CODELCO – CHILE

Interim Unaudited Consolidated Financial Statements as of and for the three-month periods ended March 31, 2016

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

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INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2016 and December 31, 2015

(In thousands of US dollars - ThUS$)

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

	Notes	3/31/2016	12/31/2015
Assets			
Current Assets			
Cash and cash equivalents	1	663,594	1,747,718
Other current financial assets	12	11,023	10,202
Other current non-financial assets		60,232	34,611
Trade and other current receivables	2	1,828,400	1,876,863
Accounts receivables due from related companies, current	3	4,925	21,057
Inventory	4	1,980,010	2,097,026
Current tax assets	6	272,334	270,412
Total current assets		4,820,518	6,057,889
Non-current assets			
Non-current inventories	4	207,778	185,470
Other non-current financial assets	12	53,278	36,291
Other non-current non-financial assets	11	28,301	27,908
Non-current receivables	2	88,623	85,069
Accounts receivables due from related companies, non-current	3	17,165	224
Investment accounted for using the equity method	8	4,088,802	4,091,817
Intangible assets other than goodwill	9	188,829	186,082
Property, plant and equipment, net	7	22,835,804	22,767,239
Investment property		5,854	5,854
Total non-current assets		27,514,434	27,385,954
Total Assets		32,334,952	33,443,843

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

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2016 and December 31, 2015

(In thousands of US dollars - ThUS$)

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

	Notes	3/31/2016	12/31/2015
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	13	830,856	1,166,210
Trade and other current payables	16	1,140,068	1,306,715
Accounts payables to related companies, current	3	149,516	163,366
Other current provisions	17	387,9774	661,623
Current tax liabilities	6	8,743	16,253
Current employee benefit accruals	17	296,926	446,212
Other current non-financial liabilities		114,930	100,737
Total current liabilities		2,929,013	3,861,116
Non-current liabilities			
Other non-current financial liabilities	13	14,061,631	14,026,931
Accounts payables to related companies, non-current	3	152,459	157,049
Other non-current provisions and accrued expenses	17	1,260,490	1,176,187
Deferred tax liabilities	5	3,023,914	3,257,605
Non-current employee benefit accruals	17	1,296,720	1,228,227
Other non-current non-financial liabilities		4,538	3,907
Total non-current liabilities		19,799,752	19,849,906
Total liabilities		22,728,765	23,711,022
Equity			
Issued capital		2,524,423	2,524,423
Retained earnings		(90,324)	33,623
Other reserves	19	6,132,233	6,131,920
Equity attributable to owners of the parent		8,566,332	8,689,966
Non-controlling interests	19	1,039,855	1,042,855
Total equity		9,606,187	9,732,821
Total liabilities and equity		32,334,952	33,443,843

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

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month periods ended as of March 31, 2016 and 2015

(In thousands of US dollars - ThUS$)

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

	Notes	1/1/2016 3/31/2016	1/1/2015 3/31/2015
Profit (loss)			
Revenue	20	2,719,384	2,728,764
Cost of sales		(2,439,479)	(2,262,459)
Gross profit		279,905	466,305
Other Income, by function	23.a	9,490	13,975
Distribution costs		(2,817)	(2,738)
Administrative expenses		(94,457)	(101,018)
Other expenses	23.b	(254,508)	(238,191)
Other gains (loss)		6,814	5,987
Profit (loss) from operating activities		(55,573)	144,320
Finance income		3,947	4,311
Finance costs	24	(140,070)	(125,851)
Share of profit of associates and joint ventures accounted for using the equity method	8	7,423	8,557
Foreign exchange differences	26	(172,603)	92,877
Profit for the period before tax		(356,876)	124,214
Income tax expense	5	232,098	(117,962)
Profit (loss) for the period		(124,778)	6,252
Profit (loss) attributable to:			
Profit attributable to owners of the parent		(122,326)	15,899
Profit (loss) attributable to non-controlling interests	19.b	(2,452)	(9,647)
Profit (loss) for the period		(124,778)	6,252

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

CORPORACION NACIONAL DEL COBRE DE CHILE

INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Continuation)

For the three-month periods ended as of March 31, 2016 and 2015

(In thousands of US dollars - ThUS$)

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

	Notes	1/1/2016 3/31/2016	1/1/2015 3/31/2015
Profit/ (loss) for the period		(124,778)	6,252
Components of other comprehensive income (loss), before tax:			
Exchange differences on conversion			
Gain (loss) on exchange differences on conversion, before tax		2,244	(5,480)
Other comprehensive income, before tax, exchange differences on conversion		2,244	(5,480)
Cash flow hedges			
Gain (loss) on cash flow hedges, before tax		568	(4,270)
Other comprehensive income, before tax, cash flow hedges		568	(4,270)
Other comprehensive income, before tax, gains (losses) for defined benefit plans		(2,424)	(13,313)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method, before tax (which will be reclassified to the results of the period)		(10)	(243)
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)		121	(45)
Other comprehensive income (loss), before tax		499	(23,351)
Income tax related to other comprehensive income:			
Income tax related to cash flow hedges of other comprehensive income	5	(186)	2,811
Income tax relating to defined benefit plans of other comprehensive income		-	9,281
Aggregated income tax related to components of other comprehensive income		(186)	12,092
Other comprehensive income (loss)		313	(11,259)
Other comprehensive income for items reclassifiable to profit or loss in subsequent periods		2,616	(7,182)
Other comprehensive income for items not reclassifiable to profit or loss in subsequent periods		(2,303)	(4,077)
Total comprehensive income		(124,465)	(5,007)
Comprehensive income attributable to:			
Comprehensive income (loss) attributable to owners of the parent		(122,013)	4,640
Comprehensive income (loss) attributable to non-controlling interests	19.b	(2,452)	(9,647)
Total comprehensive income		(124,465)	(5,007)

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 three-month periods ended as of March 31, 2016 and 2015
(In thousands of US dollars - ThUS$)
(Translation to English of Interim Unaudited Consolidated Financial Statements originally issued in Spanish – see Note I.2)

	Notes	1/1/2016 3/31/2016	1/1/2015 3/31/2015
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		2,801,138	3,107,308
Other cash flows provided by operating activities	27	419,620	602,515
Payments to suppliers for goods and services		(1,875,350)	(2,211,507)
Payments to and on behalf of employees		(472,953)	(554,033)
Other cash flows used in operating activities	27	(550,241)	(570,392)
Dividends received		12,620	54,991
Income taxes paid		(24,471)	(21,066)
Net cash flows provided by operating activities		310,363	407,816
Cash flows provided by (used in) investing activities:			
Other payments to acquire equity or debt instruments of other entities		(24,861)	(1,830)
Purchases of property plant and equipment		(958,246)	(809,896)
Interest received		6,193	2,058
Other inflows (outflows) of cash		72,309	(3,639)
Net cash flows from (used in) investing activities		(904,605)	(813,308)
Cash flows provided by (used in) financing activities:			
Total amounts from loans		-	93,109
Repayments of loans		(350,000)	(102,274)
Dividends paid		-	-
Interest paid		(144,299)	(100,798)
Net cash flows from (used in) financing activities		(494,299)	(109,963)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference		(1,088,541)	(515,455)
Effect of exchange rate changes		4,417	3,541
Net increase (decrease) in cash and cash equivalents		(1,084,124)	(511,914)
Cash and cash equivalents at beginning of period	1	1,747,718	1,310,616
Cash and cash equivalents at end of period	1	663,594	798,702

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 three-month periods ended as of March 31, 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)

March 31, 2016	Issued capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses in defined benefits plans Note 19	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
Opening balance reformulated	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										
Profit for the period							(122,326)	(122,326)	(2,452)	(124,778)
Other comprehensive income (loss)		2,244	381	(2,424)	112	313		313	-	313
Comprehensive income								(122,013)	(2,452)	(124,465)
Dividends							-	-		-
Increase (decrease) through transfers and other changes	-	-	-	-	-	-	(1,621)	(1,621)	(548)	(2,169)
Total increase (decrease) in equity	-	2,244	381	(2,424)	112	313	(123,947)	(123,634)	(3,000)	(126,634)
Final balance as of 3/31/2016	2,524,423	(10,730)	(6,168)	(248,848)	6,397,979	6,132,233	(90,324)	8,566,332	1,039,855	9,606,187

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 three-month periods ended as of March 31, 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)

March 31, 2015	Issued capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses in defined benefits plans Note 19	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**
Opening balance reformulated	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							15,899	15,899	(9,647)	6,252
Other comprehensive income (loss)		(5,480)	(1,459)	(4,032)	(288)	(11,259)		(11,259)	-	(11,259)
Comprehensive income								4,640	(9,647)	(5,007)
Dividends							-	-		-
Increase (decrease) through transfers and other changes	-	-	-	-	(8,154)	(8,154)	(22,420)	(30,574)	26,634	(3,940)
Total increase (decrease) in equity	-	**(5,480)**	**(1,459)**	**(4,032)**	**(8,442)**	**(19,413)**	**(6.521)**	**(25.934)**	**16,987**	**(8,947)**
Final balance as of 3/31/2015	2,524,423	**(11,243)**	**(4,901)**	**(224,727)**	**5,565,255**	**5,324,384**	**1,787,036**	**9,635,843**	**1,880,722**	**11,516,565**

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

I. GENERAL INFORMATION1

1. Corporate Information

Corporación Nacional del Cobre de Chile, Codelco (hereinafter referred to as "Codelco", "Codelco - Chile", or the "Corporation"), is the largest copper producer in the world. Their 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 Superintendence 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 divisions Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina, El Teniente and Ventanas. 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 Laws 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 unaudited interim consolidated financial statements correspond to companies located in Chile and abroad, which are detailed in Note II.d of Section II to the Summary of Significant Accounting Policies.

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

2. Basis of Presentation of the Unaudited Interim Consolidated Financial Statements

The Corporation's Unaudited Interim Consolidated Financial Statements as of December 31, 2015, and the Consolidated Income Statement of Comprehensive Income, Cash Flows and Changes in Equity for the three-month period ended March 31, 2016 and 2015, are presented in thousands of US dollars and have been prepared according to the instructions of International Accounting Standard No. 34 (IAS 34), "Interim Financial Reporting", which is included in the International Financial Reporting Standards (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 three-month period ended March 31, 2015, are presented in thousands of US dollars and were prepared based on the accounting records maintained by Codelco Chile and its subsidiaries, and have been prepared according to the instructions of the Superintendence of Securities and Insurance (SVS), which fully prescribe the IFRS issued by the International Accounting Standards Board (hereinafter "IASB"), and according to 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 and other SVS specific regulations.

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 this unaudited interim consolidated financial statements as of March 31, 2016, for the effects of which SVS instructions have been applied, which fully prescribe the IFRS, issued by the IASB. The March 31, 2016 Unaudited Interim Consolidated Financial Statements were approved by the Board of Directors in a meeting on May 26, 2016.

Accounting Principles

These unaudited interim consolidated financial statements reflect the financial position of Codelco Chile and its subsidiaries as of March 31, 2016 and December 31, 2015, also, the results of their operations, the changes in net equity and cash flows for the three-month period ended March 31, 2016 and 2015, and their related notes, all of which have been prepared and presented in accordance with IAS 34 “Interim Financial Reporting” which considers the respective regulations of the Chilean Superintendence of Securities and Insurance (“SVS”), which do not conflict with IFRS.

For the convenience of the reader, these 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 the instructions of the Superintendence of Securities and Insurance (SVS), which fully prescribe the International Financial Reporting Standards issued by the IASB, requires the use of certain critical accounting estimates and assumptions that affect the amounts of assets and liabilities recognized as of the date of financial statements and the amounts of income and expenses during the reporting period. It also requires the Corporation's Management to exercise its judgment in the process of applying the Corporation's accounting principles. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the unaudited interim consolidated financial statements 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 assets that are used for calculating the 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.

   The studies consider specific factors related to the use of 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 judgment in determining the ore reserves, and as such, possible changes in these estimates could significantly impact the estimates of net revenues over time. For such reason, these changes would lead to modifications in the usage estimates of certain assets and of the amount of certain decommissioning and restoration costs.

   The Corporation estimates its reserves and mineral resources based on the information composed by the Competent Persons of the Corporation, defined and regulated by the Chilean Law N° 20.235. The estimates are based on the JORC (Joint Ore Reserves Committee) methodology, taking into consideration the historical information of the cost of goods sold and copper prices in the international market.

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

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 with regard to the carrying amount. 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 less than their carrying amount, an impairment loss exists.

The Corporation defines the CGUs and also estimates the timing and cash flows that such CGUs should 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.

Estimation 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, which are in turn supported by certain standards over time. Any changes to these criteria may impact the recoverable amount of the assets on which the Corporation is performing the impairment tests.

The Corporation has assessed and defined that the CGUs are constituted 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 the activities mentioned, the assumptions of the exchange rate for tradable goods and services must be made, and the discount rate applied to update the relevant cash flows over time, which reflects the time value of money and includes the risks associated with liabilities, which is determined based on the currency in which disbursements will be made.

The provision as of a reporting date represents management's best estimate of the present value of the future decommissioning and site restoration costs required. 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 taken immediately 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 should be expensed as incurred.

The costs arising from the installation of a plant or other site preparation projects are discounted at net present value, provided for and capitalized at the beginning of each project, as soon as the obligation to incur such costs arises. These decommissioning costs are charged to net income over the life of the mine, through depreciation of the 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 to determine the best estimate for these benefits. Such estimates, as well as assumptions, are determined together with an external actuary. These assumptions include demographic assumptions, mortality and morbidity, 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 of its provisional invoicing. These adjustments are updated on a monthly basis and the accounting principle on "Revenue recognition" is referred to in letter r) of the section 2 "Significant accounting policies" of the current document.

g) Fair Value of Derivatives and Other Instruments - Management may use its judgment to choose an adequate and proper valuation method for the 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 the 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 favorable outcome will be obtained or when the results are uncertain and the lawsuits are still pending resolution, no provisions are recognized.

Although these above-mentioned estimates have been made based on the best information available as of the date of issuance of these unaudited interim consolidated financial statements, it is possible that future developments may force the Corporation to modify these estimates in upcoming periods. Such modifications, if occurred, would be adjusted prospectively, recognizing the effects of the change in estimate on the corresponding future consolidated financial statements, as required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2. Significant accounting policies

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

- Statements of Financial Position as of March 31, 2016 and December 31, 2015.
- Statements of Comprehensive Income for the three-month periods ending March 31, 2016 and 2015.
- Statements of Changes in Equity for the three-month periods ending March 31, 2016 and 2015.
- Statements of Cash Flows for the three-month periods ending March 31, 2016 and 2015.

b) **Basis of preparation** – The unaudited interim consolidated financial statements of the Corporation for the period ended as of March 31, 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.

The unaudited interim 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 three-month period ended March 31, 2015, included for comparison purposes, have been prepared in conformity with IFRS, and on a consistent basis with the criteria used by the Corporation for the period ended March 31, 2016.

These consolidated financial statements have been prepared based on the accounting records kept by the Corporation.

c) **Functional Currency** - The functional currency of Codelco is the 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 retranslated at closing exchange rates. Gains and losses from foreign currency conversion are included in the period 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, likewise corresponds to 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, regarding those subsidiaries and associates that correspond only to 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.

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.

d) Basis of consolidation - The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continue to be consolidated until the date when such control ceases.

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

In the consolidation process, all significant balances and transactions between the consolidated companies have been fully eliminated, and the equity share of non-controlling interests has been recognized and presented as "Non-controlling Interests" The consolidated financial statements take into account the elimination of intercompany balances, transactions and unrealized profit and loss between the consolidated companies, including foreign and local subsidiaries. The companies incorporated in the consolidation are detailed as follows:

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

Taxpayer Number	Company	Country	Currency	3/31/2015 Entity Share Percentage			12/31/2015 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	USD	100.00	-	100.00	100.00
Foreign	Codelco International Limited	Bermuda	USD	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	USD	-	100.00	100.00	100.00
Foreign	Codelco Services Limited	England	GBP	-	100.00	100.00	100.00
Foreign	Codelco Shanghai Company Limited	China	USD	100.00	-	100.00	100.00
Foreign	Codelco Technologies Ltd.	Bermuda	USD	-	100.00	100.00	100.00
Foreign	Codelco USA Inc.	United States of America	USD	-	100.00	100.00	100.00
Foreign	Ecometales Limited	Anglonormandars	USD	-	100.00	100.00	100.00
Foreign	Exploraciones Mineras Andinas Ecuador EMSAEC S.A.	Ecuador	USD	-	100.00	100.00	100.00
Foreign	Cobrex Prospeccao Mineral	Brazil	BRL	-	51.00	51.00	51.00
78.860.780-6	Compañía Contractual Minera los Andes	Chile	USD	99.97	0.03	100.00	100.00
79.566.720-2	Isapre Chuquicamata Ltda.	Chile	CLP	98.30	1.70	100.00	100.00
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.69	-	96.69	96.69
88.497.100-4	Clinica San Lorenzo Limitada	Chile	CLP	99.90	0.10	100.00	100.00
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda.	Chile	CLP	-	100.00	100.00	100.00
89.441.300-K	Isapre Río Blanco Ltda.	Chile	CLP	99.99	0.01	100.00	100.00
96.817.780-K	Ejecutora Hospital del Cobre Calama S.A.	Chile	USD	99.99	0.01	100.00	100.00
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	USD	99.99	0.01	100.00	100.00
96.854.500-0	Instituto de Innovación en Mineria y Metalurgia S.A.	Chile	USD	99.93	0.07	100.00	100.00
96.876.140-4	Santiago de Rio Grande S.A.	Chile	USD	-	-	-	100.00
76.024.442-2	Ecosea Farming S.A.	Chile	USD	-	91.32	91.32	91.32
96.991.180-9	Biosigma S.A.	Chile	USD	66.67	-	66.67	66.67
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	USD	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	USD	99.99	0.01	100.00	100.00
76.883.610-8	Energía Minera S.A.	Chile	USD	99.00	1.00	100.00	100.00
76.043.396-9	Innovaciones en Cobre S.A.	Chile	USD	0.05	99.95	100.00	100.00
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	USD	99.90	0.10	100.00	100.00
76.167.903-1	Inversiones Mineras Acrux SpA	Chile	USD	-	67.80	67.80	67.80
76.173.357-5	Inversiones Gacrux SpA	Chile	USD	100.00	-	100.00	100.00
76.231.838-5	Inversiones Mineras Nueva Acrux SpA	Chile	USD	-	67.80	67.80	67.80
76.237.866-3	Inversiones Mineras Los Leones SpA	Chile	USD	100.00	-	100.00	100.00
76.173.783-K	Inversiones Mineras Becrux SpA	Chile	USD	-	67.80	67.80	67.80
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	USD	-	100.00	100.00	100.00
76.255.061-K	Central Eléctrica Luz Minera SpA	Chile	USD	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	-	-	-	-
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 policies in order to obtain benefits from its activities under the rules of IFRS 10. 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 is in the position to exercise significant influence, but not to control or jointly control, through the power to participate in the financial and operating policy decisions of that entity.

  Codelco’s share of the net assets of such entities is included in the consolidated financial statements by using the equity method. This requires recording the initial investment at cost and then, in subsequent periods, adjusting the carrying amount of the investment to reflect Codelco’s share in the income of associates, less any impairment of goodwill and any other changes in the associate’s net assets.

  The Corporation makes adjustments to the proportional gains or losses obtained by the associate after the acquisition, in order to consider the effects that may exist in the depreciation of fair value of the assets according to the date of acquisition.

- Acquisitions and Disposals - The results of businesses acquired are incorporated in the consolidated financial statements from the acquisition date; the results of businesses sold during the period are incorporated into the consolidated financial statements up to the effective date of disposal. Gains or losses from the disposal are calculated as the difference between the sale proceeds (net of expenses) and the net assets attributable to the ownership interest that has been sold.

  Upon the occurrence of operations that generate a loss of control over a subsidiary, the valuation of investment which results from the loss of control in the subsidiary must be based on the fair values of such companies.

  If at the time of acquisition of an investment in an associate, Codelco´s share in the net fair value of identifiable assets and liabilities of the associate is higher than the cost of the investment, the Corporation recognizes revenue in the period in which such purchase was made.

- 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.

e) Foreign currency transactions - Monetary assets and liabilities denominated in foreign currency have been translated into U.S. dollars at the closing exchange rate of the period.

At the reporting period-end, 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) (3/31/2016: US$38,54; 12/31/2015: US$36.09), are expressed in U.S. dollars at the closing exchange rates of each period.

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

Income and expenses denominated in Chilean pesos have been translated into U.S. dollars at the exchange rate at the date when the transaction was recorded in the accounting records.

Exchange differences are recognized in net income in accordance with IFRS.

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

- Assets and liabilities for each statement of financial position presented shall be translated at the closing rate at the date of that statement of financial position.
- Income and expenses for each statement of comprehensive income shall be translated at average exchange rates of the reporting period.
- All resulting exchange differences are recognized as a separate component of net equity.

The exchange rates used in each period are as follows:

Relation	Exchange rates	
	3/31/2016	12/31/2015
USD / CLP	0.00149	0.00141
USD / GBP	1.43740	1.48280
USD / BRL	0.27968	0.25109
USD / EURO	1.13804	1.09075

f) Offsetting Balances and Transactions: As a general standard, assets and liabilities, income and expenses, are not offset in the financial statements, except for those cases in which offsetting is required or is allowed by some standard and the presentation is a reflection of the transaction.

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

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

The costs of property, plant and equipment items related to the extension, modernization or improvement representing an increase of the productivity, capacity or efficiency or an increase in the useful life of the assets is capitalized as cost of the corresponding assets.

Furthermore, investments in assets acquired under finance lease contracts 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 related to the production process are depreciated, as a general rule, using the units of production method when the activity which is executed by the good can be clearly identified with a cooper extraction productive process. Other assets are depreciated using the straight-line method.

The assets included in property, plant and equipment are depreciated equally over their economic useful lives, which are summarized in the following table:

Items	Useful Life
Land	Without depreciation
Land on mine site	Units of production
Buildings	Straight line over 20-50 years
Buildings in underwater level mines	Units of production of the level
Vehicles	Straight line over 3-7 years
Plant and equipment	Units of production
Foundries	Linear depreciation
Refineries	Units of production
Mining rights	Units of production
Support teams	Units of production
Intangibles – Software	Straight line over 8 years
Cost of evaluation and development	Units of production, life of mine or resource, for those goods susceptible of being activated

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

Estimated useful lives, residual values and the depreciation method are reviewed at each year end, recording prospectively the effect of any change in estimates.

Additionally, depreciation criteria and the 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 that are 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 information, confirmed and officially recognized by the Corporation.

The profit or loss from disposal or withdrawal of an asset is calculated as the difference between the price obtained in the disposal and the value recorded in the ledgers recognizing the charge or credit to net income for the year.

Work in progress includes the amounts invested in the construction of property, plant and equipment assets and in mining development projects. Works in progress are transferred to assets in operation once the testing period has terminated and when they are available for use, and start to be depreciated as of that moment.

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

Without prejudice to the foregoing, 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 losses for impairment, and deducting the value associated with 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 will be considered as part of the cost of property, plant and equipment.

h) **Intangible assets –** The Corporation initially values these assets at acquisition cost. The aforementioned cost is amortized systematically over its useful life, except in the case of assets with indefinite useful life, which are not amortized. Furthermore, the Corporation assesses the existence of impairment, at least, once a year, or earlier if there is any indication of impairment.

At the closing date, intangible assets are recorded at their cost less any accumulated amortization (when applicable), and any accumulated impairment loss.

The main intangible assets are described as follows:

Expenses for Research and Technological Development and Innovation

Development expenses for technology projects and innovation are recognized as intangible assets at cost and are considerate as indefinite useful life items.

Research expenses for technology projects and innovation 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 verify whether there is any indication that the carrying value cannot be recovered. If such an indicator exists, the recoverable amount of the assets is estimated to determine the extent of the impairment loss.

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

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

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 to sell the asset and its value in use. When evaluating the value in use, the estimated future cash flows are discounted using an interest rate, before taxes, that shows the market evaluations corresponding to the time value of money and the specific risks of the asset, for which the future cash flow estimates have not been adjusted.

If the recoverable value of an asset or cash generating unit is estimated to be less 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, the carrying amount increases to the reviewed estimate of the recoverable amount, but only to the point that it does not exceed the carrying amount that would have been determined if no impairment had been recognized previously. A reversal is recognized as a decrease in the charge for depreciation for the year.

For CGU, future cash flow estimates are based on the estimates of future production levels, 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 improvements related to expenses. 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.

Development expenses for deposits under exploitation whose purpose is to maintain production levels are charged to net income when incurred.

Expenses for exploration and drillings of deposits include the expenses destined to locate mineralized areas to determine their potential for commercial exploitation. The accounting policy for these expenses has been defined by the Corporation in accordance with IFRS 6 paragraph 9, which will mainly be treated as expenses in profit or loss in the period when the expenses occurred until there is certainty that the project is economically viable.

Pre-operating and mine development expenses (PP&E) 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 extraction of waste material, constructing the mine's infrastructure and other works carried out prior to the production phase.

Finally, the costs for the 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) to gain access to mineral ore deposits in open pits that are in production, incurred in order to access mineral deposits that are in production, or incurred in order to access 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 component of an ore body for which access has been improved as a result of the stripping activity.
- The costs relating to the improved access to that component can be measured reliably.

The amounts recognized in property, plant and equipment are depreciated according to units of production method extracted from the ore body related to the 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 that 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, special purpose entities 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 modified the income tax rate, which in effect will have has a prospective impact in the on the Company´s consolidated financial statements. The details of the effects due to the tax reform are described in note 5 of 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. 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 the 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 based on a fixed percentage of the monthly tax base 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, mortality and morbidity tables, expected increases in compensation 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 practical management best 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.

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 divisions Chuquicamata, Radomiro Tomic, Minister Hales, Gabriela Mistral, Salvador, Andina and El Teniente. 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.

With respect to the Statements of Other Comprehensive Income (loss) on currency exchange rate cash flow hedges and share of associates and joint ventures accounted for using the equity method, they could be an effect on future Statements of Comprehensive Income (loss), while the Statement of Other Comprehensive Income (loss) of actuarial defined benefit plans will not have future effects on the Statement of Comprehensive Income.

v) Current and non-current financial assets 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) **Estimation of doubtful accounts –** The Corporation records an estimate of doubtful accounts after 6 months have passed pre-judicial notification, initiating a judicial collection. Write-off of uncollected receivables will be recorded once the Corporation have exhausted all means of collection and in the following cases: if the debtor is declared bankrupt, absence of debtor's goods and/or if the cost of the demand is higher than the amount of debt.

Renegotiations are assessed based on the experience and the background of the 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 sale 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 – According to Law No. 13.196, the return on foreign currency of Codelco's copper export sales based on the actual sales revenue, including byproducts, is taxed at 10%. The amount for this concept is presented in the statement of income in the item other expenses, by function.

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 the lessee accounting recognize assets and liabilities due to rights and obligations generated by leases of more than 12 months duration, and for which the underlying asset is not low value. Also establishes new requirements for disclosures about exposure to risk by leasers.

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	Establishes guidelines for determining future taxable profits against which it can be used a deductible temporary difference.

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, anticipating that they will not have significant impacts.

(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 detailed as follows:

Items	3/31/2016 ThUS$	12/31/2015 ThUS$
Cash on hand	7,642	4,132
Bank balances	68,541	682,348
Time deposits	572,744	1,047,641
Resale agreements	14,667	13,597
Total Cash and cash equivalents	663,594	1,747,718

Valuation of time deposits is made on an accrual basis with an interest rate associated with each of these instruments.

The Corporation does not maintain any significant amounts of cash and cash equivalents that are not available for 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 March 31, 2016 and of December 31, 2015 include a negative accrual of ThUS$16,093 and ThUS$66,977, respectively, related to the accrual of open invoices.

(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	
	3/31/2016 ThUS$	12/31/2015 ThUS$	3/31/2016 ThUS$	12/31/2015 ThUS$
Trade receivables (1)	1,261,080	1,200,388	896	850
Allowance for doubtful accounts (3)	(2,674)	(2,470)	-	-
Subtotal trade receivables, net	1,258,406	1,197,918	896	850
Other receivables (2)	576,461	684,976	87,727	84,219
Allowance for doubtful accounts (3)	(6,467)	(6,031)	-	-
Subtotal other receivables, net	569,994	678,945	87,727	84,219
Total	1,828,400	1,876,863	88,623	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$142,283 and ThUS$137,653 at March 31, 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 three-month period ended March 31, 2016 and during the year 2015 was as follows:

Items	3/31/2016 ThUS$	12/31/2015 ThUS$
Opening balance	8,501	7,524
Increases	851	1,464
Write-offs/applications	(211)	(487)
Movement, subtotal	640	977
Final balance	9,141	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	3/31/2016 ThUS$	12/31/2015 ThUS$
Less than 90 days	12,533	29,780
Between 90 days and 1 year	4,496	20,958
More than 1 year	12,597	9,150
Total past-due and not impaired	29,626	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 were affected in 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 Superintendence of Securities and Insurance as material fact), which establishes common transactions ordinarily made with its related parties within their line of business, contributes 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 persons and companies related to Codelco personnel. Codelco Corporate Standard No. 18 (NCC No. 18), whose latest version currently in effect 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.

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

This prohibition also includes the companies in which such 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.

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.

Such operations include those ones listed in the following table which need to be executed during the period specified by each contract. These transactions are presented in total amounts:

Entity	Taxpayer Number	Country	Nature of the relationship	Description of the transaction	1/1/2016 3/31/2016 Amount ThUS$	1/1/2015 3/31/2015 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	Sales and purchases of goods	-	700,000
Biosigma S.A.	96.991.180-9	Chile	Affiliate	Services	-	15,296
Hatch Ingenieros y Consultores Ltda.	78.784.480-4	Chile	Employee's relative	Services	459	-
Clínica San Lorenzo	88.497.100-4	Chile	Affiliate	Services	1,130	-
Sociedad Contractual Minera El Abra.	96.701.340-4	Chile	Associate	Supplies	-	750
Finning Chile S.A.	91.489.000-4	Chile	Employee's relative	Supplies	165	-
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	-	24
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
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	13	7
SGS Minerals Ltda.	96.671.880-3	Chile	Employee's relative	Services	255	-

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.

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

Entity	Taxpayer	Country	Nature of the	Description of	1/1/2016	1/1/2015

	Number		relationship	the transaction	3/31/2016	3/31/2015
					Amount ThUS$	Amount ThUS$
Augusto González Aguirre	6.826.386-7	Chile	Director	Director´s fees	-	25
Augusto González Aguirre	6.826.386-7	Chile	Director	Payroll	-	39
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Director´s fees	28	25
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Director´s fees	22	25
Gerardo Jofré Miranda	5.672.444-3	Chile	Director	Director´s fees	22	25
Isidoro Palma Penco	4.754.025-9	Chile	Director	Director´s fees	22	-
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Director´s fees	22	-
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Director´s fees	22	25
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	-	31
Oscar Landerretche Moreno	8.366.611-0	Chile	Chairman of the Board	Director´s fees	33	37
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Director´s fees	22	25
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	9	9

(1) During the period between January 1 and May 11, 2015, 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 unique 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).

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

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 – March 2016, a total amount of ThUS$3,414 (January – March 2015: ThUS$3,601)

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 March of 2016 and 2015, payments were made to the Principle Executives of Codelco as compensation for years of service, equal to ThUS$176 and ThUS$115, respectively.

There were no payments for other noncurrent benefits during the period of January through March 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 – March 2016 and 2015, are the following: Sociedad GNL Mejillones S.A., Copper Partners Investment Company Ltd., Sociedad Contractual Minera El Abra, Agua de La Falda S.A., Planta Recuperadora de Metales SpA and Anglo American Sur S.A.

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 relate companies as of March 31, 2016 and of December 31, 2015, are detailed as follows:

Accounts receivable from related companies:

Taxpayer	Entity	Country	Nature of	Indexation	Current	Non-current

Number			the relationship	currency	3/31/2016 ThUS$	12/31/2015 ThUS$	3/31/2016 ThUS$	12/31/2015 ThUS$
73.063.022-5	Inca de Oro	Chile	Associate	USD	18	17	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	USD	-	8,019	16,941	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	241	2,350		-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	USD	-	-	224	224
Foreign	Copper Partners Invest. Company Ltd	Bermuda	Joint venture	USD	4,666	10,671	-	-
Total					4,925	21,057	17,165	224

Accounts payable to related companies:

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					3/31/2016 ThUS$	12/31/2015 ThUS$	3/31/2016 ThUS$	12/31/2015 ThUS$
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	-	500	-	-
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	USD	83,070	100,888		-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	26,514	25,918	-	-
Foreign	Copper Partners Invest. Company Ltd.	Bermuda	Joint venture	USD	33,610	29,724	152,459	157,049
Foreign	Deutsche Geissdraht GmbH	Germany	Associate	EURO	6,322	6,336	-	-
Total					149,516	163,366	152,459	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 during the three-month periods ended on March 31, 2016 and 2015 are detailed in the next chart together with their corresponding effects on profit or loss:

Taxpayer Number	Entity	Nature of the transaction	Country	Indexation currency	1/1/2016 3/31/2016		1/1/2015 3/31/2015	
					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	USD	14,597	14,597	29,954	29,954
Foreign	Copper Partners Investment Co. Ltd.	Dividends received	Bermuda	USD	-	-	24,601	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	USD	-	-	22,125	-
77.762.940-9	Anglo American Sur S.A.	Product purchase	Chile	USD	113,150	(113,150)	133,642	(133,642)
76.775.710-7	Sociedad GNL Mejillones S.A.	Reimbursement	Chile	USD	-	-	(1,428)	(1,428)
96.701.340-4	SCM El Abra	Dividends received	Chile	USD	9,800	-	7,350	-
96.701.340-4	SCM El Abra	Product purchase	Chile	USD	68,019	(68,019)	113,907	(113,907)
96.701.340-4	SCM El Abra	Product sales	Chile	USD	3,826	3,826	6,370	6,370
96.701.340-4	SCM El Abra	Product purchase	Chile	USD	223	(223)	2,033	(2,033)
96.701.340-4	SCM El Abra	Commissions received	Chile	USD	36	36	49	49
96.701.340-4	SCM El Abra	Other purchases	Chile	USD	139	(139)	-	-
96.801.450-1	Agua de la Falda S.A.	Services Sales	Chile	CLP	1	1	-	-
Foreign	Deutsche Geissdraht GMbH	Dividends received	Germany	EURO	-	-	915	-
76.255.054-7	Planta Recuperadora de Metales	Loan	Chile	USD	2,550	0	340	0

(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 Society Planta Recuperadora de Metales SpA corresponds to the balance of the loan to this Company in order to building its plant.

The current and non-current accounts payable for the entity Copper Partners Investment Company Ltd., corresponds to the balance of the advance payment received (US$550 million) due to the trade agreement with Minmetals.

Transactions for the purchase and sales of products with Anglo American Sur S.A., correspond, on the one hand, relate to the normal operation that both companies made to acquire copper and other products, while on the other hand, there exist certain transactions that are associated with the contract between the affiliate Inversiones Mineras Nueva Acrux SpA (the non-controlling shareholder is Mitsui) and Anglo American Sur S.A., in which the latter agrees to sell a portion of its annual copper output to said subsidiary.

4. Inventories

Current and Non-current Inventories as of March 31, 2016 and December 31, 2015 are detailed as follows:

Items	Current		Non-current	
	3/31/2016 ThUS$	12/31/2015 ThUS$	3/31/2016 ThUS$	12/31/2015 ThUS$
Finished products	444,786	512,711	-	-
Subtotal finished products, net	444,786	512,711	-	-
Products in process	1,072,349	1,108,291	207,778	185,470
Subtotal products in process, net	1,072,349	1,108,291	207,778	185,470
Material in warehouse and other	545,921	555,317	-	-
Obsolescence allowance adjustment	(83,046)	(79,293)	-	-
Subtotal material in warehouse and other, net	462,875	476,024	-	-
Total Inventories	1,980,010	2,097,026	207,778	185,470

Inventories recognized as cost of operation for the periods ended at March 31, 2016 December 31, 2015 correspond to finished goods and amount to ThUS$2,429,744 and ThUS$2,247,781, respectively.

For the three-month period ended March 31, 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	(3,753)
Final Balance 3/31/2016	(83,046)

As of March 31, 2016 and 2015, Codelco has not recognized write-off of inventory in the Consolidated Statements of Comprehensive Income.

At the end of the financial period ended March 31, 2016, the book value of inventories - under evaluation of the concept of net realizable value under IAS 2 “Inventories” - amounted to ThUS $400,857 (December 31, 2015: ThUS$286,574). As a result of the evaluation, the Corporation adjusted inventories on those assets whose book value exceeds its net realizable value, reaching the balance of this adjustment to the date indicated in the amount of ThUS$61,458 (December 31, 2015: ThUS$84,527), which is deducted from the aforementioned figure.

During the period from January-March 2016, the Corporation has not recorded reversal of provisions.

Codelco, along with Sociedad Contractual Minera El Abra, purchase and sell copper. At March 31, 2016 and December 31, 2015, the value of finished goods inventories for this category did not present balances in provision for unrealized profit

The Corporation realizes operations for the purchase and sale of copper with Anglo American Sur S.A. The value of finished goods inventories for this category at December 31, 2015, has an unrealized profit provision of ThUS$160.

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

5. Deferred taxes and income taxes

a) Expense of tax income

Items	3/31/2016 ThUS$	3/31/2015 ThUS$
Current Tax Expenses	-	207,255
Effect of Deferred Taxes (i)	233,877	(312,246)
Other	(1,779)	(12,971)
Total income taxes	232,098	(117,962)

i. The Corporation recognizes a tax loss as of March 31, 2016.

ii. As a part of the process of the tax audit for the long-term sales agreement between the Corporation and its subsidiary, Copper Partners Investment, Codelco received two tax liquidations which are indicated in Note No. 28 Contingencies and Restrictions. These settlements were challenged by the Corporation through several administrative and judicial ways. 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 issuance of tax collections which amount to ThUS$148,935, paid on August 31, 2015. This transaction was recorded in Income taxes of the Statement of Comprehensive Income.
Such agreement has enabled the liquidated and collected differences to be solved which were related to this matter until 2011, plus the differences due to this same concept is foreseen for the 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	3/31/2016 ThUS$	12/31/2015 ThUS$
Provisions	1,109,130	1,039,129
Unrealized gains	9,213	9,213
Finance lease	22,163	20,379
Advances from clients	125,821	128,804
Hedged Swap derivatives of exchange rates	13,913	12,361
Health care plans	-	14,654
Tax losses	1,092,360	672,907
Other	7,185	9,234
Total deferred tax assets	2,379,785	1,906,681

Deferred tax liabilities	3/31/2016 ThUS$	12/31/2015 ThUS$
IFRIC 20 First adoption	14,971	14,971
Taxes from Mining Activity	73,014	55,487
Property, plant and equipment variations	655,003	523,733
Valuation of employee termination benefits	16,081	27,100
Accelerated depreciation	4,435,715	4,334,433
Anglo American Sur S.A. investment	63,929	66,430
Income from fair value of mining properties	108,509	108,509
Derivatives Hedging future contracts	2,772	1,034
Affiliates income deferred taxes	31,709	30,030
Other	1,996	2,559
Total deferred tax liabilities	5,403,699	5,164,286

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

Deferred taxes affecting Equity	3/31/2016 ThUS$	3/31/2015 ThUS$
Cash Flow Hedge	(186)	2,811
Defined Benefit Plans	-	9,281
Total deferred taxes affecting equity	(186)	12,092

(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, registered in the Financial Statements of the Corporation.

Items	3/31/2016				
	Taxable Base		Tax rate		
	24% ThUS$	40% ThUS$	24% ThUS$	Add. 40% ThUS$	Total ThUS$
Profit (loss) before taxes	(357,010)	(357,010)	85,682	142,804	228,486
Profit before taxes affiliates	134	134	(32)	(54)	(86)
Profit before taxes consolidated	(356,876)	(356,876)	85,650	142,750	228,400
Permanent differences					
Taxes of first category (24%)	5,513	-	(1,323)	-	(1,323)
Specific tax for government firms Art. 2 D.L. 2.398 (40%)	-	16,629	-	(6,652)	(6,652)
Subtotal determined tax	-	-	-	-	220,425
Effect of the Tax Rate Change (income taxes)	-	-	-	-	29,158
Specific mining tax	-	-	-	-	(17,485)
TOTAL TAX EXPENSE					232,098

Items	3/31/2015				
	Taxable Base		Tax rate		
	22.5% ThUS$	40% ThUS$	22.5% ThUS$	Add. 40% ThUS$	Total ThUS$
Profit (loss) before taxes	132,032	132,032	(29,707)	(52,813)	(82,520)
Profit before taxes affiliates	(7,818)	(7,818)	1,759	3,127	4,886
Profit before taxes consolidated	124,214	124,214	(27,948)	(49,686)	(77,634)
Permanent differences					
Taxes of first category (22.5%)	34,965	-	(7,867)	-	(7,867)
Specific tax for government firms Art. 2 D.L. 2.398 (40%)	-	126,967	-	(50,787)	(50,787)
Subtotal determined tax	-	-	-	-	(136,288)
Effect of the 1st Category Tax Rate Change (Oct-Dec 2014)	-	-	-	-	(4,913)
Fair value amortization Anglo American Sur S.A.	-	-	-	-	10,640
Specific mining tax	-	-	-	-	12,599
TOTAL TAX EXPENSE					(117,962)

Pursuant to Article 2 of the Law Decree 2.398, it is fixed an additional tax rate of 40% to the retained earnings of the Companies which are not Corporations or Joint Stock Companies plus the dividends received from such stocks in accordance with the Law.

Tax Reform in Chile

On September 29, 2014, Law N° 20.780 named "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 stand 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 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 to 21%, 22.5%, 24%, 25.5% and 27% respectively.

For the calculation of the deferred taxes, the Corporation, notwithstanding the above, has applied a General Taxation Regime, with tax rates notched for commercial years 2014, 2015, 2016, and 2017 onwards, increasing it to 21%, 22.5%, 24% and 25%, respectively. There exists no option to avail of the schemes provided for in Article 14, as the state-owned Company. Meanwhile, subsidiaries and associates for the calculation of deferred taxes were applied to the partially integrated tax system by default.

It has been estimated a rate of 5% for the Specific Mining Tax, in accordance with the 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	3/31/2016 ThUS$	12/31/2015 ThUS$
Recoverable Taxes	256,628	255,528
Other	15,706	14,884
Total Current Tax Assets	272,334	270,412

Current Tax Liabilities	3/31/2016 ThUS$	12/31/2015 ThUS$
Provision for Mining Tax	-	4,156
Provision PPM	-	8,565
Credits on Current Taxes	(5,040)	-
Others	13,783	3,532
Total Current Tax Liabilities	8,743	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 March 31, 2016 compared with December 31, 2015, are as follows:

Property, Plant and Equipment, gross	3/31/2016 ThUS$	12/31/2015 ThUS$
Work in progress	5,414,800	4,890,617
Land	133,634	133,133
Buildings	4,897,592	4,962,596
Plant and equipment	13,870,908	14,129,173
Fixtures and fittings	53,306	56,229
Motor vehicles	1,985,530	1,998,687
Land improvements	4,687,789	4,715,847
Mining operations	5,324,038	5,199,036
Mine development	3,906,712	3,863,754
Other assets	1,437,745	1,433,836
Total Property, Plant and Equipment, gross	41,712,054	41,382,908

Property, Plant and Equipment, accumulated depreciation	3/31/2016 ThUS$	12/31/2015 ThUS$
Work in progress	-	-
Land	-	-
Buildings	2,621,094	2,594,337
Plant and equipment	8,588,199	8,644,487
Fixtures and fittings	36,372	38,680
Motor vehicles	1,138,312	1,111,840
Land improvements	2,690,139	2,663,029
Mining operations	2,639,728	2,449,858
Mine development	684,157	659,444
Other assets	478,249	453,994
Total Property, Plant and Equipment, accumulated depreciation	18,876,250	18,615,669

Property, Plant and Equipment, net	3/31/2016 ThUS$	12/31/2015 ThUS$
Work in progress	5,414,800	4,890,617
Land	133,634	133,133
Buildings	2,276,498	2,368,259
Plant and equipment	5,282,709	5,484,686
Fixtures and fittings	16,934	17,549
Motor vehicles	847,218	886,847
Land improvements	1,997,650	2,052,818
Mining operations	2,684,310	2,749,178
Mine development	3,222,555	3,204,310
Other assets	959,496	979,842
Total Property, Plant and Equipment, net	22,835,804	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	428,800	-	-	7,923	8	-	-	127,866	-	136	564,733
Disposals	(6,509)	-	-	(292)	-	-	-	(16,310)	-	-	(23,111)
Capitalizations	(112,335)	-	21,717	63,339	-	645	26,634	-	-	-	-
Depreciation and amortization	-	-	(41,671)	(170,569)	(650)	(37,195)	(53,229)	(183,127)	(15,145)	(24,479)	(526,065)
Reclassifications	217,205	-	(73,207)	(102,653)	18	(3,039)	(28,573)	6,703	33,390	3,905	53,749
Other	(2,978)	501	1,400	265	9	(40)	-	-	-	92	(741)
Total movements	524,183	501	(91,761)	(201,977)	(615)	(39,629)	(55,168)	(64,868)	18,245	(20,346)	68,565
Final balance 3/31/2016	5,414,800	133,634	2,276,498	5,282,709	16,934	847,218	1,997,650	2,684,310	3,222,555	959,496	22,835,804

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 12/31/2015	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 its subsidiaries, 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 three-month period ended March 2016 amounted to ThUS$35,311 calculated on an annual capitalization rate of 3.89% and compared with December 31, 2015 was ThUS$20,000 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 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Profit /(loss)	6,081	3,844
Cash outflows	16,231	21,488

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

Other assets, net	3/31/2016 ThUS$	12/31/2015 ThUS$
Leasing assets	93,265	96,534
Mining properties from the purchase of Anglo American Sur S.A. shares	402,000	402,000
Maintenances and other major reparations	328,118	340,303
Other assets Plan Kalama	128,698	133,464
Others	7,415	7,541
Total other assets, net	959,496	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. On the other hand, 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.

i) According to the accounting policy indicated in note 2.i), related to impairment of Property Plant & Equipment, and as indicated in note Operating Segments, the Corporation recorded an impairment in the value of the assets of Division Ventanas and Division Salvador as of

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

December 31, 2015 and 2014, amounting to ThUS$54,047 and ThUS$310,530 before taxes, respectively. As of March 31, 2016, there are no impairment indicators; hence, it has not performed adjustment to the assets value.

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	
	3/31/2016	12/31/2015	1/1/2016 3/31/2016	1/1/2015 3/31/2015
	ThUS$	ThUS$	ThUS$	ThUS$
Investments in associates accounted for using the equity method	3,967,287	3,977,786	(61)	(14,437)
Joint ventures	121,515	114,031	7,484	22,994
Total	4,088,802	4,091,817	7,423	8,557

a) Associates

Agua de la Falda S.A.

As of March 31, 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 March 31, 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 March 31, 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 March 31, 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 the 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.

As of March 31, 2016, Codelco has a 48.19% interest in Comotech S.A. through its indirect subsidiary Innovaciones en Cobre S.A.

The company's line of business is to carry out research activities to increase the demand for molybdenum at the national and international level through new and better applications, uses and/or markets.

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 the 100% of the society.

The financial effects from this operation generated a profit before income tax of ThUS$33,668 during the period ended at 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 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 according with IFRS.

As of March 31, 2016, Codelco holds a participation of 33.2% of shared capital.

Copper for Energy S.A.

As of March 31, 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 their participation in the total equity of the firm Planta Recuperadora de Metales SpA to a 51%. LS-Nikko Copper Inc. holds the remaining 49% of the equity.

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

As of March 31, 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 March 31, 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.

On August 24, 2012, the company Inversiones Mineras Acrux SpA., (Acrux) and its affiliates (the shares divided between Mitsui & Co. Ltd. (Mitsui) and Codelco, but with Codelco maintaining control), acquired a 29.5% share interest in Anglo American Sur S.A. (AAS), of which 24.5% corresponds to the indirect ownership of Codelco on AAS.

Subsequently, on November 26, 2012, Codelco sold 44,900 of its shares of Acrux to its partner Mitsui, generating a profit before tax of ThUS$7,626.

After the above mentioned sale, Codelco reduced its indirect share interest in AAS to 20%, while Mitsui increased its participation to 9.5%.This situation remains without changes as of December 31, 2012.

At March 31, 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 Acrux through its subsidiary Inversiones Mineras Becrux SpA., with a 29.5% and Mitsubishi group with a 20.44%.

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	
			3/31/2016	12/31/2015	3/31/2016	12/31/2015	1/1/2016 3/31/2016	1/1/2015 3/31/2015
			%	%	ThUS$	ThUS$	ThUS$	ThUS$
Deutsche Geissdraht GmbH	Foreign	EURO	40.0%	40.0%	2,374	3,033	263	282
Agua de la Falda S.A.	96.801.450-1	USD	43.3%	43.3%	4,541	4,591	(49)	(67)
Sociedad Contractual Minera El Abra	96.701.340-4	USD	49.0%	49.0%	649,517	650,726	8,470	14,177
Minera Purén SCM	76.028.880-2	USD	35.0%	35.0%	10,178	10,192	(14)	(19)
Sociedad GNL Mejillones S.A.	76.775.710-7	USD	37.0%	37.0%	68,687	68,029	658	2,135
Inca de Oro S.A.	73.063.022-5	USD	33.2%	33.2%	23,097	23,097	-	-
Anglo American Sur S.A.	77.762.940-9	USD	29.5%	29.5%	3,205,309	3,214,570	(9,262)	(30,770)
Planta Recuperadora de Metales SpA	76.255.054-7	USD	34.0%	51.0%	3,584	3,548	(127)	(175)
TOTAL					3,967,287	3,977,786	(61)	(14,437)

In respect of investments in associates accounted for under the equity method, the following tables with details of assets and liabilities at March 31, 2016 and December 31, 2015 are presented as well as the major movements and respective results for the three-month periods ended March 31, 2016 and 2015.

Assets and liabilities	3/31/2016 ThUS$	12/31/2015 ThUS$
Current Assets	1,297,908	1,240,418
Non-current Assets	6,099,467	6,120,536
Current Liabilities	383,093	339,828
Non-current Liabilities	1,167,719	1,156,418

Net Income	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Revenue	586,423	743,231
Cost of sales	(721,733)	(776,537)
Profit (loss) for the period	(135,310)	(33,306)

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

Movements of Investment in Associates	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Opening balances	3,977,786	6,665,113
Dividends	(9,800)	(30,390)
Net income for the period	(61)	(14,437)
Foreign exchange differences	(922)	(539)
Other	284	(125)
Final balance	3,967,287	6,619,622

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

Anglo American Sur S.A.

Assets and liabilities	3/31/2016 ThUS$	12/31/2015 ThUS$
Current Assets	804,000	750,664
Non-current Assets	4,378,000	4,419,038
Current Liabilities	300,000	271,345
Non-current Liabilities	630,000	626,548

Net Income	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Revenue	431,000	491,178
Cost of sales	(452,000)	(465,623)
Profit (loss) for the period	(21,000)	25,555

(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	3/31/2016 ThUS$	12/31/2015 ThUS$
Current Assets	449,582	443,237
Non-current Assets	1,219,602	1,221,180
Current Liabilities	50,250	54,475
Non-current Liabilities	264,241	252,782

Net Income	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Revenue	142,443	233,803
Cost of sales	(125,158)	(204,870)
Profit (loss) for the period	17,285	28,933

b) Joint ventures

At March 31, 2016, the Corporation participates in the Copper Partners Investment Company Limited joint venture. This partnership dates from March 2006 when Codelco Chile through its subsidiary Codelco International Ltd., executed the agreement with Album Enterprises Limited (a subsidiary of Minmetals) to form the company, in which both companies hold equal interests.

Assets and liabilities	3/31/2016 ThUS$	12/31/2015 ThUS$
Current Assets	90,354	76,806
Non-current Assets	157,367	161,956
Current Liabilities	4,696	10,705
Non-current Liabilities	-	-

Net Income	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Revenue	33,599	80,988
Cost of sales	(18,631)	(35,000)
Profit (loss) for the period	14,968	45,988

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

Movements of the investment in joint ventures	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Opening balances	114,031	133,593
Net income for the period	7,484	22,994
Dividends	-	(24,601)
Final balance	121,515	131,986

Additional Information	3/31/2016 ThUS$	3/31/2015 ThUS$
Cash and cash equivalents	41,449	19,146

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 March 31, 2016 corresponds to ThUS$14,283 (December 31, 2015: ThUS$14,283), an amount which represents deductions of investments in this entity.

Codelco carries out copper purchase and sales with the Sociedad Contractual Minera El Abra. At March 31, 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. At March 31, 2016 31, 2015, the value of finished products inventories category presents no unrealized gain provisions, while 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 March 31, 2016. As of December 31, 2015 it amounts to ThUS$3,920.

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, while the book value at the acquisition date was ThUS$1,699,795.

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 has been prepared by management using best estimates 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 the application of the discounted cash flow model, the fair value of the net assets of Anglo American Sur S.A. valued at 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 Life of Mine (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 supplies costs, foreign exchange rates, discount rates and the market information for the long-term assets valuation. The discount rate used for this calculation was of an 8% annual, after taxes.

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

Furthermore, the resources which are not included in the mining plan (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. At March 31, 2016, there not are impairment indicators; hence, the assets value has not been adjusted.

After recognition of the share of profit of associated, according to detailed 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 period results

The loss before taxes related to the equity interest over the Anglo American Sur S.A.’s losses recognized for the three-month period ended March 31, 2016, amounted to ThUS$6,195, while the adjustment to said results related to the depreciation and decrease of the fair value of Anglo American Sur’s net assets, led to a loss before taxes for ThUS$3,067, which lowers the total of the category “Share of profit of associates and joint ventures accounted for using the equity method” in the Interim Consolidated Statements of Comprehensive Income.

9. Intangible assets other than goodwill

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

a) This item is composed as follows:

Item	3/31/2016 ThUS$	12/31/2015 ThUS$
Intangible Assets with finite useful life, net	13,771	13,699
Intangible assets with indefinite useful life	175,058	172,383
Total	188,829	186,082

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

b) Balances:

Item	3/31/2016 Gross ThUS$	3/31/2016 Accumulated Amortization ThUS$	3/31/2016 Net ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,959	-	7,959
Software	3,113	(1,127)	1,986
Technological development and innovation	167,099	-	167,099
Other	12,203	(446)	11,757
Total	190,402	(1,573)	188,829

Item	12/31/2015 Gross ThUS$	12/31/2015 Accumulated Amortization ThUS$	12/31/2015 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	-	-	93	2,675	110	2,878
Disposals	-	-	-	-	-	-
Amortization	-	-	(64)	-	(88)	(152)
Other	-	-	664	-	(643)	21
Total Movements	-	-	*693*	*2,675*	*(621)*	*2,747*
Final balance 3/31/2016	28	7,959	1,986	167,099	11,757	188,829

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)
Other	-	-	(43)	-	121	78
Total Movements	-	*2,244*	*580*	*15,768*	*428*	*19,020*
Final balance 12/31/2015	28	7,959	1,293	164,424	12,378	186,082

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

d) Additional Information

- As of March 31, 2016 and December 31, 2015, the Corporation owns significant intangible assets which amount to ThUS$167,099 and ThUS$164,424, respectively, related to the Continuous Mining Project.
- As of March 31, 2016 and December 31, 2015, there exist no fully amortized intangible assets currently in use.
- As of March 31, 2016 and 2015, expenses for research and technological development and innovation amounted to ThUS$2,675 and ThUS$4,290, respectively.
- Research disbursements are presented as follows:

Research disbursements recognized as expenses during the period	3/31/2016 ThUS$	3/31/2015 ThUS$
Research Disbursements	3,188	11,340

(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	3/31/2016 ThUS$	12/31/2015 ThUS$
Current Assets	471,249	503,468
Non-current Assets	4,012,724	3,970,939
Current Liabilities	347,578	364,030
Non-current Liabilities	1,276,293	1,268,184

Net Income	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Revenue	400,310	414,701
Cost of sales	(408,346)	(431,071)
Profit (loss) for the period	(8,036)	(16,370)

11. Other non-current non-financial assets

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

Other non-current non-financial assets	3/31/2016 ThUS$	12/31/2015 ThUS$
Law No.13.196 Asset (1)	19,407	19,866
Others	8,894	8,042
Total	28,301	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 Copper Partners Investment Company Limited. 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:

	3/31/2016				
Classification in the statement of financial position	At fair value though profit and loss ThUS$	Loans granted and receivables ThUS$	Hedging derivatives ThUS$	Available for sale ThUS$	Total financial assets ThUS$
Cash and cash equivalents	-	663,594	-	-	663,594
Trade and other current receivables	(16,093)	1,844,493	-	-	1,828,400
Accounts receivables, non – current	-	88,623	-	-	88,623
A/R due from related companies, current	-	4,925	-	-	4,925
A/R due from related companies, non – current	-	17,165	-	-	17,165
Other current financial assets	-	5,152	5,871	-	11,023
Other non - current financial assets	-	6,829	46,449	-	53,278
TOTAL	(16,093)	2,630,781	52,320	-	2,667,008

	12/31/2015				
Classification in the statement of financial position	At fair value though profit and loss ThUS$	Loans granted 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 March 31, 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.

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

- 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.

- 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.

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.

	3/31/2016					
	Current			Non-current		
Items	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial entities	670,197	-	670,197	2,512,869	-	2,512,869
Bonds	135,062	-	135,062	11,225,620	-	11,225,620
Financial Lease	18,216	-	18,216	99,607	-	99,607
Hedge obligations	-	3,027	3,027	-	147,819	147,819
Other financial liabilities	4,354	-	4,354	75,716	-	75,716
Total	827,829	3,027	830,856	13,913,812	147,819	14,061,631

(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		
Items	Loans and other payables	Hedging derivatives	Total	Loans and other payables	Hedging derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	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 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 performed the purchase of additional 15.25% share interest in Acrux, so Codelco reduced its debt with Mitsui, which at March 31, 2016, has a balance of ThUS$759,643.

- *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 March 31, 2016 and December 31, 2015, the Corporation does not have financial covenants 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 March 31, 2016, the details of loans from financial institutions and bond obligations are as follows:

3/31/2016													
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	Bank of Tokyo Mitsubishi Ltd.	10/14/2016	Floating	US$	250,000,000	Maturity	Quarterly	1.12%	1.43%	250,194	-
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2016	Floating	US$	250,000,000	Maturity	Quarterly	1.12%	1.47%	250,041	-
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	9/16/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.25%	1.49%	167	298,426
Foreign	USA	Bilateral Credit	Bank of America N.A.	10/11/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.27%	1.49%	827	298,514
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	7/19/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.25%	1.35%	790	299,410
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.24%	1.34%	684	299,369
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	6/5/2019	Floating	US$	95,000,000	Maturity	Quarterly	1.25%	1.49%	65	94,350
Foreign	USA	Bilateral Credit	Export Dev Canada	6/16/2019	Floating	US$	300,000,000	Maturity	Quarterly	1.24%	1.33%	858	299,154
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%	24,349	59,530
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%	32,790	175,045
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%	72,167	687,476
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	Euro				1.24%	1.24%	20,510	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				1.22%	1.22%	15,278	-
			Other									1,477	1,595
TOTAL												670,197	2,512,869

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%	9,519	595,752
144-A REG.S	Luxembourg	11/4/2020	Fixed	US$	1,000,000,000	Maturity	Semi-annual	3.75%	3.98%	15,266	990,285
144-A REG.S	Luxembourg	11/4/2021	Fixed	US$	1,150,000,000	Maturity	Semi-annual	3.88%	4.07%	18,486	1,139,085
144-A REG.S	Luxembourg	7/17/2022	Fixed	US$	1,250,000,000	Maturity	Semi-annual	3.00%	3.16%	7,830	1,237,876
144-A REG.S	Luxembourg	8/13/2023	Fixed	US$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	4,358	738,660
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	-	282,364
144-A REG.S	Luxembourg	9/16/2025	Fixed	US$	2,000,000,000	Maturity	Semi-annual	4.50%	4.78%	3,668	1,958,476
144-A REG.S	Luxembourg	9/21/2035	Fixed	US$	500,000,000	Maturity	Semi-annual	5.63%	5.78%	841	491,067
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	Maturity	Semi-annual	6.15%	6.22%	13,611	496,150
144-A REG.S	Luxembourg	7/17/2042	Fixed	US$	750,000,000	Maturity	Semi-annual	4.25%	4.41%	6,655	731,957
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	24,237	932,471
144-A REG.S	Luxembourg	11/4/2044	Fixed	US$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	19,425	960,119
144-A REG.S	Luxembourg	7/9/2024	Fixed	EUR	600,000,000	Maturity	Annual	2.25%	2.48%	11,166	671,358
TOTAL										135,062	11,225,620

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)

At December 31, 2015, the detail of Borrowings from financial institutions and Bond obligations is 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	Euro				1.24%	1.24%	12,921	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				1.22%	1.22%	9,025	-
			Other									1,705	1,624
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:

3/31/2016					Current			Non-current			
Debtor's Name	Currency	Effective Interest Rate	Nominal Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Bank of Tokyo Mitsubishi Ltd.	US$	1.43%	1.12%	Quarterly	709	251,418	252,127	-	-	-	-
Export Dev Canada	US$	1.47%	1.12%	Quarterly	707	251,460	252,167	-	-	-	-
Mizuho Corporate Bank Ltd.	US$	1.49%	1.25%	Quarterly	961	2,853	3,814	305,747	-	-	305,747
Bank of America N.A.	US$	1.49%	1.27%	Quarterly	1,929	1,951	3,880	306,742	-	-	306,742
Bank of Tokyo Mitsubishi Ltd.	US$	1.35%	1.25%	Quarterly	946	2,858	3,804	305,684	-	-	305,684
Export Dev Canada	US$	1.34%	1.24%	Quarterly	943	2,850	3,793	305,575	-	-	305,575
Mizuho Corporate Bank Ltd	US$	1.49%	1.25%	Quarterly	304	903	1,207	2,415	95,294	-	97,709
Export Dev Canada	US$	1.33%	1.24%	Quarterly	1,881	2,832	4,713	6,614	301,643	-	308,257
Bank of Tokyo-Mitsubishi Ltd.	US$	1.55%	1.17%	Semi-annual	12,496	12,430	24,926	48,994	12,071	-	61,065
Japan Bank International Cooperation	US$	1.24%	1.07%	Semi-annual	17,124	17,049	34,173	67,292	65,908	48,519	181,719
ORIENTE COPPER NETHERLANDS BV	US$	5.37%	3.25%	Semi-annual	38,663	38,434	77,097	149,735	144,020	742,782	1,036,537
BONO 144-A REG. 2019	US$	7.79%	7.50%	Semi-annual	-	45,000	45,000	690,000	-	-	690,000
BONO 144-A REG. 2020	US$	3.98%	3.75%	Semi-annual	18,750	18,750	37,500	75,000	1,075,000	-	1,150,000
BONO 144-A REG. 2021	US$	4.07%	3.88%	Semi-annual	22,281	22,281	44,562	89,125	89,125	1,194,563	1,372,813
BONO 144-A REG. 2022	US$	3.17%	3.00%	Semi-annual	-	37,500	37,500	75,000	75,000	1,306,250	1,456,250
BONO 144-A REG. 2023	US$	4.75%	4.50%	Semi-annual	-	33,750	33,750	67,500	67,500	834,375	969,375
BONO 144-A REG. 2025	US$	4.78%	4.50%	Semi-annual	-	90,000	90,000	180,000	180,000	2,405,000	2,765,000
BONO 144-A REG. 2035	US$	5.78%	5.63%	Semi-annual	-	28,125	28,125	56,250	42,188	921,875	1,020,313
BONO 144-A REG. 2036	US$	6.22%	6.15%	Semi-annual	15,421	15,375	30,796	61,500	61,500	992,000	1,115,000
BONO 144-A REG. 2042	US$	4.41%	4.25%	Semi-annual	-	31,875	31,875	63,750	63,750	1,435,313	1,562,813
BONO 144-A REG. 2043	US$	5.76%	5.63%	Semi-annual	26,719	26,719	53,438	106,875	106,875	2,179,063	2,392,813
BONO 144-A REG. 2044	US$	5.01%	4.88%	Semi-annual	23,888	23,888	47,776	95,550	95,550	2,126,600	2,317,700
				Total ThUS$	183,722	958,301	1,142,023	3,059,348	2,475,424	14,186,340	19,721,112
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	-	276,000	276,000	414,000	552,000	8,142,000	9,108,000
				Total U.F.	-	276,000	276,000	414,000	552,000	8,142,000	9,108,000
				Subtotal ThUS$	-	10,636	10,636	15,954	21,272	313,768	350,995
BONO 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$	15,364	-	15,364	30,727	30,727	744,279	805,733
				Total ThUS$	199,086	968,937	1,168,023	3,106,029	2,527,424	15,244,387	20,877,840

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
BONO 144-A REG. 2019	US$	7.79%	7.50%	Semi-annual	22,500	22,500	45,000	90,000	622,500	-	712,500
BONO 144-A REG. 2020	US$	3.98%	3.75%	Semi-annual	-	37,500	37,500	75,000	1,075,000	-	1,150,000
BONO 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
BONO 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
BONO 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
BONO 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
BONO 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
BONO 144-A REG. 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	992,000	1,115,000
BONO 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
BONO 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
BONO 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
BONO 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	9,960	19,922	19,922	293,838	333,681
BONO 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	772,253
				Total ThUS$	185,430	1,330,114	1,515,544	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	3/31/2016			12/31/2015		
	Gross ThUS$	Interest ThUS$	Net ThUS$	Gross ThUS$	Interest ThUS$	Net ThUS$
Less than 90 days	10,296	(2,483)	7,813	10,025	(2,434)	7,591
Between 90 days and 1 year	17,656	(7,253)	10,403	19,117	(7,535)	11,582
Between 1 and 2 years	28,841	(10,128)	18,713	28,319	(10,386)	17,933
Between 2 and 3 years	23,476	(9,124)	14,352	23,131	(9,259)	13,872
Between 3 and 4 years	39,096	(12,462)	26,634	40,157	(13,178)	26,979
Between 4 and 5 years	10,494	(2,918)	7,576	11,191	(3,197)	7,994
More than 5 years	37,437	(5,105)	32,332	37,883	(5,260)	32,623
Total	167,296	(49,473)	117,823	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	3/31/2016 ThUS$	12/31/2015 ThUS$
Less than one year	1,009,873	1,114,212
Between one and five years	350,251	620,318
More than five years	80,984	268,864
TOTAL	1,441,108	2,003,394

Rental fees recognized in the Statement of Comprehensive Income	3/31/2016 ThUS$	12/31/2015 ThUS$
Minimum payments for operating leases	15,516	59,784

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 in March 31, 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 March 31, 2016	Accounting treatment for valuation	Book value ThUS$	Fair value ThUS$
Financial Liabilities			
Bond Obligations	Amortized cost	11,360,682	11,250,070

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

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

Each of the estimated market values for the Corporation's portfolio of financial instruments is based on a calculation and data input methodology. Each of these methodologies has been analyzed to determine to which of the following levels they can be assigned:

- 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 at March 31, 2016:

Financial assets and liabilities at fair value with effect in profit and loss statement	3/31/2016			
	Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$	Total ThUS$
Financial Assets				
Provisionally priced sales contracts	-	(16,092)	-	(16,092)
Cross Currency Swap	-	46,448	-	46,448
Metals futures	5,871	-	-	5,871
Financial Liabilities				
Metals Futures	824	-	-	824
Cross Currency Swap	-	147,819	-	147,819

No transfers between different levels of market values were observed 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	
	3/31/2016 ThUS$	12/31/2015 ThUS$
Trade payables	848,002	1,103,310
Payables to employees	35,681	20,299
Withholdings	83,286	77,088
Tax withholdings	44,179	26,240
Other payables	128,920	79,778
Total	1,140,068	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	
	3/31/2016 ThUS$	12/31/2015 ThUS$	3/31/2016 ThUS$	12/31/2015 ThUS$
Trade (1)	14,638	14,038	-	-
Operating (2)	99,453	327,181	-	-
Law No. 13.196	75,465	171,530	-	-
Sundry	198,418	148,874	10,675	10,913
Closure, decommissioning and restoration (3)	-	-	1,217,680	1,140,080
Contingencies	-	-	32,135	25,194
Total	387,974	661,623	1,260,490	1,176,187

Accrual for employee benefits	Current		Non-current	
	3/31/2016 ThUS$	12/31/2015 ThUS$	3/31/2016 ThUS$	12/31/2015 ThUS$
Employees' collective bargaining agreements	87,423	206,869	-	-
Employee termination benefit	39,202	37,131	733,004	700,882
Bonus	9,164	1,121	-	-
Vacation	128,470	136,933	-	-
Medical care programs (4)	1,097	922	483,051	457,067
Retirement plans (5)	20,245	47,725	72,651	62,504
Other	11,325	15,511	8,014	7,774
Total	296,926	446,212	1,296,720	1,228,227

(1) Corresponds to a sales-related accrual, 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.

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

(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 discounted at a real annual discount rate before tax of 2.01% in Chilean pesos, and reflects the corresponding assessments of the time value of money, which the market provides. 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.
The Company determines and records the liability in accordance with the accounting policies mentioned in Note II. 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.

Movements of Other provisions were as follows:

Movements	1/1/2016 3/31/2016			
	Provision for mine closure ThUS$	Contingencies ThUS$	Other Provisions, non-current ThUS$	Total ThUS$
Opening balance	1,140,080	25,194	10,913	1,176,187
Financial expenses	9,117	-	-	9,117
Payment of liabilities	(6)	(429)	(22)	(457)
Foreign exchange rate differences	69,188	1,493	(1,168)	69,513
Other variations	(699)	5,877	952	6,130
Final balance	1,217,680	32,135	10,675	1,260,490

18. Employee benefits

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.

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

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.

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

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

Assumptions	3/31/2016	
	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)	7.02	18.76
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 Superintendence of Securities and Insurance, 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.

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

Movements	1/1/2016 3/31/2016	
	Retirement plan	Health plan
	ThUS$	ThUS$
Opening balance	738,013	457,989
Service cost	19,367	2,405
Financial cost	2,952	1,958
Paid contributions	(28,929)	(7,619)
Actuarial (gains)/losses	1,452	972
Transfers from other benefits	-	2,910
Subtotal	*732,855*	*458,615*
(Gains)/Losses on foreign exchange rate	39,351	25,533
Final Total	772,206	484,148

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

It has been performed a technical revaluation of the liability for severance benefits for years of service, with a net effect of ThUS$1,452 as of March 31, 2016, affecting equity, which is composed by an loss due to experience. Similarly to this last case, it has been determined an actuarial loss for ThUS$972, corresponding to an adjustment for experience.

The balance at March 31, 2016 comprises a portion of ThUS$39,202 and ThUS$1,097 in the short term, corresponding to compensation for years of service and Health Plans respectively. At March 31, 2017, a balance of ThUS$843,944 has been projected for the provision of compensation and ThUS$489,918 for health benefits. The compensation payments flow over the next twelve months reach an expected monthly average of ThUS$3,267 for severance and of ThUS$91 per concept of health benefit plans.

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%	-4.57%
Financial effect on the real increase in income	3.221%	3.721%	4.221%	-2.10%	2.22%
Demographic effect of job rotations	3.660%	4.160%	4.660%	1.37%	-1.49%
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%	16.47%	-12.62%
Financial effect on health inflation	4.550%	5.050%	5.550%	-6.75%	7.53%
Demographic effect, planned retirement age	58 / 63	60 / 65	62 / 67	3.77%	-3.86%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	8.83%	-7.12%

b. Provision for termination benefits

The Corporation under its operational optimization programs seeks to reduce costs and increased 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 March 31, 2016 and December 31, 2015, a current balance is presented by these obligations of ThUS$20,245 and ThUS$47,725 respectively, while non-current balance represents ThUS$72,651 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 March 31, 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 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Benefits - Short term	390,492	421,204
Benefits - Post employment	2,405	454
Benefits - Termination	2,849	2,649
Benefits by years of service	19,367	13,764
Total	415,113	438,071

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 signed the Law No. 20.790. Such Law establishes an extraordinary capital contribution up to US$3 billion to the Corporation during the period 2014-2018, whose resources, together with the earning capitalization – up to US$1 billion – 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, 2015, there are no capitalized resources under such statute.

Pursuant to the Exempt Finance Decree No. 197 of December 31, 2015 of the Ministry of Finance, the Corporation was authorized to capitalize US$225 million from the net profit of the financial statements as of December 31, 2014, destined to create a capitalization and reserves founding. Those resources will be charged to the profits of 2015.

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, which were admitted on December 2, 2015. As of March 31, 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 contract debt.

As of March 31, 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.

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

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$68 and a gain of ThUS$402 for the period January through March 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	3/31/2016 ThUS$	12/31/2015 ThUS$
Foreign exchange differences on conversion reserves	(10,730)	(12,974)
Cash flow hedge reserves	(6,168)	(6,549)
Capitalization fund and reserves	5,772,162	5,772,162
Reserve of gains (losses) of defined benefit plans	(248,848)	(246,424)
Other reserves	625,817	625,705
Total other reserves	6,132,233	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)	
	3/31/2016 %	12/31/2015 %	3/31/2016 ThUS$	12/31/2015 ThUS$	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Biosigma S.A.	33.30%	33.30%	491	669	(178)	(122)
Inversiones Gacrux SpA	32.20%	32.20%	1,039,346	1,042,171	(2,274)	(9,491)
Ecosea Farming S.A.	8.68%	14.97%	-	-	-	(35)
Other	-	-	18	15	-	1
Total			1,039,855	1,042,855	(2,452)	(9,647)

Between January 1 and March 31, 2016, Inversiones Gacrux SpA did not report any dividends paid to non-controlling participations.

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

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

Gacrux SpA, which had the following figures in its statement of financial position, income statements and cash flow statement:

Assets and liabilities	3/31/2016 ThUS$	12/31/2015 ThUS$
Current Assets	152,192	169,276
Non-current assets	3,206,415	3,215,675
Current liabilities	158,783	168,068
Non-current liabilities	687,476	686,999

Results	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Revenues	106,761	106,172
Expenses	(122,586)	(143,894)
Profit (loss) of the period	(15,825)	(37,722)

Cash flow	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Net cash flow from operating activities	(9,051)	46,565
Net cash flow from investing activities	117	-
Net cash flow from financing activities	-	105

20. Operating income

The following table shows the sources of the Corporation’s consolidated revenue.

Item	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Revenue from sales of own copper	2,053,924	1,973,422
Revenue from sales of third-party copper	440,995	496,561
Revenue from sales of molybdenum	84,690	128,267
Revenue from sales of other products	141,223	127,259
Revenue in futures market	(1,448)	3,255
Total	2,719,384	2,728,764

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

21. Expenses by nature

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

Item	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Short-term benefits to employees	390,492	421,204
Depreciation	298,987	280,350
Amortization	229,048	191,701
Total	918,527	893,255

22. Impairment of Assets

As of March 31, 2016, there are no impairment indicators; hence, the Administration has not performed adjustments to the assets value.

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

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

Cash Generating Unit Division Salvador

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

Said recoverable amount calculation led to recognize a loss due to impairment of asset 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 drop in copper prices experimented during the year 2015 and a downward adjustment for the expected production.

Cash Generating Unit Division Ventanas

As of March 31, 2016, there are no impairment indicators; hence, the Administration has not performed adjustments to the assets value.

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

Said recoverable amount calculation led to recognize a loss due to impairment of asset 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.

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 drop 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 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Penalties to suppliers	2,423	4,092
Delegated Administration	1,001	1,059
Miscellaneous sales (net)	563	4,190
Other income	5,503	4,634
Total	9,490	13,975

b) Other expenses by function

Item	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Law No. 13.196	(205,694)	(187,963)
Research expenses	(6,081)	(3,844)
Bonus for the end of collective bargaining	(9,958)	(30,624)
Expenses plan	(2,849)	(2,649)
Write-off of investment projects	(16,348)	-
Penalty of fixed asset disposals	(57)	(1,091)
Medical care plan	(2,405)	(454)
Other	(11,116)	(11,566)
Total	(254,508)	(238,191)

(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 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Bond interests	(97,001)	(87,221)
Bank loan interests	(14,852)	(16,274)
Exchange differences on severance indemnity provision	(2,377)	(3,105)
Exchange differences on other non-current provisions	(16,768)	(11,325)
Other	(9,072)	(7,926)
Total	(140,070)	(125,851)

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 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, concentrates of copper.

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 due to impairment of value of the investment in Anglo American Sur S. A. recognized as of March 31, 2016, is not distributed to operating segments, being assigned 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 Division Ventanas and Division Salvador present in its income statement an impairment of value for ThUS$54,047 and ThUS$310,530, before taxes, for the period 2015. This corresponds to the impairment of the asset value of Property, Plant and Equipment assigned to those Divisions, in their capacity as CGU.

There were no reversals of impairment made during the financial period ended March 31, 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 31/3/2016											
Segments	Chuquicamata ThUS$	R. Tomic ThUS$	Salvador ThUS$	Andina ThUS$	El Teniente ThUS$	Ventanas ThUS$	G. Mistral ThUS$	M. Hales ThUS$	Total Segments ThUS$	Subsidiaries, associates and Head Office, net ThUS$	Total Consolidated ThUS$
Revenue from sales of own copper	401,812	381,578	106,544	203,058	603,741	29,831	127,966	208,840	2,063,370	(9,446)	2,053,924
Revenue from sales of third-party copper	(12,601)	-	(124)	-	-	11,954	-	81,809	81,038	359,957	440,995
Revenue from sales of molybdenum	40,923	2,934	3,507	13,839	24,013	-	-	-	85,216	(526)	84,690
Revenue from sales of other products	23,802	-	12,800	673	19,574	54,689	-	29,685	141,223	-	141,223
Revenue from futures market	186	392	98	207	400	(2,945)	163	51	(1,448)	-	(1,448)
Revenue between segments	61,204	-	28,426	266	-	24,234	-	-	114,130	(114,130)	-
Revenue	515,326	384,904	151,251	218,043	647,728	117,763	128,129	320,385	2,483,529	235,855	2,719,384
Cost of sales of own copper	(380,917)	(294,678)	(116,479)	(243,472)	(408,966)	(29,416)	(116,983)	(255,973)	(1,846,884)	10,245	(1,836,639)
Cost of sales of copper third-party copper	440	-	-	-	-	(12,971)	-	(90,945)	(103,476)	(356,935)	(460,411)
Cost of sales of molybdenum	(21,562)	(5,251)	(3,293)	(5,963)	(11,761)	-	-	-	(47,830)	(5,588)	(53,418)
Cost of sales of other products	(11,855)	-	(6,862)	(8)	(17,186)	(52,086)	-	(1,014)	(89,011)	-	(89,011)
Cost of sales between segments	(85,334)	8,379	(18,678)	148	3,937	(23,960)	-	1,378	(114,130)	114,130	-
Cost of sales	(499,228)	(291,550)	(145,312)	(249,295)	(433,976)	(118,433)	(116,983)	(346,554)	(2,201,331)	(238,148)	(2,439,479)
Gross profit	16,098	93,354	5,939	(31,252)	213,752	(670)	11,146	(26,169)	282,198	(2,293)	279,905
Other income, by function	440	(531)	1,988	(591)	(300)	151	3,074	199	4,430	5,060	9,490
Distribution costs	(899)	(10)	(60)	(84)	(73)	(50)	-	(296)	(1,472)	(1,345)	(2,817)
Administrative expenses	(10,749)	(7,056)	(2,559)	(5,315)	(14,660)	(1,638)	(7,450)	(5,248)	(54,675)	(39,782)	(94,457)
Other expenses, by function	(4,391)	(16,622)	(3,716)	(10,915)	(6,048)	(553)	606	(2,135)	(43,774)	(5,040)	(48,814)
Law No. 13.196	(43,989)	(36,401)	(11,540)	(18,282)	(52,251)	(7,000)	(12,318)	(23,913)	(205,694)		(205,694)
Other gains (losses)	-	-	-	-	-	-	-	-	-	6,814	6,814
Finance income	210	122	76	11	325	48	14	114	920	3,027	3,947
Finance costs	(29,785)	(11,644)	(6,257)	(23,231)	(42,867)	(1,587)	(3,043)	(12,866)	(131,280)	(8,790)	(140,070)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	115	-	34	(187)	(544)	-	-	-	(582)	8,005	7,423
Exchange differences	(67,160)	(18,033)	(15,956)	(12,079)	(43,412)	(3,070)	(5,619)	(7,517)	(172,846)	243	(172,603)
Profit (loss) before taxes	(140,110)	3,179	(32,051)	(101,925)	53,922	(14,369)	(13,590)	(77,831)	(322,775)	(34,101)	(356,876)
Income tax expenses	89,670	(2,035)	20,513	65,232	(34,510)	9,196	8,698	49,812	206,576	25,522	232,098
Profit (loss)	(50,440)	1,144	(11,538)	(36,693)	19,412	(5,173)	(4,892)	(28,019)	(116,199)	(8,579)	(124,778)

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

From 1/1/2015 to 3/31/2015											
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$	MUS$
Revenue from sales of own copper	306,630	371,618	123,039	223,669	550,106	22,543	146,972	222,654	1,967,231	6,191	1,973,422
Revenue from sales of third-party copper	-	-	-	-	-	25,365	-	-	25,365	471,196	496,561
Revenue from sales of molybdenum	54,305	5,548	2,301	32,798	33,315	-	-	-	128,267	-	128,267
Revenue from sales of other products	18,063	-	14,915	866	28,515	50,903	-	13,997	127,259	-	127,259
Revenue from futures market	1,575	917	869	(356)	(1,379)	397	429	803	3,255	-	3,255
Revenue between segments	44,983	-	20,065	119	-	20,453	-	-	85,620	(85,620)	-
Revenue	425,556	378,083	161,189	257,096	610,557	119,661	147,401	237,454	2,336,997	391,767	2,728,764
Cost of sales of own copper	(283,150)	(283,045)	(158,948)	(200,620)	(338,795)	(22,396)	(112,498)	(223,993)	(1,623,445)	5,366	(1,618,079)
Cost of sales of copper third-party copper	-	-	-	-	-	(26,819)	-	-	(26,819)	(480,729)	(507,548)
Cost of sales of molybdenum	(20,234)	(5,978)	(3,388)	(8,708)	(8,764)	-	-	-	(47,072)		(47,072)
Cost of sales of other products	(786)	-	(11,393)	(9)	(23,786)	(53,012)	-	(774)	(89,760)		(89,760)
Cost of sales between segments	(94,024)	22,073	(10,494)	(503)	3,702	(18,270)	-	11,896	(85,620)	85,620	-
Cost of sales	(398,194)	(266,950)	(184,223)	(209,840)	(367,643)	(120,497)	(112,498)	(212,871)	(1,872,716)	(389,743)	(2,262,459)
Gross profit	27,362	111,133	(23,034)	47,256	242,914	(836)	34,903	24,583	464,281	2,024	466,305
Other income, by function	1,319	2,834	1,565	1,342	1,529	156	1,080	510	10,335	3,640	13,975
Distribution costs	(134)	(23)	(108)	(122)	(187)	(250)	-	(190)	(1,014)	(1,724)	(2,738)
Administrative expenses	(9,935)	(510)	(3,232)	(6,546)	(14,448)	(2,243)	(7,175)	(8,456)	(52,545)	(48,473)	(101,018)
Other expenses, by function	(7,648)	(376)	(1,319)	(15,246)	(530)	(382)	(1,431)	(18,831)	(45,763)	(4,465)	(50,228)
Law No. 13.196	(34,756)	(34,952)	(12,618)	(22,418)	(44,902)	(5,932)	(13,554)	(18,831)	(187,963)	-	(187,963)
Other gains (losses)	-	-	-	-	-	-	-	-	-	5,987	5,987
Finance income	358	164	159	103	641	42	32	284	1,783	2,528	4,311
Finance costs	(27,393)	(8,611)	(1,895)	(21,278)	(38,846)	(1,842)	(2,203)	(12,666)	(114,734)	(11,117)	(125,851)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	139	-	(77)	(853)	(342)	-	-	-	(1,133)	9,690	8,557
Exchange differences	31,481	7,248	10,910	9,281	28,966	2,463	3,047	3,456	96,852	(3,975)	92,877
Profit (loss) before taxes	(19,207)	76,907	(29,649)	(8,481)	174,795	(8,824)	14,699	(30,141)	170,099	(45,885)	124,214
Income tax expenses	14,145	(46,153)	16,575	8,004	(114,477)	743	(5,655)	(2,014)	(128,832)	10,870	(117,962)
Profit (loss)	(5,062)	30,754	(13,074)	(477)	60,318	(8,081)	9,044	(32,155)	41,267	(35,015)	6,252

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

3/31/2016										
Category	Chuquicamata ThUS$	Radomiro Tomic ThUS$	Salvador ThUS$	Andina ThUS$	El Teniente ThUS$	Ventanas ThUS$	G. Mistral ThUS$	M. Hales ThUS$	Subsidiaries, associates and Head Office, net ThUS$	Total Consolidated ThUS$
Current assets	832,030	592,116	227,530	252,371	741,816	176,800	238,354	459,732	1,299,769	4,820,518
Non-current assets	4,808,031	2,066,161	753,716	3,875,971	5,360,366	294,586	1,304,490	3,622,907	5,428,206	27,514,434
Current liabilities	410,355	93,020	269,535	161,278	414,672	81,792	94,365	90,672	1,313,324	2,929,013
Non-current liabilities	902,665	200,959	270,421	224,632	766,005	51,863	125,773	40,113	17,217,321	19,799,752

12/31/2015										
Category	Chuquicamata ThUS$	Radomiro Tomic ThUS$	Salvador ThUS$	Andina ThUS$	El Teniente ThUS$	Ventanas ThUS$	G. Mistral ThUS$	M. Hales ThUS$	Subsidiaries, associates and Head Office, net ThUS$	Total Consolidated ThUS$
Current assets	850,220	628,448	227,828	318,103	710,726	143,119	254,985	517,588	2,406,871	6,026,028
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 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Total revenue from domestic customers	146,502	188,919
Total revenue from foreign customer	2,572,882	2,539,845
Total	2,719,384	2,728,764

Revenue per geographical areas	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
China	797,426	666,901
Rest of Asia	425,394	556,946
Europe	219,759	679,269
America	304,849	331,844
Other	971,956	493,804
Total	2,719,384	2,728,764

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

Principal Customers	Country	1/1/2016 3/31/2016 ThUS$
Trafigura Pte Ltd.	Singapore	(141,985)
Southwire Company	USA	(113,754)
Ls-Nikko Copper Inc	South Korea	(100,346)
Mitsui & Co., Ltd.	Japan	(96,612)
Wanxiang Resources (Singapore)	Singapore	(82,181)
Maike Metals International Ltd	China	(77,960)
Red Kite Master Fund Ltd.	USA	(74,460)
Glencore International Ag.	Switzerland	(67,159)
Nexans France	France	(56,507)
Raffemet Pte. Ltd.	Singapore	(48,196)
Total		(859,160)

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 Superintendence of Securities and Insurance as of closing report for each of the financial statements. This is consistent with the definition of Functional Currency described in Note No. 2 c, included in these Financial Statements.

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

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 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Gain from foreign exchange differences	49,397	143,957
Loss from foreign exchange differences	(222,000)	(51,080)
Total exchange difference, net	(172,603)	92,877

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 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
VAT Refund	358,520	359,331
Other	61,100	243,184
Total	419,620	602,515

Other payments from operating activities	1/1/2016 3/31/2016 ThUS$	1/1/2015 3/31/2015 ThUS$
Contribution to the Chilean Treasury (Law No. 13.196)	(295,478)	(275,520)
Finance hedge and sales	(580)	3,534
VAT and other similar taxes paid	(254,183)	(298,406)
Total	(550,241)	(570,392)

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 March 31, 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$41 million of gains or losses, respectively. This result is obtained by identifying the principle areas affected by exchange rate, including assets and financial liabilities, in order to measure the impact on income that a variation of +/- 10 Chilean pesos would have to US$, 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 March 31, 2016 and December 31, 2015, Codelco does not have any balances of 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 March 31, 2016, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US$6 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 March 31, 2016, amount to ThUS$12,120,325 and ThUS$2,423,423, 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 March 31, 2016, if the future price of copper varied by + / - 5% (with the other variables constant), the result would vary + / - US$158 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect at March 31, 2016 (MTMF 697). 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, the settlement date of the hedging transactions as part of net product sales.

Forward prices at the period-end are used for copper sales, while period-end average prices are used for molybdenum concentrate sales due to the absence of assets derivative market.

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

At March 31, 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$100 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 3/31/2016	Less than one year ThUS$	Between one and five years ThUS$	More than five years ThUS$
Loans from financial institutions	670,197	1,650,348	862,521
Bonds	135,062	1,586,037	9,639,583
Finance leases	18,216	67,275	32,332
Derivatives	3,027	-	147,819
Other financial liabilities	4,354	75,716	-
Total	830,856	3,379,376	10,682,255

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 March 31, 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 March 31, 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.

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 period January through March 2016 and 2015, no assets have been obtained as a result of the execution of guarantees contracted to insure the collection of third party debt.

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

Personnel loans are mainly generated by mortgage loans, according to programs included in collective agreements, which are guaranteed by housing mortgages 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 net deferred tax exposure amounts to ThUS$7,974.

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

March 31, 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$	265,905	208,519	46,448	333,941	(287,493)
Bond EUR Maturity 2024	Santander (Chile)	Swap	7/9/2024	US$	341,412	409,650	(74,569)	413,934	(488,503)
Bond EUR Maturity 2024	Deustche Bank (UK)	Swap	7/9/2024	US$	341,412	409,680	(72,887)	414,814	(487,701)
Total					948,729	1,027,849	(101,008)	1,162,689	(1,263,697)

As of March 31, 2016 the balance for cash deposit guarantees amount to ThUS$353.

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

b. Cash flows and commercial policy adjustment hedging contracts

The Corporation performs transactions in the market of metal derivatives, recording their results at maturity. These results are added to or deduced from sales revenue. This addition or deduction is made because sales revenue incorporates the positive or negative effect of market prices. At March 31, 2016, these operations generated a higher net realized income of ThUS$1,451.

b.1. Commercial operations of current 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 March 31, 2016, the Corporation performed derivative market transactions of copper that represent 246,981 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

The current contracts as of March 31, 2016 presenting a positive exposure of ThUS$4,197 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 and March 31, 2016 generated a net positive effect on net income of ThUS$2,133, which is comprised of the values received for sales contracts amounting to ThUS$2,136, and the deductions from the amount paid for purchase contracts, which reached to ThUS$3.

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

As of March 31, 2016 the Corporation maintains contracts for derivatives the sale of gold for MOZT 27.4 and silver for MOZT 982.8.

The contracts outstanding at March 31, 2016 show a positive exposure of ThUS$134, 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 and March 31, 2016 generated a negative effect on net income of ThUS$3,584, which corresponds to the amounts received from the sales contracts.

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

The Corporation does not hold actual transactions at March 31, 2016, resulting from these operations, which allowed protecting future cash flows, by way of ensuring the sales prices levels of production.

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

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

March 31, 2016	Maturity date						
ThUS$	2016	2017	2018	2019	2020	Outcoming	Total
Flex Com Copper (Asset)	5,434	-	-	-	-	-	5,434
Flex Com Copper (Liability)	(801)	(181)	(255)	-	-	-	(1,237)
Flex Com Gold/Silver	134	-	-	-	-	-	134
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	4,767	(181)	(255)	-	-	-	4,331

December 31, 2015	Maturity date						
ThUS$	2015	2016	2017	2018	2019	Outcoming	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

March 31, 2016	Maturity date						
ThTM/Ounces	2016	2017	2018	2019	2020	Outcoming	Total
Copper Futures [MT]	138.88	95.00	13.10			-	246.98
Gold/Silver Futures [ThOZ]	1,010.22	-	-			-	1,010.22
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

December 31, 2015	Maturity date						
ThTM/Ounces	2015	2016	2017	2018	2019	Outcoming	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 Internal Revenue Service 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 478 cases that have a clearly estimated value. It is estimated that 273 of these, which represent 57.11% of the total and which amount to ThUS$32,135, could have a negative impact on the Corporation. There are also 84 lawsuits, representing 17,57% of the total and which amount to ThUS$7,734, about which there is no certainty that the outcome would be unfavorable for Codelco. For the 121 remaining cases, which amount to ThUS$9,298, the Corporation's legal advisors believe that an unfavorable outcome is unlikely. In addition, there are 110 lawsuits for undetermined amounts. It is believed that the result of 63 of these could be unfavorable to Codelco.

In connection with the long term sale contract which Codelco held with its associated company Copper Partners Investment Company Limited ("Cupic"), the Internal Revenue Service ("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 jurisdictional ways. 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 No.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 Extraordinary Session, the Management Committee of the Board proposed a segmented view for Salvador Division; subject to Key Performance Indicators, which will be monitored semi-annually. Its compliance will be measured at the end of 2016. Regarding to the Rajo Inca Project, it was proposed two preliminary assessments to be performed in June 2016 and March 2017, which must have the needed information to make the decision about the continuity of Salvador Division. It should be noted that such decision depends on the cooper market conditions and the financing capacity of the Corporation.
Furthermore, in Ordinary Session of the Board held on the same date, it was proposed:
   - Having a segmented view for the Salvador Division, by analyzing the sectors of Mine, Concentrator, Smelter and Refinery.

- Any future decision should necessarily consider the closure's direct cost of every one of the Business Units.

ii. On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, Copper Partners Investment Company Ltd., 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 Copper Partners Investment Company Ltd. to make the US$550 million advance payment to Codelco in March 2006.

As of March 31, 2016, the contract is operational, and monthly shipments began in June 2006.

With regard to financial obligations incurred by the associate Copper Partners Investment Company Ltd. 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 Copper Partners Investment Company Limited as a guarantee to the China Development Bank.

Subsequently, on March 14, 2012, Copper Partners Investment Company Ltd. paid off its debt to the abovementioned bank. As of March 31, 2016, Codelco does not hold any indirect guarantee regarding its participation in this associated company.

In Ordinary Session held on December 17, 2015, the Management proposed a restructuring to the Supply Contract, which implies that Codelco would remove its shares from Cooper Partners Company Ltd. This restructuring includes:

- The removal of Codelco as shareholder, as a result of a reduction of its share capital.
- The modification of the Supply Contract, by reducing the future tonnage to be sold to Minmetals in a 50%. The remaining Supply Contract's conditions will not suffer changes.
- All previous items shall be finalized before April 30, 2016.

As indicated in Note No. 34, Subsequent Events, such reduction of share capital was performed on 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 March 31, 2016 and the year 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 purchases for a total of 510 MW. 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, amounting US$ 700 million according to the estimations. The remaining 80% should be adjusted proportionately each year over the remaining period of fourteen years. 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. These funds were completely withdrawn on October 28, 2015.

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.

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 finalization 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.

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

31. Guarantees

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

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

Direct Guarantees provided to Financial Institutions					
Creditor of the Guarantee	Type of Guarantee	3/31/2016			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	USD	Nov-32	877,813	877,813
Sernageomin	Environmental	UF	Mar-16	-	1,081
Sernageomin	Environmental	UF	Jun-16	26,700	26,700
Sernageomin	Environmental	UF	Jun-16	3,660	3,660
Sernageomin	Environmental	USD	May-16	30,600	30,600
Sernageomin	Environmental	USD	May-16	4,450	4,450
Sernageomin	Environmental	USD	May-16	10,500	10,500
Regional Road Works Director, Valparaiso	Building project	UF	Jan-17	43	-
Regional Road Works Director, Valparaiso	Building project	UF	Aug-16	26	-
Regional Road Works Director, Región Metropolitana	Building project	UF	Mar-17	9	-
Regional Road Works Director, Región Metropolitana	Building project	UF	Dec-16	20	-
Total				1,165,197	1,167,699

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	3/31/2016	12/31/2015
	ThUS$	ThUS$
Andina	35,048	36,526
Chuquicamata	41,221	44,284
Head Office	485,003	404,825
Radomiro Tomic	6,982	7,088
Salvador	47,022	47,592
Ministro Hales	5	5
El Teniente	45,711	47,505
Ventanas	6,626	10,575
Gabriela Mistral	1,474	1,474
Total	669,092	599,874

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

32. Balances in foreign currency

a) Assets by Type of Currency

Category	3/31/2016 ThUS$	12/31/2015 ThUS$
Liquid assets	674,617	1,757,920
US Dollars	583,070	1,702,657
Euros	4,172	3,600
Other currencies	4,755	4,772
Non-indexed Ch$	81,775	46,443
U.F.	845	448
Cash and cash equivalents	663,594	1,747,718
US Dollars	573,200	1,694,053
Euros	3,900	3,339
Other currencies	4,755	4,772
Non-indexed Ch$	81,062	45,230
U.F.	677	324
Other current financial assets	11,023	10,202
US Dollars	9,870	8,604
Euros	272	261
Other currencies	-	-
Non-indexed Ch$	713	1,213
U.F.	168	124
Short and long term receivables	1,939,113	1,983,213
US Dollars	1,289,736	1,266,467
Euros	106,155	110,671
Other currencies	987	619
Non-indexed Ch$	529,444	591,331
U.F.	12,791	14,125
Trade and other receivables	1,828,400	1,876,863
US Dollars	1,267,646	1,245,186
Euros	105,884	110,411
Other currencies	836	468
Non-indexed Ch$	441,243	506,673
U.F.	12,791	14,125

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

Category	3/31/2016 ThUS$	12/31/2015 ThUS$
Rights receivables, non-current	88,623	85,069
US Dollars	-	-
Euros	271	260
Other currencies	151	151
Non-indexed Ch$	88,201	84,658
U.F.	-	-
Due from related companies, current	4,925	21,057
US Dollars	4,925	21,057
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Due from related companies, non-current	17,165	224
US Dollars	17,165	224
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Rest of assets	29,721,222	29,702,710
US Dollars	25,886,049	26,667,674
Euros	493,624	407,102
Other currencies	39,981	31,452
Non-indexed Ch$	2,949,968	2,335,087
U.F.	351,600	261,395
Total assets	32,334,952	33,443,843
US Dollars	27,758,855	29,636,798
Euros	603,951	521,373
Other currencies	45,723	36,843
Non-indexed Ch$	3,561,187	2,972,861
U.F.	365,236	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	3/31/2016		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	2,826,836	102,177	3,024,701	836,415
US Dollars	2,622,699	34,424	2,777,170	780,581
Euros	60,917	11,166	53,949	-
Other currencies	2,070	-	791	-
Non-indexed Ch$	133,449	51,678	185,515	51,688
U.F.	7,701	4,909	7,276	4,146
Other current financial liabilities	780,409	50,447	380,929	785,281
US Dollars	742,126	34,424	346,797	780,581
Euros	35,788	11,166	28,988	-
Other currencies	-	-	-	-
Non-indexed Ch$	671	385	953	554
U.F.	1,824	4,472	4,191	4,146
Bank loans	667,699	2,498	274,621	721,270
US Dollars	631,243	2,498	252,029	721,270
Euros	35,788	-	21,946	-
Other currencies	-	-	-	-
Non-indexed Ch$	389	-	389	-
U.F.	279	-	257	-
Obligations	100,544	34,518	94,601	52,322
US Dollars	100,544	23,352	85,041	52,322
Euros	-	11,166	7,042	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	-	2,518	-
Finance lease	7,812	10,404	7,591	11,582
US Dollars	5,985	5,547	5,611	6,882
Euros	-	-	-	-
Other currency	-	-	-	-
Non-indexed Ch$	282	385	564	554
U.F.	1,545	4,472	1,416	4,146
Others	4,354	3,027	4,116	107
US Dollars	4,354	3,027	4,116	107
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	-	-	-
Other current liabilities	2,046,427	51,730	2,643,772	51,134
US Dollars	1,880,573	-	2,430,373	-
Euros	25,129	-	24,961	-
Other currencies	2,070	-	791	-
Non-indexed Ch$	132,778	51,293	184,562	51,134
U.F.	5,877	437	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	3/31/2016				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	5,551,194	1,602,560	6,646,677	5,999,321	5,166,906	2,192,826	6,603,167	5,887,007
US Dollars	5,088,978	1,468,515	6,096,418	4,325,163	4,939,294	2,064,443	6,081,114	4,317,803
Euros	-	-	(11,466)	-	-	-	(11,213)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	429,193	124,436	263,662	1,124,023	199,063	119,227	253,221	1,055,716
U.F.	33,023	9,609	298,063	550,135	28,549	9,156	280,045	513,488
Other non-current financial liabilities	1,900,543	1,478,124	6,383,724	4,299,240	1,304,942	2,073,599	6,349,946	4,298,444
US Dollars	1,888,112	1,468,515	6,096,418	4,299,240	1,292,189	2,064,443	6,081,114	4,298,444
Euros	-	-	(11,466)	-	-	-	(11,213)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	624	-	709	-	1,413	-	-	-
U.F.	11,807	9,609	298,063	-	11,340	9,156	280,045	-
Bank loans	1,196,719	453,629	175,045	687,476	1,196,308	453,408	174,939	686,999
US Dollars	1,196,719	453,034	175,045	687,476	1,196,308	452,783	174,939	686,999
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	595	-	-	-	625	-	-
Obligations	595,752	990,285	6,027,819	3,611,764	-	1,585,218	5,979,947	3,611,445
US Dollars	595,752	990,285	5,074,097	3,611,764	-	1,585,218	5,072,052	3,611,445
Euros	-	-	671,358	-	-	-	643,237	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	282,364	-	-	-	264,658	-
Finance Lease	33,065	34,210	32,332	-	31,805	34,973	32,623	-
US Dollars	20,634	25,196	16,633	-	19,729	26,442	17,236	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	624	-	-	-	736	-	-	-
U.F.	11,807	9,014	15,699	-	11,340	8,531	15,387	-
Others	75,007	-	148,528	-	76,829	-	162,437	-
US Dollars	75,007	-	830,643	-	76,152	-	816,887	-
Euros	-	-	(682,824)	-	-	-	(654,450)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	709	-	677	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other liabilities non-current	3,650,651	124,436	262,953	1,700,081	3,861,964	119,227	253,221	1,588,563
US Dollars	3,200,866	-	-	25,923	3,647,105	-	-	19,359
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	428,569	124,436	262,953	1,124,023	197,650	119,227	253,221	1,055,716
U.F.	21,216	-	-	550,135	17,209	-	-	513,488

33. Sanctions

As of March 31, 2016 and December 31, 2015, neither Codelco Chile nor its Directors and Managers have been sanctioned by the Superintendence of Securities and Insurance or any other administrative authorities.

34. Subsequent events

- On April 1, 2016, it was reported as an essential fact that, in order to better respond to operational challenges of the Corporation and to take advantage of operational and territorial synergies, it has resolved to restructure the organization of the vice presidencies of North and Central - South of the Corporation, which will be formed as follows:

  - Vice Presidency of Northern Operations: Divisions Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral and Salvador; which will be in charge of Alvaro Aliaga Jobet.

  - Vice Presidency of Center - South Operations: Divisions Andina, Ventanas and El Teniente; which will be in charge of Octavio Araneda Osés.

  These organizational and designations, changes are effective from 1 May 2016

- On April 4, 2016, it was reported to the IRS the end of operations of the Company Comotech S.A.

- On April 7, 2016, the Corporation formalized the removal of the share in Copper Partners Investment Company Ltd. (Cupic), on which Codelco remained a 50% ownership through the subsidiary Codelco International. Until that date, Codelco shared the ownership of the Company in the same proportion with the society 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:

  - Modification of the contract of sale of copper from Codelco to CuPIC signed in 2006 (described in Note No. 30, letter b), paragraph ii) of these financial statements), which establishes the reduction of half of the outstanding tonnage to deliver to said society 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 society 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).

- On April 7, 2016, it was reported that the Codelco's Board of Directors agreed to convene a meeting to discuss matters related to the Ordinary Shareholders' Meeting on April 25, 2016 at 17:30 hrs at the Corporation's office located in Huérfanos 1270, 11th floor, Santiago.

- On April 16, 2016, it was reported as an essential fact that El Teniente Division had to suspend production from that date, in their processes of mines and plants, due to damage to infrastructures of access of personnel and supplies, and also due to the disruption of the transport system of mineral to plants, produced by the bad weather conditions that affected the region of O'Higgins.

- On April 22, 2016, it was reported as an essential fact that El Teniente Division gradually resumed production in their process of mines and plants. The Corporation expects that the lower production due to said stoppage will be recovered at corporate level during the year, by applying several mitigation measures, so this situation will not cause a material or significant impact on the Codelco's financial results

- . On April 25, 2016, are reported as an essential fact that ordinary shareholders meeting of Codelco, held on the same date, with the assistance of the Ministers of Finance and Mining, as delegates from the President of the Republic, the following resolutions were adopted:

    1. The General Report, Balance Sheet and other financial statements for the year ended December 31, 2015, as well as the report of external auditors regarding to the same period, were approved.
    2. The Corporation appointed EY (Ernst & Young LLC) as the external auditors firm for 2016
    3. Appointed Feller Rate, Fitch Rating, Moody´s and Standard and Poor´s rating agencies as the Corporations risk categorizing agencies for 2016.

4. Appointed the newspaper Diario La segunda as the principal mean of communication for Codelco print media publications, as provided in the Corporations Law and instructions of the SVS.
5. Surrendered the operational accounts that the Corporation has entered into with related corporations or persons, as required in Article 44 of Law N°18.046 regarding Joint Stock Entities.
6. Reported on the expenses incurred by the Board of Directors and Directors Committee, as well as the Directors Committee activities during the year 2015.
7. Reported and analyzed the Annual Progress and Development Business Report 2014-2018, established by Law °20.790.

- On May 11, 2016, is reported as an essential fact, by Supreme Decree No. 82, dated April 14, 2016 of Ministry of Mines, has appointed as member of the Board of Codelco Chile, for a period of four years, starting on May 12, 2016, to Mr. Raimundo Espinoza Concha.

The Corporations management is not aware of any significant events of a financial or other nature that would affect these statements occurring between April 1, 2016 and the date of issuance of these financial statements (May 26, 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 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 March 31, 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 N°1.901 of 2008 of the Chilean Superintendence of Securities and Insurance, the details of the Corporation's main expenditures related to the environment during the period from January, 1 to March 31, 2016 and 2015, 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)

		Disbursements 3/31/2016				3/31/2015	Future committed disbusements	
Entity	Project Name	Project status	Amount ThUS$	Asset/ Expenditure	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated Date
	Chuquicamata		24,311			23,469	467,330	
Codelco Chile	Talambre dam capacity extension, 8th stage	InProcess	1,540	Asset	P, P & E	3,284	313,655	2020
Codelco Chile	Emergency restoration system dust control crushing plant 2/3	InProcess	104	Asset	P, P & E	71	11,417	2017
Codelco Chile	Replacement of circulation pot 1A and 2A	InProcess	2,253	Asset	P, P & E	2,229	25,420	2018
Codelco Chile	Standardization weighing and sampling system	InProcess	927	Asset	P, P & E	-	239	2016
Codelco Chile	Replacement to effluent treatment plant	InProcess	561	Asset	P, P & E	-	29,783	2018
Codelco Chile	Acid plants	InProcess	6,476	Expenditure	Adm. Expenses	11,784	45,315	2016
Codelco Chile	Solid waste	InProcess	1,807	Expenditure	Adm. Expenses	449	5,421	2016
Codelco Chile	Tailings	InProcess	4,944	Expenditure	Adm. Expenses	5,394	18,463	2016
Codelco Chile	Water treatment plant	InProcess	1,472	Expenditure	Adm. Expenses	82	4,416	2016
Codelco Chile	Environmental monitoring	InProcess	712	Expenditure	Adm. Expenses	176	1,792	2016
	Salvador		13,757			15,131	234,548	
Codelco Chile	Powder Concentrate area capacity extension	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Construction north wall camber 2nd stage	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Improvement of integrated gas collection process	InProcess	3,915	Asset	P, P & E	5,957	183,339	2018
Codelco Chile	Environmental improvement to Puerto Barquito	InProcess	1,630	Asset	P, P & E	-	-	-
Codelco Chile	Tailings	InProcess	353	Expenditure	Adm. Expenses	739	6,722	2016
Codelco Chile	Acid plants	InProcess	7,018	Expenditure	Adm. Expenses	7,831	41,511	2016
Codelco Chile	Solid waste	InProcess	623	Expenditure	Adm. Expenses	431	1,826	2016
Codelco Chile	Water treatment plant	InProcess	218	Expenditure	Adm. Expenses	173	1,150	2016
	Andina		24,394			26,542	213,165	
Codelco Chile	Construction of water trap for east ballast deposit	Finished	-	Asset	P, P & E	1,952	-	-
Codelco Chile	Drain water treatment	InProcess	1,553	Asset	P, P & E	-	23,236	2017
Codelco Chile	Water Normative Phase 2	InProcess	1,087	Asset	P, P & E	-	8,227	2018
Codelco Chile	Building evacuation and capturing towers, Ovejería	InProcess	106	Asset	P, P & E	708	167	2016
Codelco Chile	Improvement to irrigation	InProcess	-	Asset	P, P & E	85	-	-
Codelco Chile	Improvements to line wall sand	InProcess	-	Asset	P, P & E	105	-	-
Codelco Chile	Construction site emergency plan	InProcess	122	Asset	P, P & E	2,522	84	2016
Codelco Chile	Improvement to intersection seeps Ovejería	InProcess	1	Asset	P, P & E	-	1,060	2016
Codelco Chile	Construction of spill container well	InProcess	-	Asset	P, P & E	123	-	-
Codelco Chile	Construction adduction Los Leones	Finished	-	Asset	P, P & E	1,975	68	2016
Codelco Chile	Drainage water treatment DLN	InProcess	-	Asset	P, P & E	1,636	-	2017
Codelco Chile	Cota 640 tranque	InProcess	3,335	Asset	P, P & E	2,154	105,275	2017
Codelco Chile	Improved water internal tip E2	InProcess	1,078	Asset	P, P & E	226	9,662	2018
Codelco Chile	Replacement Ovejeria line tailings	InProcess	119	Asset	P, P & E	322	360	2016
Codelco Chile	Improvement of power supply	InProcess	-	Asset	P, P & E	-	1,222	2016
Codelco Chile	Early acquisition for water rights and lands	InProcess	-	Asset	P, P & E	-	376	2016
Codelco Chile	Río Blanco trap	InProcess	-	Asset	P, P & E	-	6,686	2017
Codelco Chile	Solid waste	InProcess	519	Expenditure	Adm. Expenses	537	1,672	2016
Codelco Chile	Water treatment plant	InProcess	700	Expenditure	Adm. Expenses	750	3,283	2016
Codelco Chile	Trailings	InProcess	14,999	Expenditure	Adm. Expenses	12,852	48,816	2016
Codelco Chile	Acid drainage	InProcess	775	Expenditure	Adm. Expenses	595	2,707	2016
Subtotal			62,462			65,142	915,043	

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

		Disbursements 3/31/2016				3/31/2015	Future committed disbusements	
Entity	Project Name	Project status	Amount ThUS$	Asset/ Expenditure	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated Date
	El Teniente		67,585			46,313	188,614	
Codelco Chile	Network Monitoring System	Finished	-	Asset	P, P & E	15	-	2015
Codelco Chile	Tailing extension drawer Route 5	Finished	-	Asset	P, P & E	1,410	-	-
Codelco Chile	Construction of 6th phase of Carén	In Process	28,213	Asset	P, P & E	5,434	81,619	2017
Codelco Chile	Installation of Powder control	In Process	172	Asset	P, P & E	15	-	2015
Codelco Chile	Flowmeter Acquisitions	In Process	124	Asset	P, P & E	1	-	2015
Codelco Chile	Environmental reconstruction of courts	In Process	1,557	Asset	P, P & E	-	-	-
Codelco Chile	Emergency reservoir construction	In Process	2,099	Asset	P, P & E	88	-	2015
Codelco Chile	Reinforcement structure and other critical sectors	In Process	701	Asset	P, P & E	1	-	2015
Codelco Chile	Acid plants	In Process	14,640	Expenditure	Adm. Expenses	16,755	50,868	2016
Codelco Chile	Solid waste	In Process	775	Expenditure	Adm. Expenses	957	2,556	2016
Codelco Chile	Water treatment plant	In Process	16,183	Expenditure	Adm. Expenses	3,667	43,512	2016
Codelco Chile	Tailings	In Process	3,121	Expenditure	Adm. Expenses	17,970	10,059	2016
	Gabriela Mistral		4,387			803	29,250	
Codelco Chile	Improvment to automatic shutdown system	In Process	34	Asset	P, P & E	-	565	2016
Codelco Chile	Replacement of three crawler tractors	In Process	-	Asset	P, P & E	-	5,639	2017
Codelco Chile	Replacement of wheeldozer	In Process	183	Asset	P, P & E	-	256	2016
Codelco Chile	Installation of gravel dump	In Process	3,708	Asset	P, P & E	-	20,435	2017
Codelco Chile	Environmental monitoring	In Process	16	Expenditure	Adm. Expenses	36	55	2016
Codelco Chile	Solid waste	In Process	254	Expenditure	Adm. Expenses	437	1,699	2016
Codelco Chile	Water treatment plant	In Process	192	Expenditure	Adm. Expenses	330	601	2016
	Ventanas		11,019			10,774	72,899	
Codelco Chile	Capturing of second gases	In Process	1,320	Asset	P, P & E	2,064	18,865	2017
Codelco Chile	Capturing of racking gases	In Process	1,161	Asset	P, P & E	1,326	1,179	2017
Codelco Chile	Treatment of gases in line	In Process	1,090	Asset	P, P & E	675	673	2017
Codelco Chile	Natural gas conversion burner	Finished	-	Asset	P, P & E	83	-	-
Codelco Chile	Standardization of Measurements	Finished	-	Asset	P, P & E	34	-	-
Codelco Chile	Eliminating Visible Smokes	In Process	765	Asset	P, P & E	195	13,140	2017
Codelco Chile	Fugitive gas treatment	In Process	81	Asset	P, P & E	219	11,847	2017
Codelco Chile	Reparation of exchanger	In Process	22	Asset	P, P & E	-	32	2017
Codelco Chile	Acid plants	In Process	4,238	Expenditure	Adm. Expenses	4,360	18,671	2016
Codelco Chile	Solid waste	In Process	656	Expenditure	Adm. Expenses	340	1,413	2016
Codelco Chile	Environmental monitoring	In Process	349	Expenditure	Adm. Expenses	346	1,193	2016
Codelco Chile	Effluent treatment plant	In Process	1,337	Expenditure	Adm. Expenses	1,132	5,886	2016
	Radomiro Tomic		674			628	3,513	
Codelco Chile	Solid waste	In Process	233	Expenditure	Adm. Expenses	374	1,030	2016
Codelco Chile	Environmental monitoring	In Process	221	Expenditure	Adm. Expenses	-	953	2016
Codelco Chile	Effluent treatment plant	In Process	220	Expenditure	Adm. Expenses	254	1,530	2016
	Ministro Hales		1,080			322	8,121	
Codelco Chile	Mounting system acquisition and washing	In Process	-	Asset	P, P & E	222	-	-
Codelco Chile	Improving accessibility and integration villas	In Process	706	Asset	P, P & E	92	8,121	2016
Codelco Chile	Acquisition sprinkler truck	In Process	-	Asset	P, P & E	8	-	2016
Codelco Chile	Solid waste	In Process	374	Expenditure	Adm. Expenses	-	-	2016
	Ecometales Limited		207			44	268	
Ecometales Ltd.	Smelting plant of foundry dust	In Process	207	Expenditure	Adm. Expenses	44	268	2015
Subtotal			84,952			58,884	302,665	
Total			147,414			124,026	1,217,708	

Nelson Pizarro Contador Chief Executive Officer	Alejandro Rivera Stambuck Chief Financial Officer

Gonzalo Zamorano Martínez
Interim Controller
General Accountant