 2017
El Teniente	Union N°7 (Rajo Sur)	Nov 2017
Ventanas	Union N°1	Dec 2017



Summary of performance

Conclusions

US\$534 million

Codelco amply exceeded its profits undertaking with the state of Chile.

EBITDA US\$1,151 million | Margin of 38%

Indicator up by 122% on first quarter of previous year and margin doubled.

390 KMFT

Production met the target for the quarter, despite a 3.6% drop in ore grades.

C1 134.4 c/lb | C3 205 c/lb

Although the cash cost (C1) increased, the net cathode cost (C3) dropped. Codelco's costs are better than the average for the copper industry in Chile.

The improved price of copper does not allow Codelco to abandon its savings and productivity plans. Its demanding portfolio of investments depends on this.



Appendices

Income Statement

January-March 2016-2017
(US\$ million)

Income Statement
(US\$ million)

	Q1-2016	Q1-2017	Var
Revenues from sale of own copper	2.052	2.383	330
Cost of sale of own copper	-1.837	-1.660	177
Gross profit on copper sales	216	723	507
Cross profit on sales of by-products and others	64	74	10
Gross profit	280	797	517
Non-operating income	-431	-262	169
Profit	-151	535	686
Tax expenses related companies	-3	3	5
Non-controlling interest	2	-4	-6
Profit Codelco	-151	534	685

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Gross profit	280	797	517
(Loss) profit before consolidated tax	-357	293	650
Income tax expense	232	-250	-482
Net (loss) profit, consolidated	-125	42	167
Non-controlling interest	2	-4	-6
Net (loss) profit Codelco	-122	39	161



Profit distribution

January-March 2016-2017
(US\$ million)

	Q1-2016	Q1-2017	Var
Tax Reserved Law N° 13.196	206	242	36
Income tax	-252	232	484
Specific mining tax	17	21	4
Profit/loss	-122	40	162
Total Profit	-151	534	685
COMPARABLE PROFIT/LOSS	-98	368	466

Accrued amounts.

* Net profit under private sector-type taxation.