



Santiago de Chile, May 26, 2017 – Corporación Nacional del Cobre (CODELCO) reported March 31, 2017 operational and financial results:

- **1Q 2017 revenues** were US\$ 3.0 billion, 11.4% higher than the US\$ 2.7 billion for the first three months of 2016, mainly due to the 24.8% increase in the average LME copper price partially offset by the 16.1% decrease in the copper volume sold.
- **Adjusted EBITDA** for the first three months of 2017 was US\$ 1.2 billion (38.0% margin) compared to US\$ 517 million (19.0% margin) in the same period of 2016 principally due to the increase of the average copper price in 2017 helped by the decrease in the cost of sales mainly due to lower volume sold.
- **Profit before tax** in the first three months of 2017 was US\$ 293 million (9.7% of sales), compared to a loss of US\$ 357 million (-13.1% of sales) in the same period of 2016 basically due to a higher average copper price and lower impact of foreign exchange rate differences.
- **Total copper mine production**, including El Abra and Anglo American Sur shares, decreased 11.4% in the first three months of 2017 to 416 thousand tons compared to 470 thousand tons for the first quarter of 2016, especially due to lower production in El Teniente, Chuquibambilla and Radomiro Tomic divisions.
- **Direct Cash Cost C1** per pound of copper was US\$ 134.4 in the first quarter of 2017, compared to US\$ 125.4 in the same period of 2016. This increase of 7.2% is primarily attributable to lower copper production compared to the same period of 2016 and the unfavorable effect of the appreciation of the Chilean peso against the U.S. dollar.
- **Operating cash flows** increased by 157.1% to U.S.\$797 million in the first three months of 2017 from U.S.\$310 million for the same period in 2016 primarily due to the increase in cash received from the sales of goods as a direct consequence of higher average prices for CODELCO's product portfolio.
- **Capex program** of the three structural projects under construction keeps progressing, while the competitive tender process for a water desalination plant construction and operation for the northern operations has been started, as well as the one to find a partner to develop the Lithium business. Moreover, the structural projects of Andina Development and Inca Pit mine of El Salvador division have finished their pre-feasibility studies and are preparing the documentation to request the feasibility stage beginning approval.
- **1 Labor bargain agreement** has been negotiated during the first three months of 2017 without affecting production, non-real salary increases and significant bonuses reduction compared to previous agreement.



SUMMARY FINANCIAL AND OPERATING DATA

	March 31,			
	2017	2016	Amount	Variation %
Copper Production* ('000 mft)	416	470	(54)	(11.4)
Own Molybdenum Production ('000 mft)	6.7	7.2	(0.5)	(6.6)
Cash Cost (Usc/Pound)	134.4	125.4	9.0	7.2
Own Copper Sales ('000 mft)	406	484	(78)	(16.1)
Molybdenum Sales ('000 mft)	6.0	8.3	(2.3)	(27.9)
LME Copper Price (Usc/Pound)	264.5	211.9	52.6	24.8
Metals Week Molybdenum Price (US\$/Pound)	7.7	5.3	2.7	46.9
Average Exchange Rate (CLP/US\$)	656	702	(46)	(6.6)
Closing Exchange Rate (CLP/US\$)	663	675	(12)	(1.8)
Total Revenues (US\$ mn)	3,028	2,719	309	11.4
Gross Profit (US\$ mn)	797	280	517	184.6
Gross Margin (%)	26.3	10.3	16.0	155.6
Adjusted EBITDA (US\$ mn)	1,151	517	634	122.7
Adjusted Mining EBITDA Margin (%)	38.0	19.0	19.0	100.0
Net Financial Debt** (US\$ mn)	13,750	13,121	629	4.8
Net Interest Expense (US\$mn)	129	136	(7)	(5.5)
Net Debt to LTM Adjusted EBITDA	3.7	4.1	(0.4)	(10.1)
Adjusted EBITDA to Net Interest Expenses	9.0	3.8	5.2	135.6
Net Debt to total Capitalization (%)	56.9	56.1	0.8	1.5
Contribution to the Chilean Treasury	258	312	(54)	(17.3)

*Includes El Abra and Anglo American Sur shares of production relative to Codelco

**Net of cash and cash equivalents. Excludes Mitsui debt to acquire 20% of Anglo American Sur asset, because is non-recourse to CODELCO

OPERATION: PRODUCTION, REVENUES & COST

Consolidated Production.- Consolidated copper mine production, including El Abra and Anglo American Sur shares, decreased 11.4% in the first three months of 2017 to 416 thousand tons compared to 470 thousand tons for the first quarter of 2016, due to lower production in all CODELCO divisions, except for Andina, in addition to the decrease in the joint ventures of Anglo American Sur and El Abra. CODELCO's own production decreased 10.8%. Main decrease occurred at El Teniente mine primarily due to the decrease in the mineral ore mined as the consequence of operational maintenance needs in the concentrator plant. Nonetheless, the missed production will be recovered during the year due to the increase of the product in process inventory accumulated by the aforementioned maintenance. Chuquicamata division decrease is explained by a lower ore grade, due to the change in mining sequence to stabilize the pit, partially offset by higher mineral ore processed.



Moreover, Radomiro Tomic production decrease is mainly due to lower sulphide ore processed at Chuquicamata concentrator plant to prioritize higher ore grades mineral from

Chuquicamata division. On the other hand, Gabriela Mistral and Mina Ministro Hales divisions decreases are the result of slightly lower ore grades while this effect was more extended in Salvador division. Andina division increased its production by 11.5% due to higher mineral ore processed partially offsetting the decreases in the other divisions. Joint Ventures in Anglo American Sur and El Abra also reported decreased in production enlarging the negative results. The molybdenum production decreased by 6.6% in the first three months of 2017 mainly due to the decrease in production especially in El Teniente and Chuquicamata divisions.

Codelco Total Copper Production

	March 31,	
	2016	2016
Chuquicamata Division	53	66
Radomiro Tomic Division.....	75	84
Ministro Hales	62	63
Gabriela Mistral Division	27	30
El Teniente Division	102	128
Andina Division	58	52
Salvador Division	14	15
El Abra ⁽¹⁾	10	14
Anglo American Sur ⁽²⁾	17	19
CODELCO Total Production.....	416	470

(1) CODELCO's figures presented for El Abra include 49% of the mine's total production (the share of production which corresponds to CODELCO's 49% ownership interest in the mine).

(2) CODELCO's figures presented for Anglo American Sur include 20% of the mine's total production (the share of production which corresponds to CODELCO's 20% ownership interest in the mine).

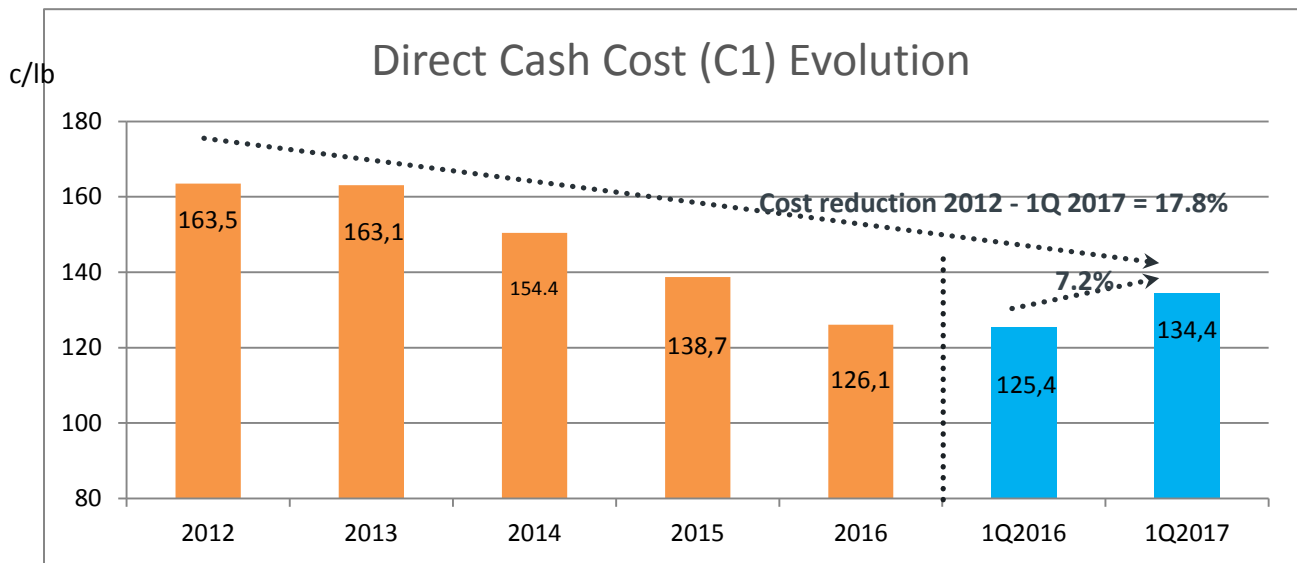
Consolidated Revenues.- The revenues for the first three months of 2017 increased to US\$ 3.0 billion compared to US\$ 2.7 billion in the same period of 2016 mainly due to 16.0% higher revenues from own copper sales as the result of 24.8% higher average LME copper price partially offset by a decrease of 16.1% of the own copper



volume sold. Copper tonnage sold reduction is related to lower production in 2017 and the sale of inventories during 2016. On the molybdenum side, revenues increased by 17.3% due to an average price increase of 46.9% per ton while the volume sold decreased by 27.9%. Finally other by-products revenues have declined 18.9% mainly due to the decrease in sulphuric acid volume sold and its average price in addition to the decrease in gold and silver volume sold due to lower production.

Consolidated Costs.- Unit cash costs will vary with the fluctuations in payable production and average realized prices for by-products. In the first three months of 2017, CODELCO's cash cost was 134.4 cents per pound, compared to 125.4 cents per pound in the same period of 2016. An increase of 7.2% primarily attributable to:

- 1) Lower production
- 2) Unfavorable exchange rate movements due to the appreciation of the Chilean peso against the U.S. dollar impacting CODELCO's input prices (1Q 2017 average exchange rate of CLP 656 per dollar compared to CLP 702 per dollar for the same period of 2016)



CAPITAL EXPENDITURE: STRUCTURAL PROJECTS

Chuquicamata Underground.- Completed transport tunnel excavation (total progress 47.8% as of March 2017). In addition, optimizations to the crushing and ore transportation system are being considered.

Andina Plant Reallocation.- Project progressing as planned while mineral ore distribution center excavation beginning (total progress 36.8% as of March 2017).

El Teniente New Mine Level.- Based on geomechanical challenges that needed to be addressed, an alternative development plan was approved by the Board, which will allow to maintain the original production goal by the incorporation of accompanying sectors to the new mining level which will be completed by 2023



Northern District Desalination Plant.- Continuing with the announced outsourcing strategy for the construction and the operation of the plant, a public invitation for the interested companies to participate in a competitive tender process has been made.

Andina Development and Salvador Inca Pit projects- Prefeasibility studies have been completed, while preparing the documentation to request the feasibility stage beginning approval.

Lithium.- The companies that have fulfilled the minimum requirements to start a partnership with CODELCO to develop the lithium business will make their offers in a competitive tender process. The partnership selection will be made at the end of 2017.

AVERAGE METAL PRICE

	LME Copper (US\$/lb.)	COMEX Copper (US\$/lb.)	Molybdenum (US\$/lb.)
1Q 2016	2.65	2.65	7.74
1Q 2016	2.12	2.11	5.27
2Q 2016	2.15	2.13	6.89
3Q 2016	2.17	2.16	6.94
4Q 2016	2.40	2.39	6.58
Average 2016	2.21	2.20	6.42
Variation: 1Q 2017 vs. 4Q 2016	10.4%	10.9%	17.6%
Variation: 1Q 2017 vs. 1Q 2016	25.0%	25.6%	46.9%

Source: LME for Copper; Metals Week Dealer Oxide for Molybdenum

CASH FLOWS

For the first three months of 2017, net cash flow from operating activities increased by 157.1% to US\$797 million from US\$310 million for the same period in 2016 primarily due to the increase in cash received from the sales of goods as a direct consequence of higher average prices for CODELCO's product portfolio.

CASH AND DEBT

As of March 31, 2017, CODELCO had consolidated cash and cash equivalents for US\$ 467 million compared to US\$ 664 million at the same date of 2016. As of March 31, 2017, CODELCO's financial debt achieved US\$ 14.2 billion compared to US\$ 13.8 billion at the same date of 2016. CODELCO's financial debt excludes the loan from Mitsui, non-recourse to CODELCO, to execute the Anglo American Sur option to acquire 20% of the asset. CODELCO's net financial debt* reached US\$ 13.8 billion as of March 31, 2017 compared to US\$ 13.1 the year before. During the last twelve months debt increase includes the issuance of CODELCO 2026 local bond for UF



10 million (approximately US\$ 406 million) in August 2016. Regarding the bank market, since April 2016, CODELCO had rolled over two bilateral loans for US\$ 550 million (originally originated for US\$500 million).

* Net of cash and cash equivalents. Excludes Mitsui debt to acquire 20% of Anglo American Sur asset, because is non-recourse to CODELCO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit (loss)	1/1/2017 03/31/2017	1/1/2016 03/31/2016	Var Amnt	%
Revenue	3,028,195	2,719,384	308,811	11.4
Cost of sales	(2,231,661)	(2,439,479)	207,818	(8.5)
Gross profit	796,534	279,905	516,629	184.6
Other Income, by function	26,944	9,490	17,454	183.9
Distribution costs	(2,356)	(2,817)	461	(16.4)
Administrative expenses	(93,264)	(94,457)	1,193	(1.3)
Other expenses	(305,756)	(254,508)	(51,248)	20.1
Other gains (losses)	9,372	6,814	2,558	37.5
Profit (losses) from operating activities	431,474	(55,573)	487,047	(876.4)
Finance income	5,012	3,947	1,065	27.0
Finance costs	(133,707)	(140,070)	6,363	(4.5)
Share of profit of associates and joint ventures accounted for using the equity method	13,349	7,423	5,926	79.8
Foreign exchange differences	(23,323)	(172,603)	149,280	(86.5)
Profit for the period before tax	292,805	(356,876)	649,681	(182.0)
Income tax expense	(250,367)	232,098	(482,465)	(207.9)
Profit for the period	42,438	(124,778)	167,216	(134.0)
Profit (loss) attributable to:				
Profit attributable to owners of the parent	38,878	(122,326)	161,204	(131.8)
Loss attributable to non-controlling interests	3,560	(2,452)	6,012	(245.2)
Profit for the period	42,438	(124,778)	167,216	(134.0)



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	03/31/2017	03/31/2016
Assets		
Current Assets		
Cash and cash equivalents	466,775	663,594
Other current financial asset	2,233	11,023
Other current non-financial assets	31,604	60,232
Trade and other current receivables	2,100,598	1,828,400
Accounts receivables due from related companies, current	383	4,925
Inventory	1,856,799	1,980,010
Current tax asset	9,278	272,334
Total current assets	4,467,670	4,820,518
Non-current asset		
Non-current inventories	369,667	207,778
Other non-current financial assets	91,587	53,278
Other non-current non-financial assets	12,875	28,301
Non-current receivables	92,669	88,623
Accounts receivables due from related companies, non-current	21,968	17,165
Investment accounted for using the equity method	3,750,948	4,088,802
Intangible assets other than goodwill	201,427	188,829
Property, Plant and Equipment, net	24,132,330	22,835,804
Investment property	981	5,854
Non-current tax asset	233,772	-
Total non-current asset	28,908,224	27,514,434
TOTAL ASSETS	33,375,894	32,334,952



Liabilities

	03/31/2017	03/31/2016
Current liabilities		
Other current financial liabilities	388,300	830,856
Trade and other current payables	1,035,263	1,140,068
Accounts payables to related companies, current	108,681	149,516
Other current provisions	218,888	387,974
Current tax liabilities	29,110	8,743
Current employee benefit accruals	258,945	296,926
Other current non- financial liabilities	98,202	114,930
Total current liabilities	2,137,389	2,929,013
Non-current liabilities		
Other non-current financial liabilities	14,976,911	14,061,631
Accounts payables to related companies, non-current	58,672	152,459
Other non-current provisions and accrued expenses	1,606,121	1,260,490
Deferred tax liabilities	3,363,072	3,023,914
Non-current employee benefit accruals	1,302,114	1,296,720
Other non-current non-financial liabilities	4,345	4,538
Total non-current liabilities	21,311,235	19,799,752
Total liabilities	23,448,624	22,728,765
Equity		
Issued Capital	3,624,423	2,524,423
Retained earnings	13,696	(90,324)
Other Reserves	5,306,943	6,132,233
Equity attributable to owners of the parent	8,945,062	8,566,332
Non-controlling interests	982,208	1,039,855
Total equity	9,927,270	9,606,187
TOTAL LIABILITIES AND EQUITY	33,375,894	32,334,952



CONSOLIDATED STATEMENTS OF CASH FLOWS

	1/1/2017 03/31/2017	1/1/2016 03/31/2016
Cash flow provided by (used in) operating activities:		
Cash receipts provided by operating activities		
Cash flows provided by sales of goods and rendering of services	3,180,474	2,801,138
Other cash flows provided by operating activities	487,897	419,620
Types of cash payments		
Payments to suppliers for goods and services	(1,837,387)	(1,875,350)
Payments to and on behalf of employees	(533,593)	(472,953)
Other cash flows used in operating activities	(513,982)	(550,241)
Dividends received	15,773	12,620
Income taxes paid	(2,245)	(24,471)
Net cash flows provided by operating activities	796,937	310,363
Cash flows provided by (used in) investing activities:		
Other payments to acquire equity or debt instruments of other entities	-	(24,861)
Purchases of property plant and equipment	(813,152)	(958,246)
Interest received	579	6,193
Other inflows (outflows) of cash	24,146	72,309
Net cash flows from (used in) investing activities	(788,427)	(904,605)
Cash flows used in financing activities:		
Proceeds from current borrowings	35,929	-
Repayments of borrowings	(250)	(350,000)
Dividends paid	-	-
Interest paid	(154,190)	(144,299)
Net cash flows used in financing activities	(118,511)	(494,299)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	(110,001)	(1,088,541)
Foreign Exchange Rate Net increase (decrease) in cash and cash equivalents	50	4,417
Net increase (decrease) in cash and cash equivalents	(109,951)	(1,084,124)
Cash and cash equivalents at beginning of period	576,726	1,747,718
Cash and cash equivalents at end of period	466,775	663,594



COMPANY PROFILE

CODELCO is the world's largest copper producer engaging primarily in the exploration, development and extraction of ores bearing copper and by-products, the processing of ore into refined copper and the international sale of refined copper and by-products. CODELCO is 100% owned by the Republic of Chile and controls approximately 7% of the world proven and probable copper reserves; as such term is defined by the U.S. Geological Survey. In 2016, CODELCO had an estimated 9% share of the total world copper production, with production of approximately 1.83 million metric tons (including CODELCO's share in the El Abra deposit, which is mined by Sociedad Contractual Minera El Abra and its share in Anglo American Sur) and an estimated 10% share of the world's molybdenum production with own production of approximately 30,641 metric tons.

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