CODELCO – CHILE

Unaudited Interim Consolidated Financial Statements as of June 30, 2016

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

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UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2016 and December 31, 2015

(In thousands of US dollars - ThUS$)

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

	Notes	6/30/2016	12/31/2015
Assets			
Current Assets			
Cash and cash equivalents	1	339,112	1,747,718
Other current financial assets	12	7,272	10,202
Other current non-financial assets		51,804	34,611
Trade and other current receivables	2	1,705,074	1,876,863
Accounts receivable due from related companies, current	3	1,072	21,057
Inventory	4	2,052,399	2,097,026
Current tax assets	6	259,190	270,412
Total current assets		4,415,923	6,057,888
Non-current assets			
Non-current inventories	4	240,363	185,470
Other non-current financial assets	12	52,194	36,291
Other non-current non-financial assets	11	27,884	27,908
Non-current receivables	2	88,218	85,069
Accounts receivable due from related companies, non-current	3	20,796	224
Investment accounted for under the equity method	8	3,952,973	4,091,817
Intangible assets other than goodwill	9	191,819	186,082
Property, plant and equipment, net	7	22,919,552	22,767,239
Investment property		5,830	5,854
Total non-current assets		27,499,629	27,385,954
Total Assets		31,915,552	33,443,843

The accompanying notes form an integral part of these Unaudited Interim Consolidated Financial Statements.

CORPORACION NACIONAL DEL COBRE DE CHILE

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2016 and December 31, 2015

(In thousands of US dollars - ThUS$)

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

	Notes	6/30/2016	12/31/2015
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	13	1,069,303	1,166,210
Trade and other current payables	16	974,845	1,306,715
Accounts payable to related companies, current	3	92,795	163,366
Other current provisions	17	201,372	661,623
Current tax liabilities	6	1,984	16,253
Current employee benefit accruals	17	303,418	446,212
Other current non-financial liabilities		135,481	100,738
Total current liabilities		2,779,198	3,861,116
Non-current liabilities			
Other non-current financial liabilities	13	14,005,596	14,026,931
Other non-current liabilities		71,826	-
Accounts payable to related companies, non-current	3	-	157,049
Other non-current provisions and accrued expenses	17	1,305,440	1,176,187
Deferred tax liabilities	5	2,933,383	3,257,605
Non-current employee benefit accruals	17	1,299,559	1,228,227
Other non-current non-financial liabilities		5,586	3,907
Total non-current liabilities		19,621,390	19,849,906
Total liabilities		22,400,588	23,711,022
Equity			
Issued capital		2,524,423	2,524,423
Retained earnings		57,801	33,623
Other reserves	19	5,902,182	6,131,920
Equity attributable to owners of the parent		8,484,406	8,689,966
Non-controlling interests	19	1,030,558	1,042,855
Total equity		9,514,964	9,732,821
Total liabilities and equity		31,915,552	33,443,843

The accompanying notes form an integral part of these Unaudited Interim Consolidated Financial Statements.

CORPORACION NACIONAL DEL COBRE DE CHILE

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the six-month and three-month periods ended as of June 30, 2016 and 2015

(In thousands of US dollars - ThUS$)

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

	Notes	1/1/2016 6/30/2016	1/1/2015 6/30/2015	4/1/2016 6/30/2016	4/1/2015 6/30/2015
Profit (loss)					
Revenue	20	5,406,033	5,867,322	2,686,649	3,138,558
Cost of sales		(4,734,154)	(4,722,678)	(2,294,675)	(2,460,219)
Gross profit		671,879	1,144,644	391,974	678,339
Other Income, by function	23.a	78,918	54,809	69,428	40,834
Distribution costs		(5,401)	(5,031)	(2,584)	(2,293)
Administrative expenses		(176,145)	(198,043)	(81,688)	(97,025)
Other expenses	23.b	(545,454)	(594,850)	(290,946)	(356,659)
Other gains		14,363	12,903	7,549	6,916
Profit (loss) from operating activities		38,160	414,432	93,733	270,112
Finance income		13,401	7,528	9,454	3,217
Finance costs	24	(279,711)	(227,560)	(139,641)	(101,709)
Share of loss of associates and joint ventures accounted for under the equity method	8	(28,919)	54,566	(36,342)	46,009
Foreign exchange differences	26	(239,253)	192,646	(66,650)	99,769
(Loss) profit for the period before tax		(496,322)	441,612	(139,446)	317,398
Income tax expense	5	292,509	(504,200)	60,411	(386,238)
Loss for the period		(203,813)	(62,588)	(79,035)	(68,840)
(Loss) profit attributable to:					
(Loss) profit attributable to owners of the parent		(191,812)	(53,668)	(69,486)	(69,567)
(Loss) profit attributable to non-controlling interests	19.b	(12,001)	(8,920)	(9,549)	727
Loss for the period		(203,813)	(62,588)	(79,035)	(68,840)

The accompanying notes form an integral part of these Unaudited Interim Consolidated Financial Statements.

CORPORACION NACIONAL DEL COBRE DE CHILE
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Continuation)
For the six-month and three-month periods ended as of June 30, 2016 and 2015
(In thousands of US dollars - ThUS$)
(Translation to English of the Unaudited Interim Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2016 6/30/2016	1/1/2015 6/30/2015	4/1/2016 6/30/2016	4/1/2015 6/30/2015
Loss for the period		(203,813)	(62,588)	(79,035)	(68,840)
Components of other comprehensive income (loss), before tax:					
Exchange differences on translation of foreign operations					
Gain (loss) on exchange differences on translation of foreign operations, before tax		1,266	(3,772)	(978)	1,708
Other comprehensive income (loss), before tax, exchange differences on conversion		1,266	(3,772)	(978)	1,708
Cash flow hedges					
Loss on cash flow hedges, before tax		(30,816)	(16,572)	(31,384)	(12,302)
Other comprehensive loss, before tax, cash flow hedges		(30,816)	(16,572)	(31,384)	(12,302)
Other comprehensive loss, before tax, losses for defined benefit plans		(10,636)	(16,791)	(8,212)	(3,478)
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method, before tax (which will be reclassified to the results of the period)		(168)	(8,197)	(158)	(7,954)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method, before tax (which will not be reclassified to the results of the period)		12	(461)	(109)	(416)
Other comprehensive loss, before tax		(40,342)	(45,793)	(40,841)	(22,442)
Income tax related to other comprehensive income:					
Income tax related to cash flow hedges of other comprehensive income (loss)	5	19,994	10,499	20,180	7,688
Loss tax relating to defined benefit plans of other comprehensive income		6,807	(11,082)	6,807	(20,363)
Aggregated income (loss) tax related to components of other comprehensive income		26,801	(583)	26,987	(12,675)
Other comprehensive loss		(13,541)	(46,376)	(13,854)	(35,117)
Other comprehensive loss, net, re-classified to profit or loss in subsequent periods		(9,724)	(18,042)	(12,340)	(10,860)
Other comprehensive loss, net, not re-classified to profit or loss in subsequent periods		(3,817)	(28,334)	(1,514)	(24,257)
Total comprehensive loss		(217,354)	(108,964)	(92,889)	(103,957)
Comprehensive loss attributable to:					
Comprehensive loss attributable to owners of the parent		(205,353)	(100,044)	(83,340)	(104,684)
Comprehensive (loss) income attributable to non-controlling interests	19.b	(12,001)	(8,920)	(9,549)	727
Total comprehensive loss		(217,354)	(108,964)	(92,889)	(103,957)

The accompanying notes form an integral part of these Unaudited Interim Consolidated Financial Statements.

CORPORACION NACIONAL DEL COBRE DE CHILE

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD

For the six-month periods ended as of June 30, 2016 and 2015

(In thousands of US dollars - ThUS$)

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

	Notes	1/1/2016 6/30/2016	1/1/2015 6/30/2015
Cash flows provided by (used in) operating activities:			
Cash receipts provided by operating activities			
Cash flows provided by sales of goods and rendering of services		5,591,044	6,246,640
Other cash flows provided by operating activities	27	695,998	906,665
Payments to suppliers for goods and services		(3,809,159)	(4,029,817)
Payments to and on behalf of employees		(898,298)	(944,308)
Other cash flows used in operating activities	27	(1,055,277)	(1,099,457)
Dividends received		24,558	107,741
Income taxes paid		(42,842)	(41,330)
Net cash flows provided by operating activities		506,024	1,146,134
Cash flows provided by (used in) investing activities:			
Other payments to acquire equity or debt instruments of other entities		(81)	(1,830)
Purchases of property, plant and equipment		(1,691,331)	(1,639,967)
Interest received		9,079	3,208
Other inflows (outflows) of cash		207,940	(2,211)
Net cash flows used in investing activities		(1,474,393)	(1,640,801)
Cash flows provided by (used in) financing activities:			
Total amounts from loans		217,460	290,660
Dividends paid		(400,145)	(248,291)
Interest paid		(260,135)	(216,331)
Net cash flows used in financing activities		(442,820)	(173,962)
Net decrease in cash and cash equivalents before foreign exchange difference		(1,411,189)	(668,629)
Effect of exchange rate changes		2,583	(3,552)
Net decrease in cash and cash equivalents		(1,408,606)	(672,181)
Cash and cash equivalents at the beginning of period	1	1,747,718	1,310,616
Cash and cash equivalents at the end of period	1	339,112	638,435

The accompanying notes form an integral part of these Unaudited Interim Consolidated Financial Statements.

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

For the six-month periods ended as of June 30, 2016 and 2015
(In thousands of US dollars - ThUS$)
(Translation to English of the Unaudited Interim Consolidated Financial Statements originally issued in Spanish – see Note I.2)

June 30, 2016	Issued capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial losses in 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	2,524,423	(12,974)	(6,549)	(246,424)	6,397,867	6,131,920	33,623	8,689,966	1,042,855	9,732,821
Changes in equity										
Loss for the period							(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								(205,353)	(12,001)	(217,354)
Dividends							-	-		-
Increase (decrease) through transfers and other changes	-	-	-	-	(216,197)	(216,197)	215,990	(207)	(296)	(503)
Total increase (decrease) 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	2,524,423	(11,708)	(17,371)	(250,253)	6,181,514	5,902,182	57,801	8,484,406	1,030,558	9,514,964

The accompanying notes form an integral part of these Unaudited Interim Consolidated Financial Statements.

CORPORACION NACIONAL DEL COBRE DE CHILE

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six-month periods ended as of June 30, 2016 and 2015

(In thousands of US dollars - ThUS$)

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

June 30, 2015	Issued capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial losses in 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 1/1/2015	2,524,423	(5,763)	(3,442)	(220,695)	5,573,697	5,343,797	1,793,557	9,661,777	1,863,735	11,525,512
Changes in equity										
Profit for the period							(53,668)	(53,668)	(8,920)	(62,588)
Other comprehensive income (loss)		(3,772)	(6,073)	(27,873)	(8,658)	(46,376)		(46,376)	-	(46,376)
Comprehensive income								(100,044)	(8,920)	(108,964)
Dividends							-	-		-
Increase (decrease) through transfers and other changes	-	-	-	-	256,219	256,219	(266,863)	(10,644)	26,637	15,993
Total increase (decrease) in equity	-	(3,772)	(6,073)	(27,873)	247,561	209,843	(320,531)	(110,688)	17,717	(92,971)
Final balance as of 6/30/2015	2,524,423	(9,535)	(9,515)	(248,568)	5,821,258	5,553,640	1,473,026	9,551,089	1,881,452	11,432,541

The accompanying notes form an integral part of these Unaudited 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 (discussed in Note 8).

The Corporation trades its products based on a policy with the objective of selling 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 is registered under Securities Registry No. 785 of the Chilean Superintendency of Securities and Insurance (the "SVS") and is subject to the supervision of said SVS. According to Article 10 of Law No. 20.392 (on the new Corporate Governance of Codelco), such supervision will 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, telephone number (56-2) 26903000.

Codelco Chile was formed as stipulated by D.L. No. 1.350 of 1976, which is the statutory decree of the Corporation. In accordance with the statutory decree, Codelco is a state-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 statutes, and in matters not covered by them and, insofar as they are compatible and do not go against the provisions of these rules, 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 a budgeting system that is composed of an Operations Budget, an Investment Budget and a Debt Amortization Budget.

The tax system applicable to Codelco's 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 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.d.

The associates correspond to companies located in Chile and abroad, which are detailed in the Explanatory Notes Section III of Note 8.

2. Basis of Presentation of the Consolidated Financial Statements

The Corporation's Unaudited Interim Consolidated Financial Statements are presented in thousands of US dollars. These unaudited interim consolidated financial statements as of June 30, 2016 and December 31, 2015, and the unaudited interim consolidated statements of comprehensive income, the unaudited interim consolidated statements of changes in equity and the unaudited interim consolidated statements of cash flows for the six-month period ended June 30, 2016 and 2015 have been prepared in accordance with International Accounting Standard No. 34 "Interim Financial Reporting", which is included in the International Financial Reporting Standards (hereinafter "IFRS").

The Corporation's Consolidated Financial Statements as of December 31, 2015 and the Consolidated Income Statement of Comprehensive Income, Cash Flows and Changes in Equity for the six-month period ended June 30, 2015 have been prepared according to the instructions of the Superintendence of Securities and Insurance (SVS), which are based on IFRS and the instructions of the SVS in their circulated report No.856 of October 17, 2014, which instructs to the listed entities to record the differences in deferred tax assets or liabilities produced as a direct effect of the increase of the first category tax rate against equity. Said increase in the first category tax rate was introduced by the Law 20.780. During the re-adoption of IFRS as of January 1st, 2016, the Administration has applied IFRS as if the Corporation would have never stopped of applying IFRS in its Financial Statements. Thus, the Administration has not opted for any of the alternatives exposed in IFRS 1 "First-time Adoption of the International Financial Reporting Standards".

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 states its responsibility for the consistent and reliable nature of the information included in aforementioned financial statements as of June 30, 2016, for the effects of which the instructions from SVS have been applied and fully prescribe the IFRS principles issued by the IASB. These unaudited interim consolidated financial statements as of June 30, 2016 were approved by the Board of Directors in a meeting held on August 25, 2016.

Accounting Principles

These Unaudited Interim Consolidated Financial Statements reflect the financial position of Codelco Chile and its subsidiaries as of June 30, 2016 and December 31, 2015, and the results of their operations for the six-month periods ended June 30, 2016 and changes in equity and cash flows for the six-month periods ended June 30, 2016 and 2015, and their related notes, all of which have been prepared and presented in accordance with IAS 34 "Interim Financial Reporting".

For the convenience of the reader, these Unaudited Interim Consolidated Financial Statements and their accompanying notes have been translated from Spanish to English.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Judgments, Estimates and Assumptions

The preparation of these unaudited interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (hereinafter "IASB"), requires the Corporation's management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

a) Useful economic lives and residual values of property, plant and equipment - The useful lives and residual values of property, plant and equipment that are used for calculating depreciation are determined based on technical studies prepared by specialists (internal or external). When there are indicators that could lead to changes in the estimated useful lives of such assets, these changes are determined 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 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 conservative judgment in determining the ore reserves, and as such, possible changes in these estimates could significantly impact the estimates of net revenues over time. In addition, these changes would lead to modifications in the usage estimates related to charges for depreciation and amortization, calculation of stripping adjustments, determination of impairment charges, expected future disbursements related to decommissioning, restoration, termination and long term benefits plans and the accounting on financial 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 the Chilean 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.

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 the evaluation of impairment, the assets are grouped into cash generating units ("CGUs") to which the assets belong. The recoverable amount of these assets or CGUs is calculated as the present value of the cash flows expected to be derived from such assets, considering a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. If the recoverable amount of the assets is lower than their carrying amount, an impairment loss exists.

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, could impact the carrying amounts of the corresponding assets.

Estimates of factors 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.

The review for impairment includes subsidiaries, associates and joint arrangements.

d) Provisions for decommissioning and site restoration costs - The Corporation is obligated 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.

For these purposes, a defined list of mine sites, installations and other equipment assigned to this process, considered at the engineering level profile, the cubing 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 must be made, as well as a discount rate used to discount the estimated cash flows, 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 recorded as of a reporting date represent management's best estimate of the present value of the future decommissioning and site restoration costs. Changes to estimated future costs are recognized in the statement of financial position by either increasing or decreasing the rehabilitation liability and rehabilitation asset if the initial estimate was originally recognized as part of an asset measured in accordance with IAS 16 "Property, Plant and Equipment". Any reduction in the decommissioning and site restoration liability and therefore any deduction from the decommissioning and site restoration asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is adjusted to profit or loss.

If the change in estimate results in an increase in the decommissioning and site restoration liability and therefore an addition to the carrying value of the asset, the entity is required to consider whether this is an indication of impairment of the asset as a whole and test for impairment in accordance with IAS 36 "Impairment of Assets". If the revised asset net of decommissioning and site restoration provisions exceeds the recoverable value, that portion of the increase is charged directly to profit or loss statement. 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 at their net present value. These decommissioning costs are charged to net income over the life of the mine, through the depreciation of the corresponding asset. The depreciation is included in operating costs, while the unwinding of the discount in the provision is included in finance costs.

e) Accrual for employee benefits - Employee benefits costs for 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 charged to profit or loss on an accrual basis.

The Corporation uses assumptions and best estimates to determine the future obligation related to these benefits. Such estimates, as well as assumptions, are determined through external actuarial calculations. These assumptions include demographic assumptions, mortality and morbidity rates, discount rate and expected salary increases and rotation levels, among other factors. Although the Corporation believes that the assumptions used are appropriate, a change in these assumptions could affect net income.

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. 2 “Significant accounting policies”.

g) Fair Value of Derivatives and Other 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 interim consolidated financial statements, it is possible that new developments could lead the Corporation to modify these estimates in the future. Such modifications, if occurred, 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:

- Unaudited Interim Statements of Financial Position as of June 30, 2016 and December 31, 2015
- Unaudited Interim Statements of Comprehensive Income for the six-month and three-month periods ended June 30, 2016 and 2015.
- Unaudited Interim Statements of Changes in Equity for the six-month periods ended June 30, 2016 and 2015.
- Unaudited Interim Statements of Cash Flows for the six-month periods ended June 30, 2016 and 2015.

b) Basis of preparation - The unaudited interim consolidated financial statements of the Corporation for the period ended as of June 30, 2016 have been prepared in accordance with the instructions from the Superintendence of Securities and Insurance (SVS) which prescribe fully with the International Financial Reporting Standards (IFRS), as issued by the IASB.

c)

The Consolidated Statement of Financial Position as of December 31, 2015, and the Unaudited Interim Consolidated Statements of Comprehensive Income, net equity and of cash flows for the six-month period ended June 30, 2015, 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 period ended June 30, 2016.

d) Functional Currency - The functional currency of Codelco is the US dollar, which is the currency of the primary economic environment in which the Corporation operates and the currency in which it receives its revenues. Transactions other than those in the Corporation's functional currency are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in currencies other than the functional currency are translated using the exchange rates at the balance sheet date. Gains and losses from foreign currency translations are included in profit or loss within the line item "Foreign exchange differences".

The presentation currency of the consolidated financial statements of Codelco is the US dollar.

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, as established in IAS 21 "The Effects of Changes in Foreign Exchange Rates". However, for those subsidiaries and associates that represent an extension of the operations of Codelco (entities that are not self-sufficient and whose main transactions are performed with Codelco); the functional currency is also the US dollar, as this is the functional currency of Codelco.

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

When the indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions under which each entity operates.

e) Basis of consolidation - The 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 usually the Corporation obtains control, and continue to be consolidated until the date such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Corporation, using consistent accounting principles.

All significant balances and transactions between the consolidated companies are eliminated, and the equity share of non-controlling interests has been recognized and presented in the line “Non-controlling Interests”. The companies included in the consolidation are as follows:

Taxpayer Number	Company	*Country*	Currency	6/30/2016 % Participation			12/31/2015 % Participation
				Entity Share Percentage			Entity Share Percentage
				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	US$	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 Canadá	Canadá	USD		100,00	100,00	-
Foreign	Ecometales Limited	Anglonormandars	US$	-	100.00	100.00	100.00
Foreign	Exploraciones Mineras Andinas Ecuador S.A.	Ecuador	US$	-	100.00	100.00	100.00
Foreign	Cobrex Prospeccao Mineral	Brazil	BRL	-	51.00	51.00	51.00
78.712.170-5	Compañía Minera Picacho (SCM)	Chile	US$	-	-	-	100.00
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	99.90
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
96.854.500-0	Instituto de Innovación en Minería y Metalurgia S.A.	Chile	US$	99.93	0.07	100.00	100.00
96.876.140-4	Santiago de Rio Grande S.A.	Chile	US$		-	-	100.00

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

76.024.442-2	Ecosea Farming S.A.	Chile	US$	-	91.32	91.32	85.03
96.991.180-9	Biosigma S.A.	Chile	US$	66.67	-	66.67	66.67
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	Sociedad de Inversiones Copperfield Ltda.	Chile	US$	99.99	0.01	100.00	100.00
76.883.610-8	Energía Minera S.A.	Chile	US$	99.00	1.00	100.00	100.00
76.043.396-9	Innovaciones en Cobre S.A.	Chile	US$	0.05	99.95	100.00	100.00
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	US$	99.90	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	Inst. de Salud Previsional Fusat. Ltda.	Chile	CLP	-	99.00	99.00	99.70
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

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 power to govern its operating and financial decisions in order to obtain benefits from its activities in accordance with the provisions of IFRS 10, Consolidation. The 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. For partially owned subsidiaries, the net assets and net earnings attributable to non-controlling shareholders are presented as “Non-controlling interests” in the consolidated statements of financial position and consolidated statement of income.

- Associates - An associate is an entity over which Codelco exercises significant influence, but not to control or jointly control, through the power to participate in the financial and operating decisions of that entity.

  Codelco’s interest ownership in such entities is recorded in the consolidated financial statements under the equity method. Under this method, the initial investment is recorded at cost. The carrying amount of the investment is adjusted to recognize changes in Codelco’s share of net assets of the associate since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

  The statement of profit or loss reflects Codelco’s share of the results of operations of the associate.

- Acquisitions and Disposals - The results of businesses acquired are incorporated in the consolidated financial statements from the date when the control is obtained; the results of businesses sold during the period are included into the consolidated financial statements up to the effective date of disposal. Gain or loss 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 a control is lost over a subsidiary, the remaining investment will be recorded at its fair value.

If at the acquisition date of an investment in an associate, the purchase price paid by Codelco is less than the fair value of the net identified assets and liabilities, Codelco records a gain at the date of the acquisition.

- Joint Ventures - The entities that qualify as joint ventures, in which joint control exists over the operating and financial decisions, are accounted for using the equity method, consistent with the accounting method applied to associates as explained above.

f) Foreign currency transactions - Monetary assets and liabilities denominated in a currency other that the functional currency have been translated into U.S. dollars at the closing exchange rate of the period.

Monetary assets and liabilities denominated in currency other than the functional currency, indexed in Unidades de Fomento (UF or inflation index-linked units of account) (6/30/2016: US$39.39; 12/31/2015: US$36.09), are expressed in U.S. dollars at the closing exchange rates of the period. Income and expenses denominated in Chilean pesos have been translated into U.S. dollars at the exchange rate at the transaction date.

Exchange differences are recognized in profit and loss.

The financial statements of subsidiaries, associates and jointly controlled entities, whose functional currency is different from the functional currency of Codelco, are translated using the following procedures:

- Assets and liabilities are translated using the exchange rate at the closure date of the financial position statement.

- Income and expenses for each statement of comprehensive income are translated at average exchange rates for the periodo reporting period.

- All resulting exchange differences are recognized as a separate component of comprehensive income in equity.

The exchange rates used in each period are as follows:

Relation	Exchange rates

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

	6/30/2016	12/31/2015
US$ / CLP	0.00151	0.00145
US$ / GBP	1.32275	1.43333
US$ / BRL	0.31226	0.27009
US$ / EUR	1.10668	1.11632

g) Offsetting Balances and Transactions: In general, assets and liabilities, income and expenses, are not offset in the financial statements, except in cases in which there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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 pay the liabilities simultaneously, are stated net in the statement of income.

h) Property, plant and equipment and depreciation - Property, plant and equipment items are initially recorded at cost. After their initial recognition, they are recorded at cost, less any accumulated depreciation and any accumulated impairment losses.

Costs of extension, modernization or improvement representing an increase in productivity, capacity or efficiency or an increase in the useful life of the assets are capitalized.

Furthermore, this caption includes acquired assets under finance lease contracts. These assets are not legally owned by the Corporation until the corresponding purchase option is exercised.

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 related to the production process. Other assets are depreciated using the straight-line method.

The assets included in property, plant and equipment are depreciated over their economic useful lives, as described below:

Items	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 of the mine 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 teams	Units of production
Intangibles - Software	Straight-line over 8 years

Mine development costs	Units of production, life of mine or resource

The assets under finance leases are depreciated during the term of the lease contract or over their estimated useful life, whichever is shorter.

Estimated useful lives, residual values and the depreciation method are reviewed at year end, and any change in estimates is recorded prospectively.

Additionally, depreciation criteria and estimated useful lives of the various 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 can happen at any time if the conditions of ore reserves change significantly as a result of new known information, confirmed and officially recognized by the Corporation.

The profit or loss from disposal or withdrawal of an asset is the difference between the net proceeds received upon disposal and the carrying value of the asset.

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 and start being depreciated.

The ore deposits owned by the Corporation are recorded in the accounting records at US$1 (one US dollar).

Notwithstanding the above, reserves and resources acquired as part of acquisitions of shares in companies where the economic value of such properties differs from the carrying amount are recorded at fair value less any accumulated impairment losses, and deducting the value related to the use and/or consumption of such reserves.

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 property, plant and equipment.

Intangible assets - The Corporation initially measures these assets at acquisition cost. Said cost is amortized in a systematic way over the economic useful life, except in the cases of assets with indefinite useful life, which are not amortized. These assets are assessed for the existence of impairments, at least, once per year and anytime when an impairment indicator is originated. At the closure date, these assets are recorded by their cost less any accumulated amortization (when applicable) and any accumulated loss due to impairment of value which the assets have experimented.

The main intangible assets are described as follows:

Expenses for Research and Technological Development and Innovation

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 of the period in which were incurred.

i) Impairment of property, plant and equipment and intangible assets - Property, plant and equipment and intangible assets with finite useful life are reviewed for impairment, in order to assess whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets with indefinite useful lives, the estimated recoverable amount is performed annually at year end.

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

For such purposes, each division of the Corporation has been defined as a cash generating unit.

The measurement of impairment includes subsidiaries and associates.

The recoverable amount of an asset will be the higher of the fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted 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 flow, 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 value of an asset or CGU is estimated to be lower than its carrying amount, an impairment loss is immediately recognized, reducing the carrying amount up to its recoverable amount with a charge to net income. In case of a subsequent reversal of the impairment, such reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss as a reduction of depreciation expense for the year.

The CGU future cash flow estimates are based on the estimates of future production forecasts, future prices of basic products and future production costs. IAS 36 "Impairment of Assets" includes a series of restrictions to the future cash flows that can be recognized regarding the restructurings and future cost efficiencies. When calculating the value in use, it is also necessary to base the calculations on the current exchange rates at the moment of the measurement.

j) **Exploration, mine development and mining operations costs and expenses -** The Corporation has defined an accounting criterion for each of these costs and expenses.

Exploration and drillings of deposits costs are recorded in profit or loss during the period in which they were incurred. When the management decides whether a mining project is commercially viable (normally after feasibility engineering is reached), all other pre-operating expenses are capitalized in relation to the future production of the mine.

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 recorded in property, plant and equipment and are charged to net income during the period in which the benefits are obtained.

k) **Deferred stripping -** Costs that arise by removing mine waste materials (overburden) in open pits that are in production, incurred in order to access to mineral deposits, are recognized in property, plant and equipment, provided they meet the following criteria set out in International Financial Reporting Interpretations the Committee ("IFRIC") 20 "Stripping Costs in the Production Phase of a Surface Mine":

- 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 record Income Tax based on the net taxable income determined as per the standards established in the Income Tax Law and Article 2 of the D.L. 2.398, as well as the specific tax on mining referred to in Law 20.026 of 2005. Its foreign subsidiaries record income tax according to the taxation standards of each country.

Deferred taxes due to temporary differences and other events which generate difference between the accounting and tax bases for assets and liabilities are recorded in accordance with the standards established in IAS 12 "Income taxes".

In addition, a deferred tax is recognized for the net income of subsidiaries, associates and joint ventures, originated by withholding taxes on remittances of dividends paid by such companies to the Corporation.

The tax reform, established by the Law No. 20.780, implied a change in the rates for the determination of the income tax, whose effect has a prospective impact in the Statements of Financial Position. The detail of the effect of the tax reform is described in note 5 Deferred taxes and income tax.

m) Inventory - Inventory is stated at cost, which does not exceed its net realizable value. The net realizable value represents the estimated sales price less all finishing costs and marketing, sales and distribution expenses. Inventory comprises of materials, products in process and finished products. Costs have been determined according to the following methods:

- Finished products and products in process: This inventory is stated at average production cost, according to the absorption costing method, including labor and the depreciation of property, plant and equipment, the amortization of intangible assets and the indirect expenses of each period. The inventories of work in process are classified in current and non-current inventories, according to the normal cycle of operation.

- Materials in warehouse: This inventory is stated at acquisition cost, and the Corporation determines an allowance for obsolescence considering the permanence in stock of slow moving materials in the warehouse.

- Materials in transit: This inventory is stated at cost incurred until the period-end date. Any difference, due to the estimate of a lower net realizable value of the inventory, in relation to its accounting value, is adjusted with a charge to net income.

n) Dividends - The payment obligation of net revenues presented in the financial statements, as determined in Article 6 of D.L. 1.350, is recognized based on the accrued payment obligation.

o) Employee benefits - Codelco recognizes accruals for employee benefits when there is a current obligation as a result of the services provided.

The contract conditions stipulate, subject to compliance with certain conditions, the payment of an employee termination benefit 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 benefit has been defined as a long-term benefit.

Codelco has also agreed to post-employment medical care for certain employees, which are paid according to a fixed percentage of the monthly assessable salary of the employees covered by this agreement. This benefit has been defined as a post-employment medical care benefit.

The employee termination benefit obligation and the post-employment medical plans are calculated in accordance with valuations performed by an independent actuary, using the projected unit credit method, which are updated on a regular basis. The obligation recognized in the statement of financial position represents the net present value of the employee termination benefit obligation and the post-employment medical benefit. Actuarial gains and losses are recognized immediately in the statement of other comprehensive income.

Management uses assumptions to determine the best estimate of these benefits. Such assumptions include an annual discount rate, expected increases in salaries and future permanence, 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 means of related addenda to employee contracts or collective union agreements with benefits that encourage employees to retire. Accordingly, the required accruals are established based on the accrued obligation at current value. In case of employee retirement programs which involve multiyear periods, the provisioned obligations for these concepts are updated considering a discount rate determined by financial instruments for the same currency used to pay the obligations and similar maturities.

p) Provisions for dismantling and restoration costs - A legal or constructive obligation occurs when dismantling and restoration costs are incurred as a result of alterations caused by a mining activity (in development or in production). Costs are estimated on the basis of a formal closure plan and are subject to yearly reviews.

The costs arising from the obligation to dismantle the installation of a plant or other project for the preparation of the site, discounted at their net present value, are accrued and capitalized at the beginning of each project, at which time the obligation to incur such costs is arises.

These dismantling costs are recorded in income via the depreciation of the asset that gave rise to this cost, and the provision is used when the dismantling takes place. Subsequent changes in the estimates of liabilities related to dismantling are added to or deducted from the costs of the related assets in the period in which the adjustment is made.

The restoration costs are accrued at their net present value against operating income, and the provision is used in the period during which the restoration works are performed. Changes in measurement of the liability related to the location of the mining activity (discount rate or time) are recorded in operating income and depreciated based on the useful lives of assets which give rise to these changes.

The effects of updating the liability, due to the discount rate and/or time, are recorded as finance costs.

q) **Leases -** (Codelco as a lessee) Leases are classified as finance leases when the terms of the lease transfer all risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease costs under operating leases are charged to income over the lease term. Assets acquired under finance leases are recognized as assets at the start of the lease at either the fair value or the present value of minimum lease payments for the discounted lease at the contracted interest rate, whichever is lower. Interest is charged in the finance costs, at a fixed periodic rate, in the same depreciation period of the asset. The lease obligations net of financing costs are included in other current or non-current liabilities, as appropriate.

Under the provisions of IFRIC 4 titled “Determining whether an Arrangement Contains a Lease”, an arrangement is, or contains a lease at the start date, if it uses a specific asset or assets or if it grants the right to use the asset, even if that right is not explicitly specified. For agreements occurring before January 1, 2005, the start date is considered as January 1, 2005 in accordance with the transitional requirements of IFRIC 4.

All “take-or-pay” contracts and any other service and supply contracts that meet the conditions established in IFRIC 4, are reviewed for indicators of an embedded leasing.

r) **Revenue recognition -** Revenue is recorded when ownership rights and obligations have been substantially transferred to the purchaser, according to the shipment or dispatch of the products, in conformity with the agreed upon conditions and are subject to variations related to the content and/or sales price at their liquidation date. Notwithstanding the foregoing, there are certain contracts for which the rights and obligations are substantially transferred based on receipt of the product at the buyer’s destination point, and for these contracts revenue is recorded at the moment of transfer.

Sales contracts include a provisional price at the shipment date, whose final price is generally based on the price recorded in the London Metals Exchange ("LME"). In the majority of cases, the recognition of sales revenue for copper and other commodities is based on the estimates of the future spread of metal price on the LME and/or the spot price at the date of shipment, with a subsequent adjustment made upon final determination and presented as part of “Revenue”. The terms of sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (the "quotation period"). As such the final price will be fixed on the dates indicated in the contracts. Adjustments to the sales price occurs based on movements in quoted market prices on the LME up to the date of final settlement. The period between provisional invoicing and final settlement can be between one and nine months. Changes in fair value over the quotation period and up until final settlement are estimated by reference to forward market prices for the applicable metals.

The exposure to the price movements from delivery/shipment date to final payment date is treated as an embedded derivative.

Sales in the national market are recorded 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 the sales price 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. The net results of these contracts are added to or discounted from revenues.

Additionally the Corporation recognizes revenue for providing services, mainly related to the processing of minerals bought from third parties. Revenue is recognized when the amounts can be measured reliably and when the services have been provided.

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

Derivatives are initially recognized at fair value at the date on which the derivative is entered into and subsequently updated at fair value at each reporting date.

The effective part of the changes in fair value of the derivatives that are allocated as "effective cash flow hedges", is recognized directly in equity, net of taxes, in the item "Cash flow hedge reserves", while the ineffective part is recorded in the statements of comprehensive income on lines "Finance expenses" or "Finance income" depending on the effect generated by the ineffectiveness. The amount recognized in net equity is not transferred to other comprehensive income account until the results of the hedged operations are recorded in the statements of comprehensive income or until the maturity date of such operations.

A hedge is considered highly effective when the changes in fair value or in the cash flows of the underlying item attributable to the hedged risk, are offset with the changes in the fair value or in the cash flows of the hedge instruments, with effectiveness between ranges of 80% - 125%. The corresponding unrealized profit or loss is recognized in comprehensive income for the period, only in those cases in which the contracts are liquidated or when they no longer comply with hedging characteristics.

The total fair value of the hedge derivatives is classified as a non-current asset or liability, if the remaining maturity of the hedged item is greater than 12 months, and as a current asset or liability, if the remaining maturity of the hedged item is lower than 12 months.

All derivatives designated as hedge instruments are classified as current or non-current assets or liabilities, respectively, depending on the maturity date of the derivative.

The derivative contracts entered into by the Corporation are originated by the application of the risk hedge policies indicated below, and are recorded as indicated for each case:

- *Hedging policies for exchange rates:* From time to time, the Corporation enters into exchange rate and interest rate hedge transactions to cover exchange rate variations between the US dollar and the other currencies its transactions are conducted in. Pursuant to the policies established by the Board of Directors these operations are only performed when there are recognized assets or liabilities, the forecast of highly probable transactions or firm commitments, and not for investment or speculative reasons.

  The results of foreign exchange insurance operations are recorded at the maturity or liquidation date of the respective contracts.

- *Hedging policies in the market of metal derivatives:* In accordance with the policies approved by the Board of Directors, the Corporation entered into contracts in order to hedge future metal prices, backed by physical production, in order to minimize the inherent risks in price fluctuations.

  The hedging policies seek to protect expected cash flows from the sale of products by fixing the 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, income from sales and derivative operations is offset.

  At each reporting date, these derivative contracts are recorded and adjusted to marked-to-market and recorded at the settlement date of the hedging operations, as a part of the sales revenue of the products.

  Hedging operations carried out by the Corporation are not of a speculative nature.

- *Embedded derivative:* 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 recorded separately.

The procedure consists of an initial characterization of each contract that allows for distinguishing among those in which an embedded derivative could exist. In that case, the contract is submitted to a more in-depth analysis. If as a result of this evaluation it is determined that the contract has an embedded derivative that needs to be recorded separately, it is valued and the movements in its fair value are recorded in comprehensive income in the consolidated financial statements.

t) Financial information by segment - For the purposes of IFRS 8, "Operating Segments", segments are defined as Codelco's Divisions. The mining deposits in operation, where the Corporation conducts its production processes in the extractive and processing area, are managed by its Chuquicamata, Radomiro Tomic, Minister Hales, Gabriela Mistral, Salvador, Andina and El Teniente divisions. To these divisions is added Ventanas, which operates only in the smelting and refining area. These divisions have a separate operational management, which report to the Executive Presidency, through the Vice Presidents of Operations North and South Central, respectively. Income and expenses of the Head Office are distributed in the defined segments.

u) Presentation of Financial Statements - For the purposes of IAS 1 "Presentation of the Financial Statements", the Corporation establishes the presentation of its statement of financial position classified in "current and non-current" and of its statements of income in conformity with the "by function" method and its cash flows using the direct method.

In the Statements of Other Comprehensive Income (loss) the effects recorded in relation to cash flow hedges and share of associates and joint ventures accounted under equity method will be recorded against the statement of Other Comprehensive income, while the actuarial gains (losses) will not be reclassified in the future periods.

v) Current and non-current financial assets - The Corporation determines the classification of its investments upon initial recognition and reviews these at each closing date. This classification depends on the purpose for which such investments were acquired.

In this section the following categories are observed:

- *Financial assets at fair value through profit or loss*: This category includes those financial assets acquired for trading or sale in the short term. Their initial and subsequent recognition is performed at fair value, which is obtained as of the observable date in the market. The gains and losses from variations in fair value are included in net income for the period.

- *Loans granted and accounts receivable*: These correspond to financial assets with fixed or determined payments, and which are not quoted in an active market. Their initial recognition is at fair value, which includes the transaction costs that are directly attributed to the issuance of it. Subsequent to the initial recognition, these are stated at amortized cost, recognizing in the statements of comprehensive income the accrued interest according to the effective interest rate and the possible losses in value of these assets.

A loss in value of the financial assets stated at amortized cost is caused 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 loss in value is the difference between the carrying amount and the net present value of the future cash flows discounted at the effective interest rate, and it is recognized as an expense in the statements of comprehensive income.

If in subsequent periods there is evidence of a recovery in the value of the financial asset stated at amortized cost, the recognized impairment loss will be reversed as long as it does not generate an amount in the financial asset ledgers that exceeds the one recorded prior to the loss. The accounting of the reversal is recognized in net income for the period.

Finally, an account receivable is not considered recoverable when situations arise such as the dissolution of the company, lack of identifiable assets for its execution or a legal pronouncement.

w) **Financial liabilities -** Financial liabilities are recognized initially at fair value, net of the incurred transaction costs. As the Corporation does not own any financial liabilities held for trading, subsequent to their initial recognition, the financial liabilities are valued at amortized cost, using the effective interest rate method, recognizing the interest expenses based on the effective profitability.

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 when appropriate, a shorter period when the associated liability has a prepayment option that is considered to be exercised.

Trade accounts payable and other payables are financial liabilities that do not explicitly accrue interest and are recorded at their nominal value.

The financial liabilities are derecognized when the liabilities are paid or expire.

x) **Allowance for doubtful accounts** – The Corporation records an allowance for doubtful accounts after 6 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 goods and/or
c. the cost of the demand is 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 by direct method - Cash equivalents are comprised of highly liquid investments, which have a limited risk in relation to possible changes in value, and maturities of which are less than 90 days from date of purchase.

For the purposes of preparing the statement of cash flows, the Corporation has defined the following:

Cash and cash equivalents in the statement of financial position include cash at banks and on hand, and short-term deposits and other highly liquid short-term investments with an original maturity of three months or less. In the statement of financial position, bank overdrafts are classified as external resources in current liabilities.

- Operating activities: These are the activities that constitute the main source of operating income for the Corporation, as well as other activities that cannot be classified as investment or financing activities.

- Investing activities: These correspond to acquisition or sales activities or disposal through other methods of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: These are activities that cause changes in the size and composition of net equity and of financial liabilities.

z) Law No. 13.196 – Law 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 discounts 10% on the amounts that Codelco transferred to its Chilean account. All such amounts are transferred via the Central Bank of Chile. The amount for this concept is presented in the statement of comprehensive income in the item other expenses (see Note 23.b).

aa) Cost of sales - Cost of sales is determined according to the absorption cost method, including the direct and indirect costs, depreciation, amortization and any other expenses associated with 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.

3. New standards and interpretations adopted by the Corporation

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Corporation for the year ended December 31, 2015.

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

4. New accounting pronouncements

As of the issuance date of these consolidated financial statements, the following IFRS and IFRIC interpretations have been issued by the IASB. Their application was not 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.
IFRS 15 - Revenue From Contracts with Clients	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.

Amendments to IFRS	Date of mandatory application	Summary
IFRS 10 – Consolidated Financial Statements IAS 28 – Investments in Associates with Joint Ventures	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 located in a subsidiary).
IAS 12 – Income Taxes	Annual periods beginning on or after January 1, 2017	Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
IFRS 2 – Share-based Payment	Annual periods beginning on or after January 1, 2018	Modifications related to the classification and measurement of Share-based payment transactions.

IAS, International Accounting Standard, IFRS, International Financial Reporting Standard, IFRIC, International Financial Reporting Interpretations Committee.

Management believes that these standards, amendments and interpretations described above, shall be adopted in the consolidated financial statements of the Corporation in the respective years indicated. Codelco is still evaluating the impact that could be generated from such rules and changes.

(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

Cash and cash equivalents are as follows:

Item	6/30/2016 ThUS$	12/31/2015 ThUS$
Cash on hand	6,660	4,132
Bank balances	30,698	682,348
Time deposits	287,298	1,047,641
Resale agreements	14,456	13,597
Total Cash and cash equivalents	339,112	1,747,718

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

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

2. Trade and other receivables

a) Accrual for open sales invoices

As mentioned in the Article of Summary of Significant Accounting Policies, the Corporation adjusts its revenues and balances from trade accounts receivable, based on future copper prices, by recording an accrual for open sales invoices.

When the future price of copper is lower than the provisional invoice amount, this provision is presented in the Statement of Financial Position as follows:

- Customers that have debt balances with the Corporation are presented in "Current Assets", decreasing the amounts owed by these customers.
- Customers that do not have debt balances with the Corporation are presented in the item "Trade and other payables under Current Liabilities".

When the future copper price is higher than the provisional invoice price, the provision is presented in current assets, increasing the amounts owed by customers.

Based on the above-mentioned, trade receivables as of June 30, 2016, include a positive accrual of ThUS$31,854, related to the accrual of open invoices. As of December 31, 2015, a negative accrual was recorded amounting to ThUS$66,977.

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

b) Trade and other receivables

The following chart shows the amounts of Trade and other receivables, with their corresponding allowances:

Items	Current		Non-Current	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables (1)	1,144,265	1,200,388	853	850
Allowance for doubtful accounts (3)	(2,572)	(2,470)	-	-
Subtotal trade receivables, net	1,141,693	1,197,918	853	850
Other receivables (2)	570,171	684,976	87,365	84,219
Allowance for doubtful accounts (3)	(6,790)	(6,031)	-	-
Subtotal other receivables, net	563,381	678,945	87,365	84,219
Total	1,705,074	1,876,863	88,218	85,069

(1) Trade receivables are generated by sales of the Corporation, which are generally sold for cash or by bank guarantee.

(2) Other receivables include the amounts owed mainly by:

- Personnel of the Corporation, including short-term loans and mortgage loans, payment for which is withheld on a monthly basis from employee paychecks. The mortgage loans are backed by mortgage guarantees.
- Claims from insurance companies.
- Liquidations to the Central Bank as per Law 13.196.
- Advance payments to suppliers and contractors, to be discounted from the corresponding payment statements.
- Accounts receivable for toll services (Ventanas' Smelter).
- Tax credit exporter VAT remains susceptible to refund and other taxes receivable in the amount of ThUS$127,968 and ThUS$137,653 at June 30, 2016 and December 31, 2015, respectively.

(3) The Corporation maintains an allowance for doubtful accounts, based on the experience and analysis of Management regarding the portfolio of trade accounts receivable and the aging of the entries.

The movement of the allowance for doubtful accounts in the six- month period ended June 30, 2016 and during the year 2015 was as follows:

Items	6/30/2016 ThUS$	12/31/2015 ThUS$
Opening balance	8,501	7,524
Increases	1,426	1,464
Write-offs/applications	(565)	(487)
Movement, subtotal	861	977
Final balance	9,362	8,501

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

Past due and not impaired balances are detailed as follows:

Maturity	6/30/2016 ThUS$	12/31/2015 ThUS$
Less than 90 days	10,194	29,780
Between 90 days and 1 year	3,020	20,958
More than 1 year	14,558	9,150
Total past-due and not impaired	27,772	59,888

3. Balance and related party disclosures

a) Operations related to third parties

According to the New Corporate Governance Law, Codelco's Board Members entered into business with related parties, as described in Title XVI of the Corporations law (regarding transactions with related parties in publically traded companies and their affiliates).

Notwithstanding the foregoing, pursuant to the provisions of the final paragraph of Article 147 b) of Title XVI, which contains emergency regulations regarding the approval process for related party transactions, the Corporation established a general policy of regularity (reported to the SVS as material fact), which establishes common transactions that are ordinarily made with its related parties within their line of business, contribute to their social interest and are necessary for Codelco's normal developmental activities.

In addition, consistent with the legal framework, the Corporation maintains within its internal framework a specific policy about transactions with individuals and companies related to Codelco personnel. Codelco Corporate Standard No. 18 (NCC No. 18), the latest version of which is currently in force, was approved by the Executive President and the Board.

Codelco, without the authorization indicated in NCC No. 18 and of the Board of Directors, when required by Law or the Corporate Statute, shall not enter into contracts involving one or more Directors, Executive President, members of the Committee of Managing Directors, Vice President, Legal Counsel, General Auditor, General Manager, Senior Management or staff who must make recommendations and/or has the authority to resolve tenders, purchases and assignments and/or purchases of goods and services and the staff that holds management positions (until the fourth hierarchical level in the organization), including their spouses, children and other relatives up to the 2nd degree of relation, with an interest in itself, directly, or represented by third parties or on behalf of another person. The NCC No. 18 obligates the Corporation's contract to declare all such relationships, as well as remove related job responsibilities from any member within these positions who may be involved.

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

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

The Board of Directors has been informed of the transactions covered by Codelco Corporate Standard No. 18, and upon which it must decide, according to this standard.

Among these operations are those indicated in the following chart, for the total amounts indicated, which need to be executed in the periods specified by each one of the contracts.

Entity	Taxpayer Number	Country	Nature of the relationship	Description of the transaction	1/1/2016 6/30/2016 Amount ThUS$	1/1/2015 6/30/2015 Amount ThUS$	4/1/2016 6/30/2016 Amount ThUS$	4/1/2015 6/30/2015 Amount ThUS$
Fundación Orquesta Sinfónica Infantil de los Andes.	65.018.784-9	Chile	Founder	Services	-	55	-	-
Sociedad de Procesamiento de Molibdeno Ltda.	76.148.338-2	Chile	Affiliate	Purchases of goods	-	700,000	-	-
Biosigma S.A.	96.991.180-9	Chile	Affiliate	Services	-	15,296	-	-
Cosando Construcción y Montaje Ltda.	77.755.770-K	Chile	Employee's relative	Services	-	3	-	3
Hatch Ingenieros y Consultores Ltda.	78.784.480-4	Chile	Employee's relative	Services	38,898	-	38,439	-
Clinica San Lorenzo Ltda.	88.497.100-4	Chile	Affiliate	Services	1,849	-	719	-
Sociedad Contractual Minera El Abra.	96.701.340-4	Chile	Coligada	Supplies	-	750	-	-
Clínica Río Blanco S.A.	99.573.600-4	Chile	Affiliate	Services	2,506	-	2,506	-
Finning Chile S.A.	91.489.000-4	Chile	Employee's relative	Supplies	5,134	39	4,969	39
Complejo Portuario Mejillones S.A.	96.819.040-7	Chile	Affiliate	Services	-	6,000	-	-
Fundación Sewell	65.493.830-K	Chile	Founder	Services	5	-	-	-
Femont y cía. Ltda.	77.395.540-9	Chile	Employee's relative	Supplies	-	55	-	31
Arcadis Chile S.A.	89.371.200-3	Chile	Employee's relative	Services	1,534	-	1,534	-
RSA Seguros Chile S.A.	99.017.000-2	Chile	Employee's relative	Services	-	24,100	-	-
Sonda S.A.	83.628.100-4	Chile	Employee's relative	Services	-	156	-	-
Ingeniería de Protección S.A.	89.722.200-0	Chile	Employee's relative	Supplies	-	3	-	3
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	71	-	-
Club de Ski Chapa Verde	71.275.900-3	Chile	Employee's relative	Services	-	48	-	-
Esinel Ingenieros S.A.	76.477.780-8	Chile	Employee's relative	Services	-	15	-	-
Maestranza Acosta y Cía. Ltda.	76.813.840-0	Chile	Employee's relative	Supplies	22	7	9	-
Komatsu Chile S.A.	96.843.130-7	Chile	Employee's relative	Services	1,566	35,230	1,566	35,230
Cuatro C Consultores en Ingeniería Civil Limitada	79.693.340-4	Chile	Employee's relative	Services	-	27	-	27
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	-

b) Key Personnel of the Corporation

In accordance with the policy established by the Board of Directors and its related regulation, those transactions affecting the Directors, its Executive President, Vice Presidents, Corporate Auditor, the members of the Divisional Management Committees and Divisional General Managers should be approved by this Board.

(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, of 2016 and 2015, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

Entity	Taxpayer Number	Country	Nature of the relationship	Description of the transaction	1/1/2016 6/30/2016	1/1/2015 6/30/2015	4/1/2016 6/30/2016	4/1/2015 6/30/2015
					Monto ThUS$	Monto ThUS$	Monto ThUS$	Monto ThUS$
Augusto González Aguirre	6.826.386-7	Chile	Director	Director´s fees	-	33	-	8
Augusto González Aguirre	6.826.386-7	Chile	Director	Payroll	-	53	-	14
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Director´s fees	56	53	28	28
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Director´s fees	45	49	23	24
Gerardo Jofré Miranda	5.672.444-3	Chile	Director	Director´s fees	45	49	23	24
Isidoro Palma Penco	4.754.025-9	Chile	Director	Director´s fees	45	16	23	16
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Director´s fees	45	16	23	16
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Director´s fees	45	49	23	24
Marcos Büchi Buc (1)	7.383.017-6	Chile	Director	Director´s fees	-	-	-	-
Marcos Lima Aravena	5.119.963-4	Chile	Director	Director´s fees	-	41	-	10
Oscar Landerretche Moreno	8.366.611-0	Chile	Chairman of the Board	Director´s fees	68	74	35	37
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Director´s fees	45	49	23	24
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	18	19	9	10

(1) During the periods between January 1, 2015 and May 11, 2015 and January 1, 2014 and December 31, 2014, the Company did not issue any payment of wages to Mr. Marcos Büchi Buc, stemming from his participation (and until the end of his period) as a Director of the Corporation, as he has expressly and irrevocably waived such payments, in addition to any collection of wages present or future in relation to his participation.

Through Supreme Decree of the Ministry of Finance No. 36, dated January 28, 2016, it was established that the payroll of Directors of the Corporation will be fixed for two years since March 1, 2016, in accordance with the current austerity policies. This document details the calculation method of such remunerations, as per the following:

a. The monthly salary of the Directors of Codelco for participating in Board meetings was fixed in the amount of Ch$3,835,860 - (three million eight hundred and thirty five thousand, eight hundred and sixty Chilean pesos). It is required the assistance to one session per calendar month at least.

b. A monthly salary of Ch$7,671,720 - (seven million six hundred and seventy one thousand, seven hundred and twenty Chilean pesos) is established for the Chairman of the Board.

c. Directors that shall participate in a Board Committee, whether the one referred to in Article 50 bis) of Law No. 18.046 or another established by the by-laws of the Corporation, receive a single additional monthly amount of Ch$1,278,619 - (one million two hundred and seventy eight thousand, six hundred and nineteen Chilean pesos) for their participation, notwithstanding the number of committees in which they participate. In addition, the director holding the chair of the Directors' Committee shall receive a single monthly remuneration for his participation in committees of Ch$2,557,240 - (two million five hundred fifty seven thousand, two hundred and forty Chilean pesos).

d. The established salaries are in effect for a period of two years, as of March 1, 2016. They were adjusted on January 1, 2017, in accordance with the same provisions that govern the general wage adjustments of officials of the Public Sector.

On the other hand, in relation to the short-term benefits from the executives who serve in the administrative roles for the Corporation; they are paid during the period of January – June 2016, a total amount of ThUS$5,133 (January – June 2015: ThUS$5,559)

The criteria that determines the wages for the executives was established by the Board of Directors by agreement of January 29, 2003.

During the periods of January through June of 2016 and 2015, payments were made to the Principle Executives of Codelco as compensation for years of service, equal to ThUS$436 and ThUS$115, respectively.

There were no payments for other noncurrent benefits during the period of January through June 2016 and 2015, other than those mentioned in the previous paragraph.

There are no share-based benefit plans.

c) Transactions with companies in which Codelco has participation

In addition, the Corporation performs necessary commercial and financial transactions with entities in which it has capital ownership. The financial transactions correspond mainly to loans in checking accounts.

The commercial operations with related companies refer to the purchase and sale of products or services, at market conditions and prices and which do not consider interest or indexation. These companies, for the periods of January – June 2016 and 2015, are the following: Sociedad GNL Mejillones S.A., Sociedad Contractual Minera El Abra, Agua de La Falda S.A., Planta Recuperadora de Metales SpA and Anglo American Sur S.A.

Trading operations related to Copper Partners Investment Company Limited ("CuPIC") are presented in the Category Other non-current liabilities.

The Corporation does not establish an allowance for doubtful accounts for the main items receivable from their related companies, as these have been registered by including the relevant safeguards in the respective debt contracts.

Accounts receivable from and payable to related companies as of June 30, 2016 and of December 31, 2015, are detailed as follows:

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

Accounts receivable from related companies:

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					6/30/2016	12/31/2015	6/30/2016	12/31/2015
					ThUS$	ThUS$	ThUS$	ThUS$
73.063.022-5	Inca de Oro	Chile	Associate	US$	-	17	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	-	8,019	20,572	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	1,072	2,350	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	US$	-	-	224	224
Foreign	Copper Partners Invest. Company Ltd.	Bermuda	Joint venture	US$	-	10,671	-	-
Totals					1,072	21,057	20,796	224

Accounts payable to related companies:

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					6/30/2016	12/31/2015	6/30/2016	12/31/2015
					ThUS$	ThUS$	ThUS$	ThUS$
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	US$	-	500	-	-
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	64,218	100,888	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	21,603	25,918	-	-
Foreign	Copper Partners Investment Company Ltd.	Bermuda	Joint venture	US$	-	29,724	-	157,049
Foreign	Deutsche Geissdraht GmbH	Germany	Associate	EURO	6,974	6,336	-	-
Totals					92,795	163,366	-	157,049

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

The transactions performed between the Corporation and its related companies for the six-month periods ended June 30, 2016 and 2015 are detailed in the next table together with their corresponding effects on profit or loss:

Taxpayer Number	Entity	Nature of the transaction	Country	Indexation currency	1/1/2016 6/30/2016		1/1/2015 6/30/2015		4/1/2016 6/30/2016		4/1/2015 6/30/2015	
					Amount ThUS$	Effects on net income (charges) / credits ThUS$	Amount ThUS$	Effects on net income (charges) / credits ThUS$	Amount ThUS$	Effects on net income (charges) / credits ThUS$	Amount ThUS$	Effects on net income (charges) / credits ThUS$
Foreign	Copper Partners Investment Co. Ltd.	Product sales	Bermuda	US$	14,597	14,597	59,839	59,839	-	-	29,885	29,885
Foreign	Copper Partners Investment Co. Ltd.	Dividends received	Bermuda	US$	14,430		52,849	-	14,430	-	28,248	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	US$	-		22,125	-	-	-	-	-
77.762.940-9	Anglo American Sur S.A.	Product purchase	Chile	US$	222,861	(222,861)	319,735	(319,735)	109,711	(109,711)	186,093	(186,093)
76.775.710-7	Sociedad GNL Mejillones S.A.	Reimbursement	Chile	US$	-	-	(2,871)	(2,871)	-	-	(1,443)	(1,443)
96.701.340-4	SCM El Abra	Dividends received	Chile	US$	9,800		31,850	-	-	-	24,500	-
96.701.340-4	SCM El Abra	Product purchase	Chile	US$	126,267	(126,267)	221,411	(221,411)	58,248	(58,248)	107,504	(107,504)
96.701.340-4	SCM El Abra	Product sales	Chile	US$	7,930	7,930	20,177	20,177	4,104	4,104	13,807	13,807
96.701.340-4	SCM El Abra	Other sales	Chile	US$	746	746	800	800	746	746	800	800
96.701.340-4	SCM El Abra	Service purchase	Chile	US$	223	(223)	3,399	(3,399)	-	-	1,366	(1,366)
96.701.340-4	SCM El Abra	Commissions received	Chile	US$	67	67	187	187	31	31	138	138
96.701.340-4	SCM El Abra	Other purchases	Chile	US$	816	(816)	-	-	677	(677)	-	-
96.801.450-1	Agua de la Falda S.A.	Service sales	Chile	CLP	3	3	-	-	1	1	-	-
Foreign	Deutsche Geissdraht GmbH	Dividends received	Germany	EURO	328		1,021	-	328	-	106	-
76.063.022-5	Inca de Oro S.A.	Contribution	Chile	US$	(81)	-	-	-	(81)	-	-	-
76.255.054-7	Planta Recuperadora de Metales	Loan	Chile	US$	5,950	-	2,924	-	3,400	-	2,584	-

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

d. Additional information

The current account receivable to the Planta Recuperadora de Metales SpA corresponds to the loan balance granted to build its plant.

Transactions for the purchase and sales of products with Anglo American Sur S.A., correspond to regular business operations to acquire copper and other products. On the other hand, there are certain transactions associated with the contract between the affiliate Inversiones Mineras Nueva Acrux SpA (the non-controlling shareholder is Mitsui) and Anglo American Sur S.A., under which the latter agrees to sell a portion of its annual copper output to said subsidiary.

Transactions with the company, CuPIC, correspond to the current conditions described in Note 30 b) of these interim financial statements.

4. Inventories

Inventories as of June 30, 2016 and December 31, 2015 are detailed as follows:

Items	Current		Non-current	
	6/30/2016 ThUS$	12/31/2015 ThUS$	6/30/2016 ThUS$	12/31/2015 ThUS$
Finished products	464,772	512,711	-	-
Subtotal finished products, net	464,772	512,711	-	-
Products in process	1,125,609	1,108,291	240,363	185,470
Subtotal products in process, net	1,125,609	1,108,291	240,363	185,470
Material in warehouse and other	553,645	555,317	-	-
Obsolescence allowance adjustment	(91,626)	(79,293)	-	-
Subtotal material in warehouse and other, net	462,019	476,024	-	-
Total Inventories	2,052,399	2,097,026	240,363	185,470

Inventories recognized as cost of operation for the six-month periods ended June 30, 2016 and 2015 correspond to finished goods and amount to ThUS$4,714,521 and ThUS$4,759,496 respectively.

For the six-month period ended June 30, 2016, the Corporation does not have reclassifications of strategic inventories to Property, Plant and Equipment.

The change in the obsolescence provision is described in the following table:

Obsolescence allowance movements	ThUS$
Initial Balance 1/1/2016	(79,293)
Period allowance	(12,333)
Final Balance 12/31/2015	(91,626)

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

As of June 30, 2016 2015, Codelco has not recognized inventory write-offs in its interim statements of comprehensive income.

At June 30, 2016, the book value of inventories - under evaluation of the concept of net realizable value under IAS 2 "Inventories" - amounted to ThUS$354,886. (December 31, 2015: ThUS$286,574). As a result of the evaluation, the Corporation adjusted inventories for which the book value exceeded its net realizable value, reaching at June 30, 2016, an amount of ThUS$71,166, which is deducted from the aforementioned figures. (December 31, 2015: ThUS$84,527).

During the six-month period ended June 30, 2016, the Corporation has not recorded reversal of provisions.

Codelco purchases copper from Sociedad Contractual Minera El Abra. At June 30, 2016 and December 31, 2015, there are no unrealized profits recorded.

The Corporation purchases and sells copper to its associate Anglo American Sur S.A. Within the Category of Inventories, the value of finished goods contains an unrealized profit of ThUS$73 as of June 30, 2016 (December 31, 2015: ThUS$160).

5. Deferred taxes and income taxes

a) Income tax expense

Items	6/30/2016 ThUS$	6/30/2015 ThUS$
Current Tax Expenses	-	(23,990)
Effect of Deferred Taxes (i)	296,672	(314,120)
Additional income taxes paid as a result of tax audits (ii)	-	(148,935)
Other	(4,163)	(17,155)
Total Income Taxes	292,509	(504,200)

i. Includes deferred tax carryforward of tax losses generated as of June 30, 2016, please see the table below.

ii. As a part of the process of the tax audit for the long-term sales agreement between the Corporation and its subsidiary, CuPIC, Codelco received two tax assessments which are indicated in Note 28 Contingencies and Restrictions. These settlements were challenged by the Corporation through several administrative and judicial means. As part of those procedures, the Corporation and the Internal Revenue Service agreed to make certain adjustments to the tax basis which results in the payment of ThUS$148,935, on August 31, 2015. This transaction was recorded in the line Income taxes of the Statement of Comprehensive Income.

    This agreement with the Servicio de Impuestos Internos ("SII") helped to resolve all the disputes with SII until 2011 and any differences that are foreseeable for years 2012, 2013 and 2014.

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

b) Deferred tax assets and liabilities are detailed as follows:

Deferred tax assets	6/30/2016 ThUS$	12/31/2015 ThUS$
Provisions	1,194,881	1,039,129
Unrealized gains	77	9,213
Finance lease	22,302	20,379
Advances from clients	-	128,804
Hedged Swap derivatives of exchange rates	12,346	12,361
Health care plans	-	14,654
Tax losses	1,440,001	672,907
Other	7,900	9,234
Total deferred tax assets	2,677,507	1,906,681

Deferred tax liabilities	6/30/2016 ThUS$	12/31/2015 ThUS$
IFRIC 20 First adoption	-	14,971
Taxes from Mining Activity	89,566	55,487
Property, plant and equipment variations	737,590	523,733
Valuation of employee termination benefits	23,895	27,100
Accelerated depreciation	4,568,651	4,334,433
Anglo American Sur S.A. investment	58,212	66,430
Income from fair value of mining properties	108,509	108,509
Derivatives Hedging future contracts	-	1,034
Affiliates income deferred taxes	21,618	30,030
Other	2,850	2,559
Total deferred tax liabilities	5,610,890	5,164,286

The effect of deferred taxes affecting equity is summarized as follows:

Deferred taxes affecting Equity	6/30/2016 ThUS$	6/30/2015 ThUS$
Cash Flow Hedge	19,994	10,499
Defined Benefit Plans	6,807	(11,082)
Total deferred taxes affecting equity	26,801	(583)

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

A reconciliation of taxes considering the legal tax rate and the calculation of the taxes actually paid is detailed as follows:

Items	6/30/2016				
	Taxable Base		Tax rate		Total
	24%	40%	24%	Adit. 40%	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Profit (loss) before taxes	(488,483)	(488,483)	117,236	195,393	312,629
Profit before taxes affiliates	(7,839)	(7,839)	1,881	3,136	5,017
Profit before taxes consolidated	(496,322)	(496,322)	119,117	198,529	317,646
Permanent differences					
Taxes of first category (24%)	6,208	-	(1,490)	-	(1,490)
Specific tax for government firms Art. 2 D.L. 2.398 (40%)	-	58,617	-	(23,447)	(23,447)
Subtotal determined tax	-	-	-	-	292,709
Effect of the 1st Category Tax Rate Change	-	-	-	-	44,513
Fair value Amortization Anglo American Sur S.A.	-	-	-	-	(7,305)
Specific mining tax	-	-	-	-	(37,408)
TOTAL TAX EXPENSE					292,509

Items	6/30/2015				
	Taxable Base		Tax Rate		Total
	22.5%	40%	22.5%	Adit. 40%	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Profit (loss) before taxes	446,639	446,639	(100,494)	(178,656)	(279,150)
Profit before taxes affiliates	(5,027)	(5,027)	1,131	2,010	3,141
Profit before taxes consolidated	441,612	441,612	(99,363)	(176,646)	(276,009)
Permanent differences					
Taxes of first category (22.5%)	32,584	-	(7,331)	-	(7,331)
Specific tax for government firms Art. 2 D.L. 2.398 (40%)	-	89,288	-	(35,715)	(35,715)
Subtotal determined tax	-	-	-	-	(319,055)
Effect of the 1st Category Tax Rate Change	-	-	-	-	4,266
Fair value amortization Anglo American Sur S.A.	-	-	-	-	(11,941)
Specific mining tax	-	-	-	-	(28,535)
Others	-	-	-	-	(148,935)
TOTAL TAX EXPENSE					(504,200)

Pursuant to Article 2 of the Decree Law 2.398, Codelco is subject to an additional tax rate of 40% to retained earnings of companies which are not Corporations or Joint Stock Companies 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 Tax System on the income, and which introduces various adjustments on the Tax System”, was published.

Among the principal changes, the creation of two optional tax systems stands out: The Attributed Income System, which establishes the progressive increase of the tax rate of the first category for the commercial years 2014, 2015, 2016 and 2017 increasing such rate to 21%, 22.5%, 24% and 25%, respectively; and in the Partially Integrated System, which establishes a progressive increase of the tax rate of the first category for the commercial years 2014, 2015, 2016, 2017 and 2018 increasing such rate to 21%, 22.5%, 24%, 25.5% and 27% respectively.

For the calculation of the deferred taxes, the Corporation, notwithstanding the above, has applied the General Taxation Regime, with tax rates notched for commercial years 2014, 2015, 2016, and 2017 onwards, increasing them to 21%, 22.5%, 24% and 25%, respectively. The Corporation, as a state-owned company, has the option to avail itself of the schemes provided for in Article 14 of the mentioned Tax Reform. Meanwhile, for the calculation of deferred taxes, subsidiaries and associates applied the partially integrated tax system by default. Through the extraordinary meeting of the shareholders, which will be held in the second half of 2016, the Corporation may choose to change the system of attributed income.

A rate of 5% for the Specific Mining Tax has been estimated, in accordance with Law No. 20,496.

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

6. Current tax assets and liabilities

In both areas the income tax receivables and tax liabilities to net income of monthly provisional payments are recorded respectively.

Current Tax Assets	6/30/2016 ThUS$	12/31/2015 ThUS$
Recoverable Taxes	253,960	255,528
Other	5,230	14,884
Total Current Tax Assets	259,190	270,412

Current Tax Liabilities	6/30/2016 ThUS$	12/31/2015 ThUS$
Provision for Mining Tax	-	4,156
Provision PPM	1,984	8,565
Others	-	3,532
Total Current Tax Liabilities	1,984	16,253

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

7. Property, Plant and Equipment

a) The balances of property, plant and equipment at June 30, 2016 and December 31, 2015, are as follows:

Property, Plant and Equipment, gross	6/30/2016 ThUS$	12/31/2015 ThUS$
Work in progress	5,655,019	4,890,617
Land	150,108	133,133
Buildings	4,919,847	4,962,596
Plant and equipment	13,998,327	14,129,173
Fixtures and fittings	80,359	56,229
Motor vehicles	1,997,181	1,998,687
Land improvements	4,765,677	4,715,847
Mining operations	5,481,563	5,199,036
Mine development	3,982,401	3,863,754
Other assets	1,433,986	1,433,836
Total Property, Plant and Equipment, gross	42,464,468	41,382,908

Property, Plant and Equipment, accumulated depreciation	6/30/2016 ThUS$	12/31/2015 ThUS$
Work in progress	-	-
Land	-	-
Buildings	2,669,367	2,594,337
Plant and equipment	8,772,239	8,644,487
Fixtures and fittings	37,133	38,680
Motor vehicles	1,175,499	1,111,840
Land improvements	2,734,582	2,663,029
Mining operations	2,957,262	2,449,858
Mine development	705,395	659,444
Other assets	493,439	453,994
Total Property, Plant and Equipment, accumulated depreciation	19,544,916	18,615,669

Property, Plant and Equipment, net	6/30/2016 ThUS$	12/31/2015 ThUS$
Work in progress	5,655,019	4,890,617
Land	150,108	133,133
Buildings	2,250,480	2,368,259
Plant and equipment	5,226,088	5,484,686
Fixtures and fittings	43,226	17,549
Motor vehicles	821,682	886,847
Land improvements	2,031,095	2,052,818
Mining operations	2,524,301	2,749,178
Mine development	3,277,006	3,204,310
Other assets	940,547	979,842
Total Property, Plant and Equipment, net	22,919,552	22,767,239

b) Movement of Property, plant and equipment:

Movements (in Thousands of US$)	Work in Progress	Land	Buildings	Plan and equipment	Fixtures and Fittings	Motor Vehicles	Land Improvements	Mining Operations	Mine Development	Other Assets	Total
Opening balance as 1/1//2016	4,890,617	133,133	2,368,259	5,484,686	17,549	886,847	2,052,818	2,749,178	3,204,310	979,842	22,767,239
Additions	1,011,528	4,448	407	29,066	2,691	2,148	890	258,539	-	2,270	1,311,987
Disposals	(11,279)	-	-	(4,663)	-	(27)	(1,269)	(16,310)	-	(6)	(33,554)
Capitalizations	(323,236)	9,162	47,638	152,133	-	11,472	102,831	-	-	-	-
Depreciation and amortization	-	-	(81,627)	(317,870)	(1,275)	(74,497)	(100,610)	(361,331)	(27,782)	(47,900)	(1,012,892)
Reclassifications	42,784	2,753	(85,955)	(105,437)	24,268	(4,217)	(23,566)	42,675	100,478	6,217	-
Other	44,605	612	1,758	(11,827)	(7)	(44)	1	(148,450)	-	124	(113,228)
Total movements	764,402	16,975	(117,779)	(258,598)	25,677	(65,165)	(21,723)	(224,877)	72,696	(39,295)	152,313
Final Balance 30/06/2016	5,655,019	150,108	2,250,480	5,226,088	43,226	821,682	2,031,095	2,524,301	3,277,006	940,547	22,919,552

Movements (in Thousands of US$)	Work in Progress	Land	Buildings	Plan and equipment	Fixtures and Fittings	Motor Vehicles	Land Improvements	Mining Operations	Mine Development	Other Assets	Total
Opening balance as 1/1/2015	4,468,987	125,699	2,445,734	5,860,944	17,189	902,279	1,842,579	2,765,774	2,442,089	1,033,087	21,904,361
Additions	3,037,635	1,006	4,056	31,662	2,661	-	3,137	720,072	-	28,183	3,828,412
Disposals	(388,881)	-	(718)	(73,752)	(25)	(1,354)	(99)	-	(3,331)	295	(467,865)
Capitalizations	(1,243,012)	12,085	138,102	557,259	793	80,355	308,908	121,832	3,522	20,156	-
Depreciation and amortization	-	-	(162,877)	(681,957)	(3,285)	(143,874)	(204,701)	(615,187)	(64,717)	(96,542)	(1,973,140)
Reclassifications	(738,778)	-	1,019	(45,236)	168	51,987	118,005	(249,180)	826,746	35,343	74
Dismantling Asset	(45,889)	-	(15,469)	(34,419)	-	(1)	(20,616)	-	-	-	(116,394)
Impairment	(200,864)	(4,236)	(44,228)	(106,941)	(64)	(2,477)	(11,634)	5,867	-	-	(364,577)
Other	1,419	(1,421)	2,640	(22,874)	112	(68)	17,239	-	1	(40,680)	(43,632)
Total movements	421,630	7,434	(77,475)	(376,258)	360	(15,432)	210,239	(16,596)	762,221	(53,245)	862,878
Final Balance 31/12/2015	4,890,617	133,133	2,368,259	5,484,686	17,549	886,847	2,052,818	2,749,178	3,204,310	979,842	22,767,239

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

c) The value 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 six-month period ended June 30, 2016 amounted to ThUS$76,412 calculated on an annual capitalization rate of 3.85% and compared with the same period of 2015, this item reached ThUS$71,643 on an annual rate of 3.50% capitalization.

f) The costs of exploration and drilling of deposits are recognized in profit or loss in accordance with the accounting policy of Codelco and cash outflows disbursed by the same concepts that are presented in the following table:

Expenditure on exploration and drilling reservoirs	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$
Profit /(loss)	13,801	25,494
Cash outflows	21,141	29,968

g) The item "Other assets" under "Property, plant and equipment" includes:

Other assets, net	6/30/2016 ThUS$	12/31/2015 ThUS$
Leasing assets	90,103	96,534
Mining properties from the purchase of Anglo American Sur S.A. shares	402,000	402,000
Maintenances and other major reparations	317,062	340,303
Other assets Plan Kalama	123,931	133,464
Others	7,451	7,541
Total other assets, net	940,547	979,842

h) With the exception of assets under lease whose legal title corresponds to the lessor, the Corporation currently has no ownership restrictions relating to assets belonging to Property, plant and equipment.

Codelco has not granted “Property, plant and equipment” assets as collateral to third parties in order to enable the realization of its normal business activities or as a commitment to support payment obligations.

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

i) According to the accounting policy indicated in note 2.i), related to impairment of Property Plant & Equipment and Intangible Assets, and as indicated in note Operating Segments, the Corporation recorded an impairment in the value of the assets of Ventanas and Salvador Divisions as of December 31, 2015 amounting to ThUS$54,047 and ThUS$310,530 before taxes, respectively. As of June 30, 2016, there are no impairment indicators.

8. Investments accounted for using the equity method

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

Item	Equity Method		Accrued Net Income		Accrued Net Income	
	6/30/2016	12/31/2015	1/1/2016 6/30/2016	1/1/2015 6/30/2015	4/1/2016 6/30/2016	4/1/2015 6/30/2015
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Investments in associates accounted for using the equity method	3,952,973	3,977,786	(28,919)	5,599	(28,858)	20,036
Joint ventures	-	114,031	-	48,967	(7,484)	25,973
Total	3,952,973	4,091,817	(28,919)	54,566	(36,342)	46,009

a) Associates

Agua de la Falda S.A.

As of June 30, 2016, Codelco has a 43.28% interest in Agua de la Falda S.A., with the remaining 56.72% owned by Minera Meridian Limitada.

The line of business of this company is to exploit deposits of gold and other minerals, in the third region of the country.

Sociedad Contractual Minera El Abra

Sociedad Contractual Minera El Abra was formed in 1994. As of June 30, 2016, Codelco has a 49% interest in Sociedad Contractual Minera El Abra, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

Company activities involve the extraction, production and marketing of copper cathodes.

Sociedad Contractual Minera Purén

As of June 30, 2016, Codelco has a 35% interest in Sociedad Contractual Minera Purén, with the remaining 65% owned by Compañía Minera Mantos de Oro.

This company's line of business 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, 2016, Codelco has a 37% interest in Sociedad GNL Mejillones S.A., with the remaining 63% owned by Suez Energy Andino S.A. These interests were established on November 5, 2010 when the Corporation did not increase the capital agreed upon by a meeting of shareholders of such company. Before the actual increase, both the Corporation and Suez Energy Andino S.A. had a 50% interest each.

This company's line of business 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, singly or in partnership with third parties.

Comotech S.A.

On April 4, 2016, Codelco reported to Internal Revenue Service ("IRS") the end of operations of this company.

Inca de Oro S.A.

On June 1, 2009 Codelco's Board authorized the formation of a company destined to developing studies to allow continuity of the Inca de Oro Project.

On February 15, 2011, the association of Codelco and Minera PanAust IDO Ltda. was approved in respect to the Inca de Oro deposit, with 66% of the share of Inca de Oro S.A. held by Minera PanAust IDO Ltda. and Codelco maintains a 34% share. Before the materialization of this association, Codelco owned 100% of the company.

The financial effects from this operation generated a profit before income tax of ThUS$33,668 during the period ended December 31, 2011.

At December 30, 2014, in the Extraordinary meeting of the shareholders held on that date, it was agreed to increase the capital share of ThUS$102,010, reducing Codelco's participation to 33.19%.

At December 31, 2015, the Corporation has decreased the mining property valuations and exploration and evaluation expenditures, due to an impairment analysis of assets in accordance with IFRS.

As of June 30, 2016, Codelco holds a participation of 33.2% of shared capital.

Copper for Energy S.A.

As of June 30, 2016, Codelco has a 41.3% interest in the share capital of Copper for Energy S.A. The remaining 58.7% interest is owned by International Copper Association Ltd, Fundación Chile and Universidad de Chile.

Copper for Energy S.A.'s line of business is to develop and commercialize new products and applications for copper, destined to make the most efficient use of energy and/ or to generate and utilize renewable energy; conducting and ordering research, carrying out studies and projects, rendering of training services and activities.

Planta Recuperadora de Metales SpA

On December 3, 2012, Planta Recuperadora Metales SpA was established, with Codelco owning 100% of the entity.

On July 7, 2014, Codelco reduced its participation in the total equity of the firm Planta Recuperadora de Metales SpA to a 51% interest. LS-Nikko Copper Inc. holds the remaining 49% of the equity.

On October 14, 2015, Codelco reduced its participation in the total equity of the firm Planta Recuperadora de Metales SpA to a 34% interest. LS-Nikko Copper Inc. holds the remaining 66% of the equity.

As of June 30, 2016, LS-Nikko Copper Inc. holds the control of the entity, which is based on the control elements that are described in the shareholders' agreement.

The principal activity of the company is the processing of intermediate products of the refining and processing of copper and other metals, with the aim to recover copper, the other metals and other containing sub products, their transformation in commercial products and to commercialize and distribute all class of goods or inputs which stand in relation with the mentioned process.

Deutsche Giessdraht GmbH

As of June 30, 2016, Aurubis and Codelco through its affiliate, Codelco Kupferhandel GmbH, have a 60% and 40% interest, respectively.

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

Anglo American Sur S.A.

At June 30, 2016, the control of Anglo American Sur belongs to Inversiones Anglo American Sur S.A. with a 50.06% share interest, while the non-controlling interest corresponds to Inversiones Mineras Acrux SpA., holding a 29.5% share interest and

Mitsubishi group, which holds the remaining 20.44% of the company. Inversiones Mineras Acrux is controlled by Codelco with a share interest of a 67,8% and holds a significant influence on Anglo American Sur S.A. through its affiliate Inversiones Mineras Becrux SpA.

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 naturally presented. 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 in which the shareholders agree.

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

The following table demonstrates the equity value and accrued results of investments in associates:

Associates	Taxpayer Number	Functional Currency	Equity Interest		Equity Method		Accrued Net Income		Accrued Net Income	
			6/30/2016	12/31/2015	6/30/2016	12/31/2015	1/1/2016 6/30/2016	1/1/2015 6/30/2015	4/1/2016 6/30/2016	4/1/2015 6/30/2015
			%	%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Deutsche Geissdraht GmbH	Foreign	EUR	40.0%	40.0%	2,714	3,033	499	498	236	216
Agua de la Falda S.A.	96.801.450-1	US$	43.3%	43.3%	4,460	4,591	(131)	(140)	(82)	(73)
Sociedad Contractual Minera El Abra	96.701.340-4	US$	49.0%	49.0%	665,177	650,726	9,956	28,743	1,486	14,566
Minera Purén SCM	76.028.880-2	US$	35.0%	35.0%	10,171	10,192	(21)	4,093	(7)	4,112
Sociedad GNL Mejillones S.A.	76.775.710-7	US$	37.0%	37.0%	68,891	68,029	862	4,406	204	2,271
Inca de Oro S.A.	73.063.022-5	US$	33.2%	33.2%	23,178	23,097	-	-	-	-
Anglo American Sur S.A.	77.762.940-9	US$	29.5%	29.5%	3,174,872	3,214,570	(39,883)	(31,652)	(30,621)	(882)
Planta Recuperadora de Metales SpA	76.255.054-7	US$	34.0%	34.0%	3,510	3,548	(201)	(331)	(74)	(156)
Copper for Energy S.A.	76.133.034-9	US$	41.30%	41.30%	-	-	-	(17)	-	(17)
Comotech S.A.	76.009.778-9	US$	48.19%	48.19%	-	-	-	(1)	-	(1)
TOTAL					3,952,973	3,977,786	(28,919)	5,599	(28,858)	20,036

In respect of investments in associates accounted for under the equity method, the following tables detail the assets and liabilities at June 30, 2016 and December 31, 2015 and main movements and results for the six-month periods ended June 30, 2016 and 2015.

Assets and liabilities	6/30/2016	12/31/2015
	ThUS$	ThUS$
Current Assets	1,623,235	1,240,418
Non-current Assets	6,102,383	6,120,536
Current Liabilities	407,838	339,828
Non-current Liabilities	1,527,447	1,156,418

Net Income	1/1/2016 6/30/2016	1/1/2015 6/30/2015	4/1/2016 6/30/2016	4/1/2015 6/30/2015
	ThUS$	ThUS$	ThUS$	ThUS$
Revenue	1,092,661	1,584,766	506,238	841,535
Cost of sales	(1,185,938)	(1,509,729)	(464,205)	(733,192)
			-	-
(Loss) profit for the period	(93,277)	75,037	42,033	108,343

Movements of Investment in Associates	1/1/2016 6/30/2016	1/1/2015 6/30/2015
	ThUS$	ThUS$
Opening balances	3,977,786	6,665,113
Contributions	81	-
Dividends	(10,128)	(54,996)
Net income for the period	(28,919)	5,599
Foreign exchange differences	(490)	18
Other comprehensive income	-	3,772
Other	14,643	(5,165)
Final balance	3,952,973	6,614,341

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

The following tables provide details of asset and liabilities of the significant associates at June 30, 2016 and December 31, 2015, and present the major movements and their results for the six-month periods ended June 30, 2016 and 2015.

Anglo American Sur S.A.

Assets and liabilities	6/30/2016 ThUS$	12/31/2015 ThUS$
Current Assets	1,117,902	750,664
Non-current Assets	4,353,769	4,419,038
Current Liabilities	327,896	271,345
Non-current Liabilities	986,584	626,548

Net Income	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Revenue	807,975	1,090,684	377,120	599,506
Cost of sales	(922,594)	(1,007,920)	(470,853)	(542,297)
Profit (loss) for the period	(114,619)	82,764	(93,733)	57,209

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

Sociedad Contractual Minera El Abra

Assets and liabilities	6/30/2016 ThUS$	12/31/2015 ThUS$
Current Assets	461,146	443,237
Non-current Assets	1,205,806	1,221,180
Current Liabilities	48,994	54,475
Non-current Liabilities	260,455	252,782

Net Income	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Revenue	257,483	456,115	115,040	222,312
Cost of sales	(237,164)	(396,582)	(112,007)	(191,712)
Profit (loss) for the period	20,319	59,533	3,033	30,600

b) Joint ventures

On April 7, 2016, 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) as described in Note 30, b) of these interim financial statements.

Assets and liabilities	6/30/2016 ThUS$	12/31/2015 ThUS$
Current Assets	-	76,806
Non-current Assets	-	161,956
Current Liabilities	-	10,705
Non-current Liabilities	-	-

Net Income	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Revenue	-	167,033	(33,599)	86,045
Cost of sales	-	(69,098)	18,631	(34,098)
Profit (loss) for the period	-	97,935	(14,968)	51,947

Movements of the investment in joint ventures	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$

Opening balances	114,031	133,593
Reduction of share	(99,601)	48,967
Dividends	(14,430)	(52,849)
Final balance	-	129,711

c) Additional information about unrealized profit

The Corporation has recognized unrealized profit for purchases and sales of products, mining properties, property, plant and equipment and ownership rights. The most significant transactions include the transaction carried out in 1994 for the initial contribution of mining properties to Sociedad Contractual Minera El Abra.

The balance of unrealized profit at June 30, 2016 corresponds to ThUS$0 (December 31, 2015: ThUS$14,283), an amount which represents deductions of investments in this entity.

Codelco carries out copper purchase and sales with Sociedad Contractual Minera El Abra. At June 30, 2016 and at December 31, 2015, the value of finished products inventories category presents no unrealized gain provisions

Codelco carries out copper purchases and sales with Anglo American Sur S.A., and the value of finished products for the category “Inventories” at June 30, 2016, had a provision for unrealized gain of ThUS$73. At December 31, 2015, the company had a provision for unrealized gain of ThUS$160.

The Company has recorded unrealized gains for the purchase of rights to use GNL terminal of Contractual Minera El Abra in the amount of ThUS$3,920 at June 30, 2016 and December 31, 2015.

d) Share in companies acquired at fair value versus carrying amount

The acquisition by Codelco of its participation in Anglo American Sur S.A., on August 24, 2012, was recorded based on the acquisition method, which involved the initial recognition of an investment in the amount of ThUS$6,490,000, corresponding to the percentage of the share interest acquired (29.5%) over the fair value of the net assets of the company.

In determining the fair value of the net assets of the acquired share interest, the Corporation considered both the resources and mineral reserves that can be recovered reliably and the assessment of intangibles and all other considerations about assets and contingent liabilities was performed.

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 time of the acquisition of Anglo American Sur S.A.

The transaction has not resulted in the acquisition of control of the acquired company.

The Corporation used the model of discounted cash flows to estimate cash flow projections, based on the life of the mines. These projections are based on estimated production and future prices of minerals, operating costs and capital costs at the date of acquisition, among other estimates. Additionally, resources and potential resources to explore are not included in the plan because they have been valued separately using a market model. These resources include the concept of "Mineral Resources".

As part of this process and by applying the valorization criteria indicated above, the fair value of the net assets of Anglo American Sur S.A. was US$22,646 million in proportion to the ownership by Inversiones Mineras Becrux SpA (29.5%) which amounts to US$6,681 million at fair value at purchase date.

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

As of December 31, 2015, the Corporation identified the existence of impairment indicators in the operating units of Anglo American Sur S.A. According to this, and with the purpose of performing the corresponding adjustments for the reasonable recognizing of its participation in the profit or loss of the period for this associate, the Corporation performed a calculation for the recoverable amount, by considering the additional value of the identified assets at the date of acquisition of the investment.

With the purpose of determining the recoverable amount, the Corporation applied the methodology of fair value less disposal costs. The recoverable amount of the operating assets was determined according to the LOM indicator, which is based on a discounted cash flow model, mainly affected by the ore reserves declared by the associate, the copper price, the supply costs, foreign exchange rates, discount rates and the market information for the long-term assets valuation. The discount rate used for this calculation was 8% for the year, after taxes.

Furthermore, the resources which are not included in the LOM, as well as the potential resources to explore, have been valued using a market model of multiples for comparable transactions.

Such methodologies are in line with the one used at the acquisition date, which is detailed in letter d) of this note.

As a result of such calculation for the recoverable amount, the Corporation recognized an impairment of ThUS$2,439,495 over the associate identified assets, which are disclosed in the line “Share of profit of associates and joint ventures accounted for using the equity method" of the Consolidated Statements of Comprehensive Income for the period ended December 2015. Such loss by impairment is mainly due to the drop in copper prices during the year 2015. As of June 30, 2016, there are no impairment indicators; hence, the administration has not performed any adjustment to the assets carrying value.

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

After recognition of the share of profit of associates, according to the details above, there is no evidence requiring further impairments on the recoverable amount of the investment held in Anglo American Sur S.A.

f) Participation in the profit or loss of the period

The loss before taxes include a proportion over the results of Anglo American Sur S.A. where Codelco has investment. The proportion of the loss corresponding to Anglo American Sur S.A. investment corresponds to ThUS$33,812. In addition to that the Corporation has recorded an impairment over the investment that resulted adjusting the net assets and the depreciation by ThUS$5,886. This amount has been decreased from the line item “Share of loss of associates and joint ventures accounted under the equity method” in the Unaudited Interim Consolidated Statements of Comprehensive Income.

9. Intangible assets other than goodwill

As of June 30, 2016 and December 31 2015, the intangible assets other than goodwill are described as follows:

a) This item is composed as follows:

Item	6/30/2016 ThUS$	12/31/2015 ThUS$
Intangible Assets with finite useful life, net	14,292	13,699
Intangible assets with indefinite useful life	177,527	172,383
Total	191,819	186,082

b) Balances:

Item	6/30/2016 Gross ThUS$	6/30/2016 Accumulated Amortization ThUS$	6/30/2016 Net ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,959	-	7,959
Software	3,087	(1,212)	1,875
Technological development and innovation	169,568	-	169,568
Other	12,835	(446)	12,389
Total	193,477	(1,658)	191,819

12/31/2015

Item	Gross ThUS$	Accumulated Amortization ThUS$	Net ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,959	-	7,959
Software	2,349	(1,056)	1,293
Technological development and innovation	164,424	-	164,424
Other	12,824	(446)	12,378
Total	187,584	(1,502)	186,082

c) Movements:

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development & innovation	Other	Total
Opening balance 1/1/2016	28	7,959	1,293	164,424	12,378	186,082
Additions	-	-	99	5,144	830	6,073
Disposals	-	-	(1)	-	-	(1)
Amortization	-	-	(223)	-	(176)	(399)
Reclassifications	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Other	-	-	707	-	(643)	64
Total Movements	-	-	*582*	*5,144*	*11*	*5,737*
Final Balance 6/30/2016	28	7,959	1,875	169,568	12,389	191,819

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development & innovation	Other	Total
Opening balance 1/1//2015	28	5,715	713	148,656	11,950	167,062
Additions	-	2,244	1,019	15,768	718	19,749
Disposals	-	-	(67)	-	(61)	(128)
Amortization	-	-	(329)	-	(350)	(679)
Reclassifications	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Other	-	-	(43)	-	121	78
Total Movements	-	*2,244*	*580*	*15,768*	*428*	*19,020*
Final Balance 31/12/2015	28	7,959	1,293	164,424	12,378	186,082

d) Additional Information

- As of June 30, 2016 and December 31, 2015, the Corporation owns significant intangible assets which amount to ThUS$169,568 and ThUS$164,424, respectively, related to the Continuous Mining Projects.
- As of June 30, 2016 and December 31, 2015, there are no completely amortized intangible assets that are being used in the operations.
- As of June 30, 2016 and, 2015, expenses for research and technological development and innovation amounted to ThUS$6,066 and ThUS$6,264, respectively. On the other hand, research disbursements reached ThUS$6,513 and ThUS$14,666 as of June 30, 2016 and 2015, respectively.

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

10. Subsidiaries

The following tables present a detail of the assets, liabilities and results of the Corporation's subsidiaries, prior to consolidation adjustments:

Assets and liabilities	6/30/2016 ThUS$	12/31/2015 ThUS$
Current Assets	459,554	503,468
Non-current Assets	3,909,180	3,970,939
Current Liabilities	366,931	364,030
Non-current Liabilities	1,206,383	1,268,184

Net Income	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Revenue	788,914	946,826	388,604	532,125
Cost of sales	(850,622)	(950,889)	(442,276)	(519,818)
Profit (loss) for the period	(61,708)	(4,063)	(53,672)	12,307

11. Other non-current non-financial assets

Other non-current non-financial assets included in the consolidated statement of financial position as of June 30 2016 and December 31, 2015 is detailed as follows:

Other non-current non-financial assets	6/30/2016 ThUS$	12/31/2015 ThUS$
Law No.13.196 Asset (1)	18,949	19,866
Others	8,935	8,042
Total	27,884	27,908

(1) Corresponds to the recording of the commitment related to Law No. 13.196, for the advance payment received for the copper sales contract signed with CuPIC. This amount will be amortized according to the shipments made.

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

12. Current and non-current financial assets

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

	6/30/2016				
Classification in the statement of financial position	At fair value though profit and loss ThUS$	Loans and receivables ThUS$	Hedging derivatives ThUS$	Available for sale ThUS$	Total financial assets ThUS$
Cash and cash equivalents	-	339,112	-	-	339,112
Trade and other current receivables	31,854	1,673,220	-	-	1,705,074
Accounts receivables, non – current	-	88,218	-	-	88,218
A/R due from related companies, current	-	1,072	-	-	1,072
A/R due from related companies, non – current	-	20,796	-	-	20,796
Other current financial assets	-	3,940	3,332	-	7,272
Other non - current financial assets	-	7,239	44,955	-	52,194
TOTAL	31,854	2,133,597	48,287	-	2,213,738

	12/31/2015				
Classification in the statement of financial position	At fair value though profit and loss ThUS$	Loans and receivables ThUS$	Hedging derivatives ThUS$	Available for sale ThUS$	Total financial assets ThUS$
Cash and cash equivalents	-	1,747,718	-	-	1,747,718
Trade and other current receivables	(66,977)	1,943,840	-	-	1,876,863
Accounts receivables, non – current	-	85,069	-	-	85,069
A/R due from related companies, current	-	21,057	-	-	21,057
A/R due from related companies, non – current	-	224	-	-	224
Other current financial assets	-	7,425	2,777	-	10,202
Other non - current financial assets	-	5,526	30,765	-	36,291
TOTAL	(66,977)	3,810,858	33,542	-	3,777,423

- Financial assets designated at fair value through profit or loss: At June 30, 2016, this category mainly includes unfinished product sale invoices and mutual fund investments made by Codelco Chile subsidiaries.

  The effects on results of open invoices are determined by the differences between the provisional price at the date of shipment and the futures price curve of products, as explained under the title Accounting policies (letter p of number 2 of Chapter II), while mutual funds affect the result by the change in fair value of shares.

- Loans granted and receivables: These correspond to financial assets with fixed or determinable payments that are not traded in an active market.

  The effects on the period's statements of comprehensive income generated by these assets, come mainly from financial interest gains and from the exchange rate differences related to the balances in currencies other than the functional currency.

  No material impairments were recognized in accounts receivable.

- Hedging derivatives: These correspond to the receivable balances for derivative contracts from the exposure generated by existing operations and which affect the period's profit and loss from the liquidation of these operations. The details of derivative transactions are included in Note 29.

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

- Available-for-sale financial assets: These correspond primarily to non-derivative financial assets that are specifically designated as available for sale or are not classified as: a) loans and receivables, b) investments held to maturity or c) financial assets carried at fair value through profit or loss.

  Within the period presented, there was no reclassification of financial instruments among the different categories established under IAS 39 "Financial Instruments: recognition and measurement".

13. Interest-bearing borrowings

Current and non-current interest-bearing borrowings correspond to Borrowings from financial institutions, Bond obligations and Finance leases, which are recorded by the Corporation at amortized cost using the effective interest rate method.

The tables below show the composition of the other financial liabilities, current and non-current.

Items	6/30/2016					
	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 entities	873,913	-	873,913	2,459,282	-	2,459,282
Bonds	153,548	-	153,548	11,216,536	-	11,216,536
Financial Lease	19,320	-	19,320	96,706	-	96,706
Hedge obligations	-	18,917	18,917	-	158,333	158,333
Other financial liabilities	3,605	-	3,605	74,739	-	74,739
Total	1,050,386	18,917	1,069,303	13,847,263	158,333	14,005,596

Items	12/31/2015					
	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 entities	995,891	-	995,891	2,511,654	-	2,511,654
Bonds	146,923	-	146,923	11,176,610	-	11,176,610
Financial Lease	19,173	-	19,173	99,401	-	99,401
Hedge obligations	-	107	107	-	162,437	162,437
Other financial liabilities	4,116	-	4,116	76,829	-	76,829
Total	1,166,103	107	1,166,210	13,864,494	162,437	14,026,931

These items are generated by the following situations:

- Borrowings from financial institutions:

The loans obtained by the Corporation to finance its production operations oriented towards the foreign market.

On August 23, 2012, the subsidiary Inversiones Gacrux SpA (Gacrux), agreed to funding from Oriente Copper Netherlands BV (a subsidiary of Mitsui & Co. Ltd.) 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 of Libor + 2.5%. This credit has no personal guarantees ("non-recourse") on Codelco's part.

Codelco's indirect subsidiary Codelco Inversiones Mineras Becrux SpA used this funding for the acquisition of 24.5% of the shares of Anglo American Sur S.A. and other related expenses.

On October 31, 2012, new terms of the amended Credit Agreement were agreed, which remains without personal guarantees of Codelco ("non-recourse"), and established a fixed rate of 3.25% per annum and a duration of 20 years, to be payable in 40 semi-annual quotas of principal and interest. Under previous agreements, Mitsui is entitled to additional interest equivalent to one-third of the savings that result to Gacrux from the difference between refinanced credit and the Credit Agreement originally signed. Furthermore, Mitsui (through a subsidiary) held an option to purchase from Gacrux an additional 15.25% of the shares issued by the company Inversiones Mineras Acrux SpA ("Acrux"), at a fixed price of approximately US$998 million, to be used in full to prepay Gacrux's debt under the Credit Agreement.

Subsequently, on November 26, 2012, Mitsui materialized the purchase of additional 15.25% share interest in Acrux, so Codelco reduced its debt with Mitsui, which at June 30, 2016 has a balance of ThUS$773,506.

- *Bond obligations:*

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF 6,900,000 in a single series denominated 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, with a 4% annual interest rate and with bi-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, with a 5.6250% annual interest rate and with bi-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, with a 6.15% annual interest rate and with bi-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 mature in a single installment on January 15, 2019, at an interest rate of 7.5% per annum with interest paid bi-annually.

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 mature in a single installment on November 4, 2020, at an interest rate of 3.75% per annum with interest paid bi-annually.

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 mature in a single installment on November 4, 2021, with an interest rate of 3.875% per annum, with interest paid bi-annually.

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. The ThUS$1,250,000 with an interest rate of 3% per annum mature on July 17, 2022 and the ThUS$750,000 with an interest rate of 4.25% mature on July 17, 2042, and each have interest paid annually.

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, which will mature in a single installment on August 13, 2023, with a coupon of 4.5% per annum with interest paid semiannually.

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, which will mature in a single installment on October 18, 2043, with a coupon of 5.625% per annum with interest paid semiannually.

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, which will mature in a single installment on July 9, 2024, with a coupon of 2.25% per annum with the interest paid annually.

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, which will mature in a single installment on November 4, 2044, with a coupon of 4.875% per annum with interest paid semiannually.

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, which will mature in a single installment on September 16, 2025, with a coupon of 4.5% per annum with interest paid semiannually.

As of June 30, 2016, and December 31, 2015 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:

Obtaining financial resources generates, in addition to the interest rate, fees and other expenses charged by the financial institutions, and the Corporation receives the net value of the loans. These expenses are amortized based on the effective interest rate determined using the amortized cost method.

- Finance leases:

Finance lease transactions are generated for service contracts, principally for 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, 2016, the details of loans from financial institutions and bond obligations are as follows:

6/30/2016												Current balance	Non-current balance
Taxpayer number	Country	Loans with financial entities	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of Interest	Nominal rate	Effective rate	ThUS$	ThUS$
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	10/14/2016	Floating	US$	250,000,000	Maturity	Quarterly	1.13%	1.44%	250,382	-
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2016	Floating	US$	250,000,000	Maturity	Quarterly	1.14%	1.49%	250,267	-
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	9/16/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.27%	1.51%	159	298,572
Foreign	USA	Bilateral Credit	Bank of America N.A.	10/11/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.28%	1.49%	832	298,658
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	7/17/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.25%	1.36%	794	299,468
Foreign	USA	Bilateral Credit	Export Dev Canada	7/20/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.26%	1.36%	695	299,430
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	6/5/2019	Floating	US$	95,000,000	Maturity	Quarterly	1.28%	1.52%	74	94,396
Foreign	USA	Bilateral Credit	Export Dev Canada	6/16/2019	Floating	US$	300,000,000	Maturity	Quarterly	1.25%	1.34%	865	299,206
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd	5/24/2019	Floating	US$	96,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	1.51%	1.90%	24,111	47,580
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US$	224,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	1.41%	1.58%	32,277	159,098
97.018.000-1	Chile	Bilateral Credit	Santander Chile	5/4/2016	Floating	US$	100,000,000	Maturity	Quarterly	0.68%	0.68%	100,109	-
97.036.000-K	Chile	Bilateral Credit	Scotiabank	5/4/2016	Floating	US$	100,000,000	Maturity	Quarterly	0.72%	0.72%	100,115	-
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2032	Fixed	US$	874,959,000	Semi-annual principal installments at maturity.	Semi-annual	3.25%	3.60%	72,167	661,339
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	EUR				1.24%	1.24%	31,276	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	EUR				1.22%	1.22%	8,301	-
			Other									1,489	1,535
TOTAL												873,913	2,459,282

Bonds	Country	Maturity	Rate	Currency	Amount	Type of amortization	Payment of Interest	Nominal rate	Effective rate	Current balance ThUS$	Non-current balance ThUS$
144-A REG.S	Luxembourg	1/15/2019	Fixed	US$	600,000,000	Maturity	Semi-annual	7.50%	7.79%	20,769	596,095
144-A REG.S	Luxembourg	11/4/2020	Fixed	US$	1,000,000,000	Maturity	Semi-annual	3.75%	3.98%	5,808	990,765
144-A REG.S	Luxembourg	11/4/2021	Fixed	US$	1,150,000,000	Maturity	Semi-annual	3.88%	4.07%	7,266	1,139,524
144-A REG.S	Luxembourg	7/17/2022	Fixed	US$	1,250,000,000	Maturity	Semi-annual	3.00%	3.17%	17,205	1,238,327
144-A REG.S	Luxembourg	8/13/2023	Fixed	US$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	12,795	738,983
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	2,703	288,238
144-A REG.S	Luxembourg	9/16/2025	Fixed	US$	2,000,000,000	Maturity	Semi-annual	4.50%	4.78%	25,924	1,959,345
144-A REG.S	Luxembourg	9/21/2035	Fixed	US$	500,000,000	Maturity	Semi-annual	5.63%	5.78%	7,796	491,130
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	Maturity	Semi-annual	6.15%	6.22%	5,881	496,179
144-A REG.S	Luxembourg	7/17/2042	Fixed	US$	750,000,000	Maturity	Semi-annual	4.25%	4.41%	14,624	732,051
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	10,804	932,536
144-A REG.S	Luxembourg	11/4/2044	Fixed	US$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	7,400	960,197
144-A REG.S	Luxembourg	7/9/2024	Fixed	EUR	600,000,000	Maturity	Annual	2.25%	2.48%	14,573	653,163
TOTAL										153,548	11,216,536

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, 2015, the details of loans from financial institutions and bond obligations are as follows:

12/31/2015													
Taxpayer number	Country	Loans with financial entities	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of Interest	Nominal rate	Effective rate	Current balance ThUS$	Non-current balance ThUS$
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	10/13/2016	Floating	US$	100,000,000	Maturity	Quarterly	0.92%	1.20%	99,995	-
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	10/14/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.82%	1.13%	249,855	-
Foreign	USA	Bilateral Credit	HSBC Bank USA. N.A.	10/11/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.92%	1.23%	249,959	-
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2016	Floating	US$	250,000,000	Maturity	Quarterly	0.82%	1.25%	249,702	-
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	9/16/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.13%	1.37%	151	298,267
Foreign	USA	Bilateral Credit	Bank of America N.A.	10/11/2018	Floating	US$	300,000,000	Maturity	Quarterly	0.97%	1.18%	638	298,375
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	7/17/2018	Floating	US$	300,000,000	Maturity	Quarterly	0.94%	1.04%	597	299,357
Foreign	USA	Bilateral Credit	Export Dev Canada	7/20/2018	Floating	US$	300,000,000	Maturity	Quarterly	0.94%	1.04%	520	299,309
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	6/5/2019	Floating	US$	95,000,000	Maturity	Quarterly	1.10%	1.33%	64	94,300
Foreign	USA	Bilateral Credit	Export Dev Canada	6/16/2019	Floating	US$	300,000,000	Maturity	Quarterly	0.94%	1.03%	657	299,055
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd	5/24/2019	Floating	US$	96,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	1.17%	1.55%	24,101	59,429
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US$	224,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	1.07%	1.24%	32,228	174,939
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2032	Fixed	US$	874,959,000	Semi-annual principal installments at maturity.	Semi-annual	3.25%	5.37%	63,773	686,999
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	EUR				1.24%	1.24%	12,921	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	EUR				1.22%	1.22%	9,025	-
			Other									1,705	1,625
TOTAL												995,891	2,511,654

Bonds	Country	Maturity	Rate	Currency	Amount	Type of amortization	Payment of Interest	Nominal rate	Effective rate	Current balance ThUS$	Non-current balance ThUS$
144-A REG.S	Luxembourg	1/15/2019	Fixed	US$	600,000,000	Maturity	Semi-annual	7.50%	7.79%	20,788	595,412
144-A REG.S	Luxembourg	11/4/2020	Fixed	US$	1,000,000,000	Maturity	Semi-annual	3.75%	3.98%	5,943	989,806
144-A REG.S	Luxembourg	11/4/2021	Fixed	US$	1,150,000,000	Maturity	Semi-annual	3.88%	4.07%	7,345	1,138,652
144-A REG.S	Luxembourg	7/17/2022	Fixed	US$	1,250,000,000	Maturity	Semi-annual	3.00%	3.16%	17,221	1,237,442
144-A REG.S	Luxembourg	8/13/2023	Fixed	US$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	12,840	738,341
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	2,518	264,658
144-A REG.S	Luxembourg	9/16/2025	Fixed	US$	2,000,000,000	Maturity	Semi-annual	4.50%	4.77%	26,311	1,957,617
144-A REG.S	Luxembourg	9/21/2035	Fixed	US$	500,000,000	Maturity	Semi-annual	5.63%	5.78%	7,881	491,006
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	Maturity	Semi-annual	6.15%	6.22%	5,965	496,127
144-A REG.S	Luxembourg	7/17/2042	Fixed	US$	750,000,000	Maturity	Semi-annual	4.25%	4.40%	14,638	731,865
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	10,950	932,407
144-A REG.S	Luxembourg	11/4/2044	Fixed	US$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	7,481	960,040
144-A REG.S	Luxembourg	7/9/2024	Fixed	EUR	600,000,000	Maturity	Annual	2.25%	2.48%	7,042	643,237
TOTAL										146,923	11,176,610

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 due to the Corporation maintained with financial institutions, is as follows:

6/30/2016					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$	1.44%	1.13%	Quarterly	713	250,713	251,426	-	-	-	-
Export Dev Canada	US$	1.49%	1.14%	Quarterly	719	250,767	251,486	-	-	-	-
Mizuho Corporate Bank Ltd.	US$	1.51%	1.27%	Quarterly	976	2,895	3,871	304,857	-	-	304,857
Bank of America N.A.	US$	1.49%	1.28%	Quarterly	971	2,922	3,893	305,823	-	-	305,823
Bank of Tokyo Mitsubishi Ltd.	US$	1.36%	1.25%	Quarterly	950	2,862	3,812	304,773	-	-	304,773
Export Dev Canada	US$	1.36%	1.26%	Quarterly	958	2,884	3,842	304,716	-	-	304,716
Mizuho Corporate Bank Ltd	US$	1.52%	1.28%	Quarterly	311	923	1,234	97,457	-	-	97,457
Export Dev Canada	US$	1.34%	1.25%	Quarterly	1,907	2,845	4,752	307,379	-	-	307,379
Bank of Tokyo-Mitsubishi Ltd.	US$	1.90%	1.51%	Semi-annual	-	25,008	25,008	48,917	-	-	48,917
Japan Bank International Cooperation	US$	1.58%	1.41%	Semi-annual	-	34,623	34,623	67,878	66,057	32,343	166,278
Santander Chile	US$	0.68%	0.68%	Quarterly	100,171	-	100,171	-	-	-	-
Scotiabank	US$	0.72%	0.72%	Quarterly	100,181	-	100,181	-	-	-	-
ORIENTE COPPER NETHERLANDS B.V	US$	5.37%	3.25%	Semi-annual	-	76,315	76,315	148,305	142,590	707,760	998,655
BOND 144-A REG. 2019	US$	7.79%	7.50%	Semi-annual	22,500	22,500	45,000	690,000	-	-	690,000
BOND 144-A REG. 2020	US$	3.98%	3.75%	Semi-annual	-	37,500	37,500	75,000	1,056,250	-	1,131,250
BOND 144-A REG. 2021	US$	4.07%	3.88%	Semi-annual	-	44,563	44,563	89,125	89,125	1,172,281	1,350,531
BOND 144-A REG. 2022	US$	3.17%	3.00%	Semi-annual	18,750	18,750	37,500	75,000	75,000	1,306,250	1,456,250
BOND 144-A REG. 2023	US$	4.75%	4.50%	Semi-annual	16,875	16,875	33,750	67,500	67,500	834,375	969,375
BOND 144-A REG. 2025	US$	4.78%	4.50%	Semi-annual	45,000	45,000	90,000	180,000	180,000	2,405,000	2,765,000
BOND 144-A REG. 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	907,813	1,020,313
BOND 144-A REG. 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	976,625	1,099,625
BOND 144-A REG. 2042	US$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,435,313	1,562,813
BOND 144-A REG. 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,152,344	2,366,094
BOND 144-A REG. 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	2,102,713	2,293,813
				Total ThUS$	340,983	999,909	1,340,892	3,450,655	2,060,447	14,032,817	19,543,919

BOND BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	8,004,000	9,108,000
				Total U.F.	138,000	138,000	276,000	552,000	552,000	8,004,000	9,108,000
				Subtotal ThUS$	5,436	5,436	10,872	21,744	21,744	315,286	358,774
BOND 144-A REG. 2024	EUR	2.48%	2.25%	Annual	13,500,000	13,500,000	27,000,000	13,500,000	27,000,000	654,000,000	694,500,000
				Total EUR	13,500,000	13,500,000	27,000,000	13,500,000	27,000,000	654,000,000	694,500,000
				Subtotal ThUS$	14,940	14,940	29,881	14,940	29,881	723,774	768,595

Total ThUS$	361,359	1,020,285	1,381,644	3,487,339	2,112,071	15,071,877	20,671,287

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)

12/31/2015					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
Mizuho Corporate Bank Ltd	US$	1.20%	0.92%	Quarterly	467	100,467	100,934	-	-	-	-
Bank of Tokyo Mitsubishi Ltd.	US$	1.13%	0.82%	Quarterly	524	251,561	252,085	-	-	-	-
HSBC Bank USA. N.A.	US$	1.23%	0.92%	Quarterly	1,180	251,167	252,347	-	-	-	-
Export Dev Canada	US$	1.25%	0.82%	Quarterly	526	250,973	251,499	-	-	-	-
Mizuho Corporate Bank Ltd.	US$	1.37%	1.13%	Quarterly	858	2,594	3,452	306,028	-	-	306,028
Bank of America N.A.	US$	1.18%	0.97%	Quarterly	1,479	1,479	2,958	305,898	-	-	305,898
Bank of Tokyo Mitsubishi Ltd.	US$	1.04%	0.94%	Quarterly	714	2,151	2,865	305,016	-	-	305,016
Export Dev Canada	US$	1.04%	0.94%	Quarterly	724	2,158	2,882	304,992	-	-	304,992
Mizuho Corporate Bank Ltd	US$	1.33%	1.10%	Quarterly	261	796	1,057	1,850	95,527	-	97,377
Export Dev Canada	US$	1.03%	0.94%	Quarterly	1,430	2,150	3,580	4,987	301,962	-	306,949
Bank of Tokyo-Mitsubishi Ltd.	US$	1.55%	1.17%	Semi-annual	-	24,926	24,926	48,994	12,071	-	61,065
Japan Bank International Cooperation	US$	1.24%	1.07%	Semi-annual	-	34,172	34,172	67,292	65,908	48,519	181,719
ORIENTE COPPER NETHERLANDS B.V	US$	3.60%	5.37%	Semi-annual	39,161	38,663	77,824	151,188	145,474	778,309	1,074,971
BOND 144-A REG. 2019	US$	7.79%	7.50%	Semi-annual	22,500	22,500	45,000	90,000	622,500	-	712,500
BOND 144-A REG. 2020	US$	3.98%	3.75%	Semi-annual	-	37,500	37,500	75,000	1,075,000	-	1,150,000
BOND 144-A REG. 2021	US$	4.07%	3.88%	Semi-annual	-	44,563	44,563	89,125	89,125	1,194,563	1,372,813
BOND 144-A REG. 2022	US$	3.16%	3.00%	Semi-annual	18,750	18,750	37,500	75,000	75,000	1,325,000	1,475,000
BOND 144-A REG. 2023	US$	4.75%	4.50%	Semi-annual	16,875	16,875	33,750	67,500	67,500	851,250	986,250
BOND 144-A REG. 2025	US$	4.77%	4.50%	Semi-annual	45,000	45,000	90,000	180,000	180,000	2,450,000	2,810,000
BOND 144-A REG. 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	921,875	1,034,375
BOND 144-A REG. 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	992,000	1,115,000
BOND 144-A REG. 2042	US$	4.40%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,451,250	1,578,750
BOND 144-A REG. 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,179,063	2,392,813
BOND 144-A REG. 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	2,126,600	2,317,700
				Total ThUS$	180,450	1,310,409	1,490,859	2,456,795	3,113,992	14,318,429	19,889,216
BOND BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	8,142,000	9,246,000
				Total U.F.	138,000	138,000	276,000	552,000	552,000	8,142,000	9,246,000
				Subtotal ThUS$	4,980	4,980	9,961	19,921	19,921	293,838	333,681
BOND 144-A REG. 2024	EUR	2.48%	2.25%	Annual	-	13,500,000	13,500,000	27,000,000	27,000,000	654,000,000	708,000,000
				Total EUR	-	13,500,000	13,500,000	27,000,000	27,000,000	654,000,000	708,000,000
				Subtotal ThUS$	-	14,725	14,725	29,450	29,450	713,353	772,254
				Total ThUS$	185,430	1,330,114	1,515,545	2,506,167	3,163,364	15,325,620	20,995,151

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)

Payment commitments for financial leasing transactions are summarized in the following table:

Financial Leasing	6/30/2016			12/31/2015		
	Gross ThUS$	Interest ThUS$	Net ThUS$	Gross ThUS$	Interest ThUS$	Net ThUS$
Less than 90 days	10,057	(2,393)	7,664	10,025	(2,434)	7,591
Between 90 days and 1 year	18,729	(7,073)	11,656	19,117	(7,535)	11,582
Between 1 and 2 years	27,815	(9,912)	17,903	28,319	(10,386)	17,933
Between 2 and 3 years	23,861	(9,005)	14,856	23,131	(9,259)	13,872
Between 3 and 4 years	37,060	(11,444)	25,616	40,157	(13,178)	26,979
Between 4 and 5 years	10,144	(2,940)	7,204	11,191	(3,197)	7,994
More than 5 years	35,735	(4,608)	31,127	37,883	(5,260)	32,623
Total	163,401	(47,375)	116,026	169,823	(51,249)	118,574

Commitment to future payments for operating leases and lease payments recognized in the statements of comprehensive income are summarized in the following table:

Future payments for operating issues	6/30/2016 ThUS$	12/31/2015 ThUS$
Less than one year	572,468	1,114,212
Between one and five years	558,569	620,318
More than five years	70,400	268,864
TOTAL	1,201,437	2,003,394

Rental fees recognized in the Statement of Comprehensive Income	6/30/2016 ThUS$	12/31/2015 ThUS$
Minimum payments for operating leases	49,950	126,705

14. Fair Value of financial assets and liabilities

As the carrying amount of financial assets is a reasonable approximation of their fair value, no incremental disclosures are required in accordance with IFRS 7.

Regarding financial liabilities, the following table shows a comparison at June 30, 2016 between the book value and the fair value of financial liabilities other than those whose book value is a reasonable approximation of fair value.

Comparison between book value & fair value As of June 30, 2016	Accounting treatment for valuation	Book value ThUS$	Fair value ThUS$
Financial Liabilities			
Bond Obligations	Amortized cost	11,370,084	11,356,979

The fair value of loans from financial institutions is a reasonable approximation of their book value. Liabilities arising from hedging are valued in the financial statements at fair value.

15. Fair value hierarchy

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

The estimated market value for the Corporation's portfolio of financial instruments is based on calculations of observable inputs. Each of these methodologies has been analyzed to determine to which of the following levels the instruments can be classified:

- Level 1 corresponds to Fair Value measurement methodologies through market quotes (unadjusted) in active markets and considering the same valued assets and liabilities.
- Level 2 corresponds to Fair Value measurement methodologies using market quote data, not included in Level 1, that are either directly (prices) or indirectly (derived from the prices) observable for the valued assets and liabilities.
- Level 3 corresponds to Fair Value measurement methodologies that use valuation techniques that include data on the valued assets and liabilities that are not supported by observable market data.

Based on the methodologies, inputs, and previous definitions the following market levels have been established for the financial instruments portfolio held by the Corporation as of June 30, 2016:

Financial assets and liabilities at fair value with effect in profit and loss statement	6/30/2016			
	Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$	Total ThUS$
Financial Assets				
Provisional price sales contracts	-	31,853	-	31,853
Cross Currency Swap	-	44,953	-	44,953
Metals futures	3,332	-	-	3,332
Financial Liabilities				
Metals Futures	2,773	-	-	2,773
Cross Currency Swap		158,333		158,333

No transfers between different levels of hierarchy of fair value were performed for the reporting period.

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

16. Trade and other payables

Total trade and other payables, current and non-current, are detailed as follows:

Items	Current Liabilities	
	6/30/2016	12/31/2015
	ThUS$	ThUS$
Trade payables	740,609	1,103,310
Payables to employees	13,817	20,299
Withholdings	74,738	77,088
Tax withholdings	25,715	26,240
Other payables	119,966	79,778
Total	974,845	1,306,715

17. Other provisions

Other short-term accrued expenses and provisions as of the indicated dates are detailed as follows:

Other Provisions	Current		Non-current	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
	ThUS$	ThUS$	ThUS$	ThUS$
Trade (1)	8,067	14,038	-	-
Operating (2)	101,794	327,181	-	-
Law No. 13.196	41,805	171,530	-	-
Sundry	47,657	148,874	11,058	10,913
Closure, decommissioning and restoration (3)	-	-	1,245,716	1,140,080
Onerous Contract (6)	2,049	-	18,128	-
Contingencies	-	-	30,538	25,194
Total	201,372	661,623	1,305,440	1,176,187

Accrual for employee benefits	Current		Non-current	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
	ThUS$	ThUS$	ThUS$	ThUS$
Employees' collective bargaining agreements	107,660	206,869	-	-
Employee termination benefit	39,703	37,131	742,184	700,882
Bonus	4,490	1,121	-	-
Vacation	136,051	136,933	-	-
Medical care programs (4)	1,116	922	492,866	457,067
Retirement plans (5)	3,912	47,725	56,198	62,504
Other	10,486	15,511	8,311	7,774
Total	303,418	446,212	1,299,559	1,228,227

(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 future asset retirement provision costs primarily related to tailing dams, closures of mine operations and other assets. The value is calculated in present value before tax discounted of 2.01% in Chilean pesos, and reflects the corresponding assessments of the time value of money, according to the current market trends. The discount rate includes the risks associated to the liability that is being determined, except those that are included in the cash flows. The discount period varies between 11 and 82 years.

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

The Company determines and records the liability in accordance with the accounting policies mentioned in note II.1 letter d) and II.2 letter o) of the Accounting Policies.

(4) Corresponds to an accrual for contributions to medical care institutions agreed upon with current and former employees.

(5) Corresponds to an accrual for employees who have agreed or expected to agree to retire in accordance with plans in effect for personnel retirement.

(6) Corresponds to an accrual for onerous contract with CuPIC (see Note 30).

Movements of Other provisions were as follows:

Movements	1/1/2016 6/30/2016			
	Other Provisions, non-current	Provision for mine closure	Contingencies	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance	10,913	1,140,080	25,194	1,176,187
Onerous contract	18,088	-	-	18,088
Financial expenses	40	18,785	-	18,825
Payment of liabilities	(22)	(2,432)	(1,540)	(3,994)
Foreign exchange rate differences	(1,148)	90,045	1,891	90,788
Other variations	1,315	(762)	4,993	5,546
Final Balance	29,186	1,245,716	30,538	1,305,440

18. Employee benefits Other Provisions, non-current

a. Provisions for post-employment benefits and other long term benefits

Provision for post-employment benefits mainly corresponds to employee termination benefits, registered to reflect the obligations for severance, and medical care plans, and is intended to cover the payment obligations that the Corporation has contracted with its employees, according to contracts or collective bargaining agreements and to partially cover the costs of medical services.

Both long term benefits are based on the agreements in the employment contracts or collective bargaining agreements signed between the Corporation and workers.

These accruals are recorded in the statement of financial position, at the present value of estimated future obligations. The discount rate applied is determined on the basis of the rates of financial instruments in the same currency in which the obligations are to be paid and with similar maturities.

The basis for the registration of these obligations are denominated in Chilean pesos, therefore the amount includes in the Corporation´s financial statements represents exposure to financial risk of exchange rate.

The results from adjustments and changes in actuarial variables are charged or credited to the statements of other comprehensive income in the period in which they occur.

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

During the period of January to June 2016, there were no significant changes in post-employment benefits plans.

Actuarial assumptions for calculating the employee termination benefit accrual are as follows:

Assumptions	6/30/2016	
	Retirement plan	Health plan
Annual Discount Rate	4.66%	5.11%
Voluntary Annual Turnover Rate for Retirement (Men)	4.24%	4.24%
Voluntary Annual Turnover Rate for Retirement (Women)	3.44%	3.44%
Salary Increase (real annual average)	3.72%	3.72%
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)	7.15	18.50
Expected Retirement Age (Men)	60	60
Expected Retirement Age (Women)	59	59

The discount rates correspond to the price in the secondary market of government bonds issued by Chile. Annual inflation corresponds to the long-term goal publicly declared by the Central Bank of Chile. Rotation rates were determined by reviewing the experience of the Corporation, by studying the cumulative expenditures for the last three years on the current (analysis executed by causal) behavior. Growth rates of compensable revenues respond to the long-term trend observed by reviewing the historical salaries paid by the Corporation. The mortality tables used for the actuarial calculations correspond to numbers issued by the SVS, and these are used because they are an appropriate representation of the Chilean market and given the lack of comparable statistical series to develop independent studies. Financial liabilities term corresponds to average maturity of payment flows of the respective defined benefit. For Health Plans, retirement ages are defined in the scheduled withdrawal of AFP, which is a parameter generally accepted in the Chilean market and by the absence of homogeneous statistical series used to perform own studies. The financial maturity of these assets corresponds to the average maturity date for the payment flows of the respective determined benefits

Reconciliation of post-employment benefit and other long term benefits provision:

Movements	1/1/2016 6/30/2016	
	Retirement plan ThUS$	Health plan ThUS$
Opening balance	738,013	457,989
Service cost	34,476	3,154
Financial cost	2,952	1,958
Paid contributions	(49,551)	(8,707)
Actuarial (gains)/losses	3,566	7,070
Transfers from other benefits	-	2,910
Subtotal	*729,456*	*464,374*
(Gains)/Losses on foreign exchange rate	52,431	29,504

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

Final Total	781,887	493,878

It has been performed a technical revaluation of the liability for severance benefits for years of service, with a net effect of ThUS$3,566 as of June 30, 2016, affecting equity, which corresponds to an experience loss. Similarly to this last case, respect to the obligations raised by the health plans, it has been determined an actuarial loss for ThUS$7,070 corresponding to an adjustment for experience.

The balance at June 30, 2016 comprises a portion of ThUS$39,703 and ThUS$1,116 in the short term, corresponding to compensation for years of service and Health Plans respectively. At June 30, 2017, a balance of ThUS$855,916 has been projected for the provision of compensation and ThUS$479,229 for health benefits. The cash outflows related to employee benefits for the next twelve months reach to an expected average monthly payment of ThUS$3,309 for severance and of ThUS$93 for health benefits.

The next table shows a review of the sensitivities performed over the provisions, from an average scenario, at low or high scenario with unit percentage change, respectively, and the two separate effects of reduction or increase of the book value of these provisions states:

Severance Benefits for Years of Service	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.658%	4.658%	5.658%	5.18%	-4.65%
Financial effect on the real increase in income	3.221%	3.721%	4.221%	-2.15%	2.27%
Demographic effect of job rotations	3.660%	4.160%	4.660%	1.32%	-1.47%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	-0.05%	0.05%
Health Benefits and Other	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	4.112%	5.112%	6.112%	16.48%	-12.64%
Financial effect on health inflation	4.550%	5.050%	5.550%	-8.58%	9.55%
Demographic effect, planned retirement age	58 / 63	60 / 65	62 / 67	4.80%	-4.89%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	9.63%	-7.41%

b. Provision for termination benefits

The Corporation under its operational optimization programs seeks to reduce costs and increase labor productivity, facilitated by the incorporation of modern technologies and/or best management practices, has established personnel severance programs, using the corresponding addendum to contracts or collective bargaining agreements, with benefits that encourage retirement, for which necessary provisions are made based on the accrued obligation at present value.

At June 30, 2016 and December 31, 2015, a current balance is presented by these obligations of ThUS$3,912 and ThUS$47,725 respectively, while non-current balance represents ThUS$56,198 and ThUS$62,504 respectively, the latter of which is associated with the provision related to the term of the collective bargaining process that the Administration negotiated with Codelco Chuquicamata during the month of December 2012 with union workers of that Division. These values have been discounted using a discount rate equivalent to that used for calculating employee benefits provisions and whose outstanding balances are part of the accounting balances at June 30, 2016 and December 31, 2015.

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

c. Employee benefits expenses by nature of the benefits

The costs associated with employee benefits classified by their nature, are:

Expenditure by Nature of Employee Benefits	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Benefits - Short term	779,811	863,151	389,319	441,947
Benefits - Post employment	3,154	818	749	364
Benefits - Termination	8,279	10,089	5,430	7,440
Benefits by years of service	34,476	34,743	15,109	20,979
Total	825,720	908,801	410,607	470,730

19. Net equity

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, in order 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 founded 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 Finance 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 it was decided to provide capital for US$600 million once reviewed the follow-up and Development Business Plan 2014-2018 for Codelco, that was submitted for approval on December 2, 2015.

At June 30, 2016, there are no capitalized resources under such statute.

This contribution will be financed by the Public Treasury and sourced from debt issues performed by the Republic pursuant to Article 2 of Law No. 20.790, which establishes an Extraordinary Capital Contribution for Codelco and authorizes it to incur additional debt.

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

As of June 30, 2016 and December 31, 2015, no dividends payable were provisioned.

In the financial statement "Statement of Changes in Net Equity" the changes experienced in the Corporation's equity are disclosed.

Due to the bylaws that govern the Corporation, these financial statements do not consider disclosure of information related to earnings per share.

The movement and composition of other equity reserves is presented in the Consolidated Statement of Changes in Net Consolidated Equity.

Reclassification adjustments from other comprehensive income to profit or loss resulted in a loss of ThUS$609 and a gain of ThUS$907 for the six-month periods ended June 30, 2016 and 2015, respectively.

a) Other reserves

Other equity reserves are listed in the table below, as of the dates indicated in each case.

Other Reserves	6/30/2016 ThUS$	12/31/2015 ThUS$
Foreign exchange differences on conversion reserves	(11,708)	(12,974)
Cash flow hedge reserves	(17,371)	(6,549)
Capitalization fund and reserves	5,555,966	5,772,162
Reserve of gains (losses) of defined benefit plans	(250,253)	(246,424)
Other reserves	625,548	625,705
Total other reserves	5,902,182	6,131,920

b) Non-controlling equity interests

The details of non-controlling equity interests, included in liabilities and net income, are listed in the table below, as of the dates indicated in each case.

Subsidiaries	Non-controlling participation		Net equity		Profit (loss)			
	6/30/2016 %	12/31/2015 %	6/30/2016 ThUS$	12/31/2015 ThUS$	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Biosigma S.A.	33.30%	33.30%	356	669	(313)	(262)	(135)	(140)
Inversiones Gacrux SpA	32.20%	32.20%	1,030,183	1,042,171	(11,690)	(8,564)	(9,416)	927
Ecosea Farming S.A.	8.68%	14.97%	-	-	-	(94)	-	(59)
Others	-	-	19	15	2	-	2	(1)
Total			1,030,558	1,042,855	(12,001)	(8,920)	(9,549)	727

Between January 1 and June 30, 2016, Inversiones Gacrux SpA did not report any dividends paid to non-controlling interest.

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

The percentage of non-controlling interest over the assets of Inversiones Mineras Acrux SpA is equal to 32.2% and generates a non-controlling interest in the affiliated company Inversiones Gacrux SpA, which had the following figures in its statement of financial position, statement of comprehensive income and cash flows:

Assets and liabilities	6/30/2016 ThUS$	12/31/2015 ThUS$
Current Assets	92,877	169,276
Non-current assets	3,175,978	3,215,675
Current liabilities	140,477	168,068
Non-current liabilities	661,339	686,999

Results	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Revenues	188,092	295,588	81,331	189,416
Expenses	(249,299)	(338,096)	(126,713)	(194,202)
Profit (loss) of the period	(61,207)	(42,508)	(45,382)	(4,786)

Cash flow	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$
Net cash flow from operating activities	(793)	25,842
Net cash flow from investing activities	-	26,417
Net cash flow from financing activities	(40,836)	(39,202)

20. Operating income

Item	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Revenue from sales of own copper	4,040,828	4,424,230	1,986,904	2,450,808
Revenue from sales of third-party copper	887,931	935,178	446,936	438,617
Revenue from sales of molybdenum	185,511	238,102	100,821	109,835
Revenue from sales of other products	291,089	268,574	149,866	141,315
Revenue in futures market	674	1,238	2,122	(2,017)
Total	5,406,033	5,867,322	2,686,649	3,138,558

21. Expenses by nature

The Corporation’s consolidated expenses by nature are detailed as follows:

Item	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Short-term benefits to employees	779,811	863.151	389,319	358,607
Depreciation	584,666	576.102	285,679	304,316
Amortization	443,632	389.916	214,584	251,931
Total	1,808,109	1.829.169	889,582	914,854

22. Impairment of Assets

As of June 30, 2016, there are no impairment indicators; hence, the administration has not performed any adjustment to the assets value

As of December 31, 2015, losses due to impairment are recognized in the CGU of Salvador and Ventanas Divisions.

Assets affected by losses due to impairment correspond to items of the category Property, Plant & Equipment, mainly in the items of Plant & Equipment, Ongoing Construction and Buildings.

Cash Generating Unit Salvador Division

As of December 31, 2015, the Corporation performed a calculation of the recoverable amount in the CGU Salvador Division, in order to verify the existence of an impairment of value for the assets related to the mentioned Division, which book value amounted to ThUS$773,844.

Said recoverable amount calculation resulted in a value of ThUS$463,314, which compared to the book value, led to recognizing an impairment loss of ThUS$310,530 (before taxes), which was recorded in Other Expenses by Function in the Consolidated Statements of Comprehensive Income for the period 2015.

The recoverable amount determined for the calculation of the loss due to impairment corresponds to the value in use with an annual discount rate of an 8.5%, before taxes. The main variables used for determining the recoverable amount of this asset correspond to copper prices, treatment and refining charges, exchange rates and discount rates.

The mentioned loss due to impairment is mainly raised by the decrease in copper prices experimented during the year 2015 and a downward adjustment for the expected production.

Cash Generating Unit Ventanas Division

As of June 30, 2016, there are no impairment indicators; hence, the administration has not performed any adjustment to the assets value

As of December 31, 2015, the Corporation performed a calculation of the recoverable amount in the CGU Ventanas Division, in order to verify the existence of an impairment of value for the assets related to the mentioned Division, which book value amounted to ThUS$338,047.

Said recoverable amount calculation resulted in a value of ThUS$284,000, which compared to the book value, led to recognizing an impairment loss of ThUS$54,047 (before taxes), which was recorded in Other Expenses by Function in the Consolidated Statements of Comprehensive Income for the period 2015.

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

The recoverable amount determined for the calculation of the loss due to impairment corresponds to the value in use with an annual discount rate of an 8.5%, before taxes. The main variables used for determining the recoverable amount of this asset correspond to copper prices, treatment and refining charges, exchange rate and discount rates.

The mentioned loss due to impairment is mainly raised by the decrease in copper prices experimented during the year 2015.

23. Other revenues and expenses by function

Other revenues and expenses by function are detailed in the following tables:

a) Other income by function

Item	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Penalties to suppliers	4,135	9,353	1,712	5,261
Delegated Administration	2,003	2,112	1,002	1,053
Miscellaneous sales (net)	5,133	7,482	4,570	3,292
Realized gain in associates	14,283	9,782	14,283	9,782
Other income	53,364	26,080	47,861	21,446
Totals	78,918	54,809	69,428	40,834

b) Other expenses by function

Item	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Law No. 13.196	(399,494)	(434,418)	(193,800)	(246,455)
Research expenses	(22,746)	(25,494)	(16,665)	(21,650)
Bonus for the end of collective bargaining	(10,166)	(33,546)	(208)	(2,922)
Expenses plan	(8,279)	(10,089)	(5,430)	(7,440)
Write-off of investment projects	(15,563)	-	785	-
Penalty of fixed assets	-	(7,467)	57	(6,376)
Medical care plan	(3,154)	(818)	(749)	(364)
Loss due to onerous contract	(21,503)	-	(21,503)	-
Other	(64,549)	(83,018)	(53,433)	(71,452)
Totals	(545,454)	(594,850)	(290,946)	(356,659)

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

24. Finance costs

Finance costs are detailed as follows:

Item	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Bond interests	(187,490)	(146,092)	(90,489)	(58,871)
Bank loan interests	(34,032)	(31,651)	(19,180)	(15,377)
Exchange differences on severance indemnity provision	(4,786)	(6,252)	(2,409)	(3,147)
Exchange differences on other non-current provisions	(33,968)	(27,524)	(17,200)	(16,199)
Other	(19,435)	(16,041)	(10,363)	(8,115)
Total	(279,711)	(227,560)	(139,641)	(101,709)

25. Operating segments

In Section II, “Summary of Significant Accounting Policies” it has been indicated that, in conformity with IFRS No. 8, “Operating Segments”, the operating segments are determined according to the Divisions that make up Codelco. The revenues and expenses of the Head Office are distributed among the defined opening segments.

Mining sites in operation, in which the Corporation performs extraction and processing, are organized in the following divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Salvador, Andina, El Teniente and Gabriela Mistral. Additionally the Ventanas Division is added even though it is operating solely as a smelter and refinery. Those operations are administered independently and are reporting directly to the Executive President. The details and operations related to each mine are the following:

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) Head Office Distribution

Revenue and expenses controlled by the Head Office are allotted to operating segments based on the criteria detailed as follows.

Main items are allocated according to the following criteria:

Sales and Cost of Sales of Head Office commercial transactions

- Distribution to the operating segments made proportionally to the value of the products and sub-products invoiced by each division.

Other income, by function

- Other income by function, associated and identified with each operating segment, is allotted directly.
- Recognition of realized profits and other income by function of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining other income is distributed in proportion to the addition of balances of “other income” and “finance income” of the respective operating segment.

Distribution costs

- Expenses associated and identified with each operating segment are allotted directly.
- Distribution costs of subsidiaries are allotted in proportion to the operating income of each operating segment.

Administrative Expenses

- Administrative expenses associated and identified with each segment are allotted directly.
- Administrative expenses are recorded in cost centers associated with the sales function. Administrative expenses of subsidiaries are distributed in proportion to the operating income of each operating segment.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in relation to material account balances in each division warehouse
- The remaining administrative expenses are distributed in relation to operating cash expenses of each operating segment.

Other Expenses, by function

- Expenses associated and identified with each operating segment are allotted directly.
- Expenses for pre-investment studies and other expenses of subsidiaries by function are distributed in proportion to the operating income of each operating segment.

Other Earnings

- Other earnings associated and identified with each individual operating segment are allotted directly
- Other earnings of subsidiaries are distributed in proportion to the operating income of each operating segment.

Finance Income

- Finance income associated and identified with each operating segment is allotted directly.
- Finance income of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining finance income is distributed in relation to the operating cash expenses of each operating segment.

Finance costs

- Finance costs associated and identified with each operating segment in particular are allotted directly.

- Finance costs of subsidiaries are distributed in proportion to the operating income of each operating segment.

Share in profit (losses) of Associates and joint ventures, which are accounted for using the equity method

- The share in profit or losses of associates and joint ventures identified for each individual operating segment is allotted directly.

Foreign currency conversion

- Foreign currency conversion identifiable with each individual operating segment is allotted directly.
- Foreign currency conversion of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining foreign currency conversion is distributed in relation to operating cash expenses of each operating segment.

Contribution to the Treasury of Chile Law No. 13.196

- The amount of the contribution is distributed and accounted for in relation to values invoiced and accounted for in the copper and sub-product exports of each operating segment, subject to taxation.

Income tax income (expenses)

- First category income tax (corporate), of D.L. 2.398 and specific mining tax are distributed based on the pre-tax income of each operating segment, considering for this purpose the income and expenses distribution criteria of the Head Office and subsidiaries mentioned above.

- Other tax expenses are distributed in proportion to the first category income tax, specific mining tax and D.L. 2.398 allotted to each operating segment.

Losses due to impairment of value

- Losses related to the investment in Anglo American Sur S. A. recognized as of June 30, 2016, (Note 8) has been allocated to Head Office.

b) Transactions between segments

Transactions between segments are made up mainly by products processing services (or maquilas), which are recognized as revenue for the segment that makes maquilas and as the cost of sales for the segment that receives the service. Such recognition is performed in the period in which these services are provided, as well as disposal of both factors on corporate financial statements.

c) Cash flow from segments

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

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

d) Impairment

The operating segments of Ventanas and Salvador Division, during the period 2015, present in their income statement an impairment of value of ThUS$54,047 and ThUS$310,530, before taxes, respectively. This corresponds to the impairment of asset of Property, Plant and Equipment assigned to those Divisions, in their capacity as CGU.

There were no reversals of impairment made during the six-month periods ended June 30, 2016 and 2015, respectively.

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

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

From 1(/1/2016 to 6/30/2016											
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)	(43,038)	(145,550)
Law No. 13.196	(81,774)	(71,282)	(21,993)	(31,770)	(96.017)	(16.249)	(25.870)	(54.539)	(399.494)	-	(399,904)
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)	17,206	(53,529)	(175,106)	136,158	(30,526)	(22,246)	(100,744)	(375,430)	(120,892)	(496,322)
Income tax expenses	93,852	(11,012)	34.259	112,068	(87,141)	19,537	14,237	64,476	240,275	52.234	292,509
Profit (loss)	(52,791)	6,194	(19.270)	(63,038)	49,017	(10,989)	(8,009)	(36,268)	(135,155)	(66,658)	(203,813)

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

	From 1/1/2015 To 6/30/2015										
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	737,238	857,430	172,243	503,722	1,224,405	83,123	359,401	485,762	4,423,324	906	4,424,230
Revenue from sales of third-party copper	-	-	-	-	-	34,194	-	162,980	197,174	738,004	935,178
Revenue from sales of molybdenum	97,806	10,475	6,267	60,966	62,588	-	-	-	238,102	-	238,102
Revenue from sales of other products	42,085	-	25,121	2,261	53,502	106,794	1,005	37,806	268,574	-	268,574
Revenue from futures market	543	653	635	(437)	(1,985)	725	297	807	1,238	-	1,238
Revenue between segments	87,682	-	34,220	247	-	47,881	-	-	170,030	(170,030)	-
Revenue	965,354	868,558	238,486	566,759	1,338,510	272,717	360,703	687,355	5,298,442	568,880	5,867,322
Cost of sales of own copper	(625,020)	(599,523)	(235,442)	(428,566)	(760,448)	(82,052)	(263,983)	(502,846)	(3,497,880)	(7,018)	(3,504,898)
Cost of sales of copper third-party copper	-	-	-	-	-	(36,963)	-	(162,978)	(199,941)	(762,331)	(962,272)
Cost of sales of molybdenum	(37,755)	(12,394)	(7,909)	(16,497)	(18,199)	-	-	-	(92,754)		(92,754)
Cost of sales of other products	(7,181)	-	(18,584)	(26)	(37,995)	(96,529)	(1,035)	(1,404)	(162,754)		(162,754)
Cost of sales between segments	(165,795)	34,698	(18,317)	(585)	5,303	(41,709)	-	16,375	(170,030)	170,030	-
Cost of sales	(835,751)	(577,219)	(280,252)	(445,674)	(811,339)	(257,253)	(265,018)	(650,853)	(4,123,359)	(599,319)	(4,722,678)
Gross profit	129,603	291,339	(41,766)	121,085	527,171	15,464	95,685	36,502	1,175,083	(30,439)	1,144,644
Other income, by function	2,936	4,015	3,172	4,826	3,661	493	1,573	904	21,580	33,229	54,809
Distribution costs	(908)	(36)	(152)	(194)	(261)	(348)	-	(498)	(2,397)	(2,634)	(5,031)
Administrative expenses	(34,061)	(7,629)	(2,118)	(15,114)	(34,181)	(4,604)	(15,083)	(16,789)	(129,579)	(68,464)	(198,043)
Other expenses, by function	(29,133)	(823)	(44,671)	(19,311)	(9,897)	(3,413)	67	(20,879)	(128,060)	(32,372)	(160,432)
Law No. 13.196	(81,491)	(84,921)	(19,033)	(48,290)	(105,394)	(15,205)	(34,947)	(45,137)	(434,418)	-	(434,418)
Other gains (losses)	-	-	-	-	-	-	-	-	-	12,903	12,903
Finance income	739	292	267	153	1,158	154	74	243	3,080	4,448	7,528
Finance costs	(51,487)	(14,429)	(4,496)	(36,675)	(64,521)	(3,406)	(4,403)	(25,134)	(204,551)	(23,009)	(227,560)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	10,724	18,167	(242)	(1,377)	19,119	-	-	-	46,391	8,175	54,566
Exchange differences	45,165	32,281	28,275	18,344	49,618	4,818	5,510	8,090	192,101	545	192,646
Profit (loss) before taxes	(7,913)	238,256	(80,764)	23,447	386,473	(6,047)	48,476	(62,698)	539,230	(97,618)	441,612
Income tax expenses	(7,913)	238,256	(80,764)	23,447	386,473	(6,047)	48,476	(62,698)	539,230	(97,618)	441,612
Profit (loss)	3,378	(160,719)	55,843	(17,711)	(270,207)	4,797	(35,183)	23,328	(396,474)	(107,726)	(504,200)
(Losses) gains	(4,535)	77,537	(24,921)	5,736	116,266	(1,250)	13,293	(39,370)	142,756	(205,344)	(62,588)

(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, 2016 and December 31, 2015 are detailed in the following tables:

6/30/2016										
Category	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries, associates and Head Office, net	Total Consolidated
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	877,471	553,267	233,667	222,289	672,017	186,258	237,245	450,300	983,409	4,415,923
Non-current assets	4,880,011	2,118,738	628,200	3,906,140	5,447,819	300,328	1,281,464	3,592,733	5,344,196	27,499,629
Current liabilities	394,500	104,523	114,156	139,901	363,330	63,910	93,806	108,679	1,396,393	2,779,198
Non-current liabilities	902,759	205,983	276,947	230,303	765,219	53,462	124,897	43,672	17,018,148	19,621,390

12/31/2015										
Category	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries, associates and Head Office, net	Total Consolidated
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	850,220	628,448	227,828	318,103	710,726	143,119	254,985	517,588	2,406,871	6,057,888
Non-current assets	4,734,984	2,081,427	680,660	3,879,018	5,359,301	289,947	1,325,783	3,683,540	5,351,294	27,385,954
Current liabilities	558,521	134,687	242,124	195,320	524,188	78,811	115,695	104,712	1,907,058	3,861,116
Non-current liabilities	839,186	187,810	257,839	208,714	730,323	48,279	120,740	36,992	17,420,023	19,849,906

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

Revenue classified by geographical area is detailed as follows:

Revenue per geographical areas	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Total revenue from domestic customers	415,133	411,378	268,631	222,459
Total revenue from foreign customer	4,990,900	5,455,944	2,418,018	2,916,099
Total	5,406,033	5,867,322	2,686,649	3,138,558

Revenue per geographical areas	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
China	1,525,590	1,295,110	728,164	628,209
Rest of Asia	868,218	1,230,795	442,823	673,849
Europe	1,533,068	1,881,066	1,313,309	1,201,797
America	989,541	1,015,150	684,692	683,306
Others	489,616	445,201	(482,339)	(48,603)
Total	5,406,033	5,867,322	2,686,649	3,138,558

The main customers of the Corporation are listed in the following table:

Principal customers	Country	1/1/2016 6/30/2016 ThUS$
Southwire Company	USA	250,757
Ls-Nikko Copper Inc	South Korea	222,676
Trafigura Pte Ltd.	Singapore	197,617
Nexans France	France	179,591
Maike Metals International Ltd	China	162,871
Mitsui & Co., Ltd.	Japan	156,867
Glencore International Ag.	Switzerland	154,882
Louis Dreyfus Company Metals S	Switzerland	135,768
Wanxiang Resources (Singapore)	Singapore	118,468
Red Kite Master Fund Ltd.	USA	103,977
Total		1,683,474

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

26. Foreign exchange differences

According to Decree Law 1.350, the Corporation maintains its accounting records in United States dollars (US$), recording transactions in currencies other than U.S. dollars at the exchange rate current at the date of each transaction and subsequently updating them, when necessary, according to the exchange rate determined by the SVS as of closing report for each of the financial statements.
This is consistent with the definition of Functional Currency described in Note 2 c, included in these Financial Statements.

The following table summarizes the foreign exchange differences included in the Consolidated Statements of Comprehensive Income:

Gain (loss) from foreign exchange differences recognized in income	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$	4/1/2016 6/30/2016 ThUS$	4/1/2015 6/30/2015 ThUS$
Gain from foreign exchange differences	59,286	256,049	9,889	112,092
Loss from foreign exchange differences	(298,539)	(63,403)	(76,539)	(12,323)
Total exchange difference, net	(239,253)	192,646	(66,650)	99,769

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	1/1/2016 6/30/2016 ThUS$	1/1/2015 6/30/2015 ThUS$
VAT Refund	673,984	703,485
Other	22,014	203,180
Total	695,998	906,665

Other payments from operating activities	1/1/2016 6/30/2016 THUS$	1/1/2015 6/30/2015 THUS$
Contribution to the Chilean Treasury (Law No. 13.196)	(517,234)	(529,897)
Finance hedge and sales	999	15,538
VAT and other similar taxes paid	(539,042)	(585,099)
Total	(1,055,277)	(1,099,458)

28. Financial risk management, objectives and policies

Codelco has created committees within its organization to generate strategies with which to minimize the financial risks to which it may be exposed.

The risks to which Codelco is exposed are detailed as follows, along with a brief description of the management procedures that are carried out in each case.

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 the financial assets and liabilities as of June 30, 2016 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$44 million of gains or losses, respectively. This result is obtained by identifying the principle areas affected by exchange rate, including assets and financial liabilities, in order to measure the impact on income that a variation of +/- 10 Chilean pesos would have to US$, with respect to the real exchange rate as of the date of this financial statement.

Codelco has signed deposits in national currency to cover the effects of exchange rate fluctuations between the dollar and the Chilean peso due to the obligations of the Corporation held in Chilean pesos.

As of June 30, 2016 and December 31, 2015, Codelco does not have any balances related to these deposits.

- Interest rate risk:

This risk is generated by 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 as of June 30, 2016, 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, 2016 amount to ThUS$12,103,590 and ThUS$2,599,689, 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.

At June 30, 2016, if the future price of copper varied 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 at June 30, 2016 (MTMF 602). 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 date of presentation of the financial statements, these contracts are adjusted to fair value, recording this effect, at the settlement date of the hedging transactions as part of net product sales.

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

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 derivative market.

At June 30, 2016, 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$6 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.

No hedging transactions with the specific aim to mitigate 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 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 6/30/2016	Less than one year ThUS$	Between one and five years ThUS$	More than five years ThUS$
Loans from financial institutions	873,913	1,638,845	820,437
Bonds	153,548	1,586,860	9,629,676
Finance leases	19,320	65,274	31,127
Derivatives	18,917	-	158,333
Other financial liabilities	3,605	74,739	-
Total	1,069,303	3,365,718	10,639,573

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 credit risk exposure as of June 30, 2016 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.

Explanatory note 2 in "Trade and other receivables" presents overdue 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, 2016 and 2015, 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.

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

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 six-month period ended June 30, 2016 and 2015, 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

As stated in the Board of Directors' policy, ratified on March 27, 2009, the Corporation has operations 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$17,373.

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

June 30, 2016

Hedge item	Bank	Type of derivative contract	Maturity	Currency	Amount	Financial obligation: hedging instrument	Exposure	Asset	Liability
					THUS$	THUS$	THUS$	THUS$	THUS$
Bond UF Maturity 2025	Credit Suisse (USA)	Swap	4/1/2025	US$	271,798	208,519	44,955	334,019	(289,064)
Bond EUR Maturity 2024	Santander (Chile)	Swap	7/9/2024	US$	332,004	409,650	(93,537)	416,143	(509,680)
Bond EUR Maturity 2024	Deustche Bank (England)	Swap	7/9/2024	US$	332,004	409,680	(91,721)	408,631	(500,352)
Total					935,806	1,027,849	(140,303)	1,158,793	(1,299,096)

As of June 30, 2016 the balance for cash deposit guarantees amount to ThUS$28,163.

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. At June 30, 2016, these operations generated a gain of ThUS$33.

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, 2016, the Corporation performed derivative market transactions of copper that represent 254,550 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

The current contracts as of June 30, 2016, presenting a positive exposure of ThUS$889 and their final result will only be known at their maturity, offsetting the hedging transactions with revenue from the sale of the hedged products.

The transactions completed between January 1, 2016 and June 30, 2016 generated a net positive effect on net income of ThUS$4,942, which is comprised of the amounts received for sales contracts for ThUS$ 4,906 and the values paid for purchases contracts for ThUS$ 36.

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

As of June 30, 2016, the Corporation maintains contracts for derivatives the sale of gold for MOZT 31.16 and silver for MOZT 1,057.53.

The contracts outstanding at June 30, 2016 show a positive exposure of ThUS$1,568, 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 completed between January 1, 2016 and June 30, 2016 generated a net negative effect on net income of ThUS$4,909, which is comprised of the amounts received for sales contracts for ThUS$ 4,232 and the values paid for purchases contracts for ThUS$ 667. These hedging transactions mature in October 2016.

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, 2016.

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

Exposure of metal hedges is summarized in the following tables, as referred to in point b above:

June 30, 2016	Maturity date						
ThUS$	2016	2017	2018	2019	2020	Upcoming	Total
Flex Com Copper (Asset)	2,680	2	-	-	-	-	2,682
Flex Com Copper (Liability)	(1,205)	(174)	(414)	-	-	-	(1,793)
Flex Com Gold/Silver	(1,568)	-	-	-	-	-	(1,568)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	(93)	(172)	(414)	-	-	-	(679)

December 31, 2015	Maturity date						
ThUS$	2016	2017	2018	2019	2020	Upcoming	Total
Flex Com Copper (Asset)	1,452	-	-	-	-	-	1,452
Flex Com Copper (Liability)	(107)	(684)	-	-	-	-	(791)
Flex Com Gold/Silver	994	-	-	-	-	-	994
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	2,339	(684)	-	-	-	-	1,655

June 30, 2016	Maturity date						
ThTM/Ounces	2016	2017	2018	2019	2020	Upcoming	Total
Copper Futures [MT]	96.95	136.50	21.10			-	254.55
Gold/Silver Futures [ThOZ]	1,106.69	-	-			-	1,106.69
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

December 31, 2015	Maturity date						
ThTM/Ounces	2016	2017	2018	2019	2020	Upcoming	Total
Copper Futures [MT]	199.64	29.10	-	-	-	-	228.74
Gold/Silver Futures [ThOZ]	1,475.45	-	-	-	-	-	1,475.45
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 488 cases that have a clearly estimated value. It is estimated that 260 of these, which represent 53.28% of the total and which amount to ThUS$30,538, could have a negative impact on the Corporation. There are also 84 lawsuits, representing 17.21% of the total and which amount to ThUS$7,667, about which there is no certainty that the outcome would be unfavorable for Codelco. For the 144 remaining cases, which amount to ThUS$12,032, the Corporation's legal advisors believe that an unfavorable outcome is unlikely. In addition, there are 101 lawsuits for undetermined amounts. It is believed that the result of 58 of these could be unfavorable to Codelco.

In connection with the long-term sale contract which Codelco held with its associated 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 Public 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 litigation costs and potential loss, the necessary provisions exist, which are recorded as contingency provisions.

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, it was proposed a preliminary assessment 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 21 January, 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 re-adjustable component plus a variable component, which depends on current copper prices at the time of shipment.

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

As of December 31, 2015, the contract is operational, and monthly shipments began in June 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, 2016, 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 current accounting standards, which negatively impacts on earnings before tax of Codelco in ThUS$48,362 (negative net tax effect of ThUS14,987 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, includes a pledge 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, at June 30, 2016 and December 31, 2015, has complied with these conditions.

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.

In addition, through a supplementary agreement, Codelco has ensured the supply by Colbún of 159 MW, adapted to Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

This contract is based on energy production from Colbún's Santa María thermal power station, which is currently under construction. 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.

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 2027 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, in October 2014, provided to SERNAGEOMIN the Mine Closure Plan (ARO) for all of the Codelco operating divisions, which were developed in accordance with the provisions of the Act.

Once said plans were approved by SERNAGEOMIN, in the month of September 2015, Codelco created guarantees for the initial 20% of the obligation under the regulations of this Code. The remaining 80% should be adjusted proportionately each year over the remaining LOM period of each one of the divisions. The guarantee will be determined in present value of all actions and measures within the mine closure plan.

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 account with a mine closure plan previously approved under Mine Safety Regulations Supreme Decree No. 132.

According to the legal provisions of the transitional regime, the closure plans correspond to the valorization of the recovery plans and closure measures that were previously approved, integrating also those closure and post closure commitments established in the Resolutions of Environmental Qualification (RCA's), and favorable to each division as well as the closure commitments acquired in the sector permits issued by SERNAGEOMIN.

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.

ix. On May 24, 2012, the Corporation has signed with Japan Bank for International Cooperation and Bank of Tokyo-Mitsubishi UFJ Ltd. a financing contract for up to US$ 320 million for the development, construction and operation of a plant metal processing in the second region of Chile, of which, on October 28, 2015, have been drawn the totality of the funds.

x. 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.

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

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

The term of the contract 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.

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	6/30/2016			12/31/2015
		Currency	Maturity	ThUS$	ThUS$
Directorate-General for the Merchant Marine and Maritime Territory	Environmental	CLP	Mar-16	-	1,519
Department of Public Works, General Office of Waters	Building project	UF	Jul-16	24,201	24,201
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	37,435	37,435
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	37,435	37,435
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	37,435	37,435
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	37,435	37,435
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	37,435	37,435
Oriente Copper Netherlands B.V.	Pledge on shares	US$	Nov-32	877,813	877,813
Sernageomin	Environmental	UF	Mar-16	-	1,081
Sernageomin	Environmental	UF	Jun-16	-	26,700
Sernageomin	Environmental	UF	Jun-16	-	3,660
Sernageomin	Environmental	US$	May-16	-	30,600
Sernageomin	Environmental	US$	May-16	-	4,450
Sernageomin	Environmental	US$	May-16	-	10,500
Sernageomin	Environmental	UF	Aug-16	10,822	-
Sernageomin	Environmental	US$	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	-
Urban Regional Manager, Valparaiso	Building project	UF	Jan-17	43	-
Urban Regional Manager, Metropolitan	Building project	UF	Mar-17	9	-
Urban Regional Manager, Metropolitan	Building project	UF	Dec-16	20	-
Total				1,288,130	1,167,699

(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	6/30/2016 ThUS$	12/31/2015 ThUS$
Andina	32,122	36,526
Chuquicamata	34,442	44,284
Casa Matriz	516,408	404,825
Radomiro Tomic	6,628	7,088
Salvador	45,909	47,592
Ministro Hales	5	5
El Teniente	56,926	47,505
Ventanas	7,183	10,575
Gabriela Mistral	1,474	1,474
Total	701,097	599,874

32. Balances in foreign currency

a) Assets by Type of Currency

Category	6/30/2016 ThUS$	12/31/2015 ThUS$
Liquid assets	346,384	1,757,920
US Dollars	298,821	1,702,657
Euros	1,685	3,600
Other currencies	4,497	4,772
Non-indexed Ch$	37,154	46,443
U.F.	4,227	448
Cash and cash equivalents	339,112	1,747,718
US Dollars	292,390	1,694,053
Euros	1,421	3,339
Other currencies	4,497	4,772
Non-indexed Ch$	36,777	45,230
U.F.	4,027	324
Other current financial assets	7,272	10,202
US Dollars	6,431	8,604
Euros	264	261
Other currencies	-	-
Non-indexed Ch$	377	1,213
U.F.	200	124
Short and long term receivables	1,815,160	1,983,213
US Dollars	1,185,425	1,266,467
Euros	108,261	110,671
Other currencies	996	619
Non-indexed Ch$	505,787	591,331
U.F.	14,691	14,125
Trade and other receivables	1,705,074	1,876,863
US Dollars	1,163,557	1,245,186
Euros	107,998	110,411
Other currencies	852	468
Non-indexed Ch$	418,972	506,673
U.F.	13,695	14,125

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

Category	6/30/2016 ThUS$	12/31/2015 ThUS$
Rights receivables, non-current	88,218	85,069
US Dollars	-	-
Euros	263	260
Other currencies	144	151
Non-indexed Ch$	86,815	84,658
U.F.	996	-
Due from related companies, current	1,072	21,057
US Dollars	1,072	21,057
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Due from related companies, non-current	20,796	224
US Dollars	20,796	224
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Rest of assets	29,754,008	29,702,710
US Dollars	29,288,876	28,764,700
Euros	63,222	407,102
Other currencies	30,339	31,452
Non-indexed Ch$	133,887	238,061
U.F.	237,684	261,395
Total assets	31,915,552	33,443,843
US Dollars	30,773,122	31,733,824
Euros	173,168	521,373
Other currencies	35,832	36,843
Non-indexed Ch$	676,828	875,835
U.F.	256,602	275,968

(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	6/30/2016		12/31/2015	
	Up to 90 days ThUS$	90 days to 1 year ThUS$	Up to 90 days ThUS$	90 days to 1 year ThUS$
Current liabilities	2,024,722	754,476	3,024,701	836,415
US Dollars	1,886,139	693,713	2,777,170	780,581
Euros	87,776	-	53,949	-
Other currencies	1,117	-	791	-
Non-indexed Ch$	45,098	55,675	185,515	51,688
U.F.	4,592	5,088	7,276	4,146
Other current financial liabilities	370,595	698,708	380,929	785,281
US Dollars	311,361	693,713	346,797	780,581
Euros	54,150	-	28,988	-
Other currencies	-	-	-	-
Non-indexed Ch$	492	397	953	554
U.F.	4,592	4,598	4,191	4,146
Bank loans	242,938	630,975	274,621	721,270
US Dollars	202,681	630,975	252,029	721,270
Euros	39,577	-	21,946	-
Other currencies	-	-	-	-
Non-indexed Ch$	389	-	389	-
U.F.	291	-	257	-
Obligations	116,389	37,159	94,601	52,322
US Dollars	99,113	37,159	85,041	52,322
Euros	14,573	-	7,042	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	2,703	-	2,518	-
Finance lease	7,663	11,657	7,591	11,582
US Dollars	5,962	6,662	5,611	6,882
Euros	-	-	-	-
Other currency	-	-	-	-
Non-indexed Ch$	103	397	564	554
U.F.	1,598	4,598	1,416	4,146
Others	3,605	18,917	4,116	107
US Dollars	3,605	18,917	4,116	107
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	-	-	-
Other current liabilities	1,654,127	55,768	2,643,772	51,134
US Dollars	1,574,778	-	2,430,373	-
Euros	33,626	-	24,961	-
Other currencies	1,117	-	791	-
Non-indexed Ch$	44,606	55,278	184,562	51,134
U.F.	-	490	3,085	-

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

Non-current liability by currency	6/30/2016				12/31/2015			
	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	5,815,485	1,152,635	6,638,513	6,014,757	5,166,906	2,192,826	6,603,167	5,887,007
US Dollars	5,332,634	1,014,669	6,073,428	4,299,781	4,939,294	2,064,443	6,081,114	4,317,803
Euros	-	-	(10,845)	-	-	-	(11,213)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	450,056	128,515	272,373	1,150,767	199,063	119,227	253,221	1,055,716
U.F.	32,795	9,451	303,557	564,209	28,549	9,156	280,045	513,488
Other non-current financial liabilities	2,341,903	1,024,120	6,366,140	4,273,433	1,304,942	2,073,599	6,349,946	4,298,444
US Dollars	2,328,449	1,014,669	6,073,428	4,273,433	1,292,189	2,064,443	6,081,114	4,298,444
Euros	-	-	(10,845)	-	-	-	(11,213)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	1,218	-	-	-	1,413	-	-	-
U.F.	12,236	9,451	303,557	-	11,340	9,156	280,045	-
Bank loans	1,638,310	535	159,098	661,339	1,196,308	453,408	174,939	686,999
US Dollars	1,638,310	-	159,098	661,339	1,196,308	452,783	174,939	686,999
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	535	-	-	-	625	-	-
Obligations	596,095	990,765	6,017,582	3,612,094	-	1,585,218	5,979,947	3,611,445
US Dollars	596,095	990,765	5,076,180	3,612,094	-	1,585,218	5,072,052	3,611,445
Euros	-	-	653,163	-	-	-	643,237	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	288,238	-	-	-	264,658	-
Finance Lease	32,759	32,820	31,127	-	31,805	34,973	32,623	-
US Dollars	20,014	23,904	15,809	-	19,729	26,442	17,236	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	509	-	-	-	736	-	-	-
U.F.	12,236	8,916	15,318	-	11,340	8,531	15,387	-
Others	74,739	-	158,333	-	76,829	-	162,437	-
US Dollars	74,030	-	822,341	-	76,152	-	816,887	-
Euros	-	-	(664,008)	-	-	-	(654,450)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	709	-	-	-	677	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other liabilities non-current	3,473,582	128,515	272,373	1,741,324	3,861,964	119,227	253,221	1,588,563
US Dollars	3,004,185	-	-	26,348	3,647,105	-	-	19,359
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	448,838	128,515	272,373	1,150,767	197,650	119,227	253,221	1,055,716
U.F.	20,584	-	-	564,209	17,209	-	-	513,488

33. Sanctions

As of June 30, 2016 and December 31, 2015, neither Codelco Chile nor its Directors and Managers have been sanctioned by the SVS or any other administrative authorities.

34. Subsequent events

- On July 1, 2016, the Corporation announced that Mr. Alejandro Cuadra Pesce was appointed as General Manager of Andina Division.

- On August 3, 2016, the Corporation announced that Mr. Nicolai Bakovic Hudig was appointed as Corporate Legal Advisor from October 1, 2016.

  From that date, Mr. Diego Ruidíaz Gómez will cease to exercise as Interim Corporate Legal Advisor, returning to his functions as Chief Legal Officer of El Teniente Division.

- As of August 25, 2016, it was informed as an essential fact that, at the same date, Codelco performed a placement of C-Series Bonds (BCODE C) into the Chilean market, which comprise the first bond issuance with charge to the line enrolled into the SVS's Records of Values, under the code W608.

The total amount placed was of UF10,000,000, comprised by 20,000 debt tittles which was issued at a nominal value of UF500 each one, at an annual rate of placement of 2.09%. Series-C Bonds mature on August 24, 2026, and consider an annual interest rate of 2.5%, which was compound, matured and calculated on a 180-days basis, equivalent to a semi-annual rate of 1.2423%.

Funds which come from the placement of said bonds will be destined, in equal parts, to finance investments and re-finance the liabilities from the Corporation.
The Corporation's management is not aware of any significant events of a financial or other nature that would affect these statements occurring between July 1, 2016 and the date of issuance of these financial statements (August 25, 2016) that may affect them.

35. 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, 2016, 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 periods from January 1 to June 30, 2016 and 2015, 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	Project Name	Disbursements 6/30/2016				6/30/2015	Future committed disbursements	
		Project status	Amount ThUS$	Asset/ Expenditure	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated Date
	Chuquicamata		46,328			56,524	411,697	
Codelco Chile	Talambre dam capacity extension, 8th stage	In Progress	3,752	Asset	P, P & E	13,378	312,744	2020
Codelco Chile	Emergency restoration system dust control crushing plant 2 /3	In Progress	314	Asset	P, P & E	930	9,496	2018
Codelco Chile	Extension of 5th cps smelting	In Progress	7,712	Asset	P, P & E	-	7,381	2017
Codelco Chile	Replacement of circulation pot 1A and 2A	In Progress	3,967	Asset	P, P & E	5,063	23,778	2018
Codelco Chile	Standarization sampling and weighing system	In Progress	1,027	Asset	P, P & E	-	-	-
Codelco Chile	Replacement of water treatment plant	In Progress	1,219	Asset	P, P & E	-	29,154	2018
Codelco Chile	Acid plants	In Progress	16,291	Expenditure	Adm. Expenses	24,534	9,997	2016
Codelco Chile	Solid waste	In Progress	900	Expenditure	Adm. Expenses	1,270	178	2016
Codelco Chile	Tailings	In Progress	10,478	Expenditure	Adm. Expenses	10,840	12,210	2016
Codelco Chile	Water treatment plant	In Progress	374	Expenditure	Adm. Expenses	155	5,602	2016
Codelco Chile	Environmental monitoring	In Progress	294	Expenditure	Adm. Expenses	354	1,157	2016
	Salvador		29,335			29,557	208,538	
Codelco Chile	Improvement of integrated gas collection process	In Progress	12,106	Asset	P, P & E	13,587	182,406	2018
Codelco Chile	Environmental improvement to Puerto Barquito	In Progress	1,630	Asset	P, P & E	-	-	-
Codelco Chile	Tailings	In Progress	1,272	Expenditure	Adm. Expenses	1,127	3,920	2016
Codelco Chile	Acid plants	In Progress	13,123	Expenditure	Adm. Expenses	13,723	20,705	2016
Codelco Chile	Solid waste	In Progress	853	Expenditure	Adm. Expenses	734	931	2016
Codelco Chile	Water treatment plant	In Progress	351	Expenditure	Adm. Expenses	386	576	2016
	Andina		64,389			72,360	183,050	
Codelco Chile	Construction of water trap for east ballast deposit	Finished	-	Asset	P, P & E	4,115	-	-
Codelco Chile	Drain water treatment	In Progress	8,562	Asset	P, P & E	5,344	16,544	2017
Codelco Chile	Water Normative Phase 2	In Progress	2,642	Asset	P, P & E	3,275	6,741	2018
Codelco Chile	Building evacuation and capturing towers, Ovejería	In Progress	280	Asset	P, P & E	2,888	-	2016
Codelco Chile	Improvement to irrigation	In Progress	-	Asset	P, P & E	2,713	-	-
Codelco Chile	Improvements to line wall sand	In Progress	-	Asset	P, P & E	158	-	-
Codelco Chile	Construction site emergency plan	In Progress	206	Asset	P, P & E	6,652	-	2016
Codelco Chile	Improvement to intersection seeps, Ovejería	In Progress	-	Asset	P, P & E	-	1,060	2016
Codelco Chile	Construction well container spills	In Progress	-	Asset	P, P & E	474	-	-
Codelco Chile	Early acquisition for water rights	In Progress	-	Asset	P, P & E	2,144	264	2016
Codelco Chile	Construction adduction Los Leones	In Progress	66	Asset	P, P & E	3,045	-	2016
Codelco Chile	Cota 640 tranque	In Progress	10,131	Asset	P, P & E	6,235	98,782	2017
Codelco Chile	Improved water internal tip E2	In Progress	2,298	Asset	P, P & E	1,833	8,760	2017
Codelco Chile	Replacement Ovejeria line tailings	In Progress	406	Asset	P, P & E	735	81	2016
Codelco Chile	Improvement of power supply	In Progress	460	Asset	P, P & E	-	619	2016
Codelco Chile	Early acquisition for water rights and lands	In Progress	381	Asset	P, P & E	-	-	2016
Codelco Chile	Construction of emergency transport system works	In Progress	941	Asset	P, P & E	-	2,093	2016
Codelco Chile	Río Blanco trap	In Progress	-	Asset	P, P & E	-	6,686	2017
Codelco Chile	Solid waste	In Progress	1,150	Expenditure	Adm. Expenses	1,023	1,115	2016
Codelco Chile	Water treatment plant	In Progress	1,415	Expenditure	Adm. Expenses	1,516	2,312	2016
Codelco Chile	Trailing	In Progress	34,110	Expenditure	Adm. Expenses	29,196	36,040	2016
Codelco Chile	Acid drainage	In Progress	1,341	Expenditure	Adm. Expenses	1,014	1,953	2016
Subtotal			140,052			158,441	803,285	

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

Entity	Project Name	Disbursements 6/30/2016				6/30/2015	Future committed disbursements	
		Project status	Amount ThUS$	Asset/ Expenditure	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated Date
	El Teniente		97,022			93,901	128,478	
Codelco Chile	Construction of 7th phase of Carén	In Progress	1,582	Asset	P, P & E	74	1,638	2016
Codelco Chile	Network Monitoring System	Finished	-	Asset	P, P & E	34	-	2015
Codelco Chile	Construction of 6th phase of Carén	In Progress	23,578	Asset	P, P & E	11,088	45,862	2017
Codelco Chile	Installation of Powder control	In Progress	-	Asset	P, P & E	76	-	2015
Codelco Chile	Flowmeter Acquisitions	In Progress	-	Asset	P, P & E	110	-	2015
Codelco Chile	Environmental reconstruction of courts	In Progress	-	Asset	P, P & E	1,557	-	-
Codelco Chile	Emergency reservoir construction	In Progress	-	Asset	P, P & E	169	-	-
Codelco Chile	Reinforcement structure and other critical sectors	In Progress	-	Asset	P, P & E	321	-	2015
Codelco Chile	Scale and bridges replacement	In Progress	52	Asset	P, P & E	-	-	2016
Codelco Chile	Coya module acquisition	In Progress	249	Asset	P, P & E	-	153	2016
Codelco Chile	Smelting emissions network	In Progress	1,832	Asset	P, P & E	-	12,732	2016
Codelco Chile	Acid plants	In Progress	33,403	Expenditure	Adm. Expenses	36,066	31,563	2016
Codelco Chile	Solid waste	In Progress	1,631	Expenditure	Adm. Expenses	1,667	1,706	2016
Codelco Chile	Water treatment plant	In Progress	6,524	Expenditure	Adm. Expenses	6,965	6,699	2016
Codelco Chile	Tailings	In Progress	28,171	Expenditure	Adm. Expenses	35,774	28,125	2016
	Gabriela Mistral		7,239			1,470	19,569	
Codelco Chile	Installation of gravel dumps binder phase IV	Finished	-	Asset	P, P & E	-		
Codelco Chile	Installation of modular pool cover	In Progress	73	Asset	P, P & E	-	1,295	2017
Codelco Chile	Improvement to automatic shutdown system	In Progress	195	Asset	P, P & E	-	411	2016
Codelco Chile	Replacement of three crawler tractors	In Progress	2	Asset	P, P & E	-	5,629	2017
Codelco Chile	Replacement of wheeldozer	In Progress	239	Asset	P, P & E	-	49	2016
Codelco Chile	Installation of gravel dump	In Progress	5,558	Asset	P, P & E	-	10,617	2017
Codelco Chile	Environmental monitoring	In Progress	28	Expenditure	Adm. Expenses	74	29	2016
Codelco Chile	Solid waste	In Progress	412	Expenditure	Adm. Expenses	810	1,131	2016
Codelco Chile	Water treatment plant	In Progress	732	Expenditure	Adm. Expenses	586	408	2016
	Ventanas		22,113			25,588	54,934	
Codelco Chile	Capturing of second gases	In Progress	2,022	Asset	P, P & E	6,557	18,189	2017
Codelco Chile	Capturing of racking gases	In Progress	1,620	Asset	P, P & E	2,768	730	2016
Codelco Chile	Treatment of gases in line	In Progress	1,788	Asset	P, P & E	2,913	21	2017
Codelco Chile	Natural gas conversion burner	Finished	-	Asset	P, P & E	329	-	-
Codelco Chile	Standardization of Measurements	Finished	-	Asset	P, P & E	48	-	-
Codelco Chile	Eliminating Visible Smokes	In Progress	3,840	Asset	P, P & E	366	8,618	2017
Codelco Chile	Fugitive gas treatment	In Progress	160	Asset	P, P & E	526	11,771	2017
Codelco Chile	Treatment of secondary gases	In Progress	14	Asset	P, P & E	-	-	-
Codelco Chile	Reparation of exchanger	In Progress	24	Asset	P, P & E	-	31	2017
Codelco Chile	Acid plants	In Progress	8,531	Expenditure	Adm. Expenses	8,292	9,833	2016
Codelco Chile	Solid waste	In Progress	1,049	Expenditure	Adm. Expenses	696	1,036	2016
Codelco Chile	Environmental monitoring	In Progress	627	Expenditure	Adm. Expenses	797	781	2016
Codelco Chile	Effluent treatment plant	In Progress	2,438	Expenditure	Adm. Expenses	2,296	3,924	2016
	Radomiro Tomic		2,179			1,174	4,051	
Codelco Chile	Application of monitoring system	In Progress	73	Asset	P, P & E	-	1,641	2017
Codelco Chile	Solid waste	In Progress	554	Expenditure	Adm. Expenses	649	687	2016
Codelco Chile	Environmental monitoring	In Progress	1,111	Expenditure	Adm. Expenses	-	628	2016
Codelco Chile	Effluent treatment plant	In Progress	441	Expenditure	Adm. Expenses	525	1,095	2016
	Ministro Hales		5,222			655	10,200	
Codelco Chile	Mounting system acquisition and washing	In Progress	-	Asset	P, P & E	496	-	-
Codelco Chile	Improving accessibility and integration villas	In Progress	4,439	Asset	P, P & E	132	8,504	2016
Codelco Chile	Acquisition sprinkler truck	In Progress	-	Asset	P, P & E	27	-	2016
Codelco Chile	Solid waste	In Progress	417	Expenditure	Adm. Expenses	-	849	2016
Codelco Chile	Environmental monitoring	In Progress	171	Expenditure	Adm. Expenses	-	459	2016
Codelco Chile	Water treatment plant	In Progress	195	Expenditure	Adm. Expenses	-	388	2016
	Ecometales Limited		217			131	215	
Ecometales Limited	Smelting plant of foundry dust	In Progress	217	Expenditure	Adm. Expenses	131	215	2015
Subtotal			133,992			122,919	217,447	
Total			274,044			281,360	1,020,732	

Nelson Pizarro Contador Chief Executive Officer	Alejandro Rivera Chief Financial Officer
Gonzalo Zamorano Martínez General Accountant Manager	Javier Tapia Avila General Accountant Director