CODELCO - CHILE

Consolidated Financial Statements as of December 31, 2010

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CONSOLIDATED FINANCIAL STATEMENTS

(January - December 2010)

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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Directors
of Corporación Nacional del Cobre de Chile

1. We have audited the accompanying consolidated statements of financial position of Corporación Nacional del Cobre de Chile and subsidiaries ("the Corporation" or "the Company") as of December 31, 2010 and 2009, the opening consolidated statement of financial position as of January 1, 2009, and the related consolidated statements of comprehensive income, changes in net equity and cash flows for the years ended on December 31, 2010 and 2009. These financial statements (including the related notes) are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements, based on our audits. We did not audit the financial statements as of December 31, 2010 and 2009 and the opening statements of financial position as of January 1, 2009 of certain associates, jointly controlled entities and subsidiaries. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such investees, jointly controlled entities and subsidiaries, is based solely on the reports of the other auditors. As of December 31, 2010 and 2009, and as of January 1, 2009, the direct and indirect investment of the Corporation in such associates and jointly controlled entities and the total assets reflected in the statements of such subsidiaries, constitutes 8.0%, 7.2% and 6.8%, respectively, of the total consolidated assets, and the total net income for the year in those associates and jointly controlled entities and the total revenues reflected in the financial statements of such subsidiaries, constitute 9.4% and 9.8% in 2010 and 2009, respectively, of the total consolidated revenues.

2. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management of the Corporation, as well as evaluating the overall consolidated financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

3. In our opinion, based on our audits and the reports of other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of Corporación Nacional del Cobre de Chile and subsidiaries as of December 31, 2010 and 2009, and January 1, 2009, and the results of their operations and their cash flows for the years ended December 31, 2010 and 2009 in conformity with International Financial Reporting Standards.

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

Deloitte.

March 23, 2011

CORPORACIÓN NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2010, December 31, 2009 and January 1st, 2009
(In thousands of US dollars - ThUS$)

	Notes	12-31-2010	12-31-2009	01-01-2009
		ThUS$	ThUS$	ThUS$
ASSETS				
Current assets:				
Cash and cash equivalents	1	874,039	773,076	393,197
Other current financial assets	12	195,138	292,884	386,013
Other current non-financial assets		33,607	18,755	16,123
Trade and other current receivables	2	2,714,006	2,062,026	835,367
Accounts receivables from related companies, current	3	157,954	229,181	115,694
Inventories	4	1,782,506	1,471,776	1,546,598
Current tax assets	6.a	194,226	147,866	436,954
Total current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners		5,951,476	4,995,564	3,729,946
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners		-	-	-
Total current assets		5,951,476	4,995,564	3,729,946
Non-current assets:				
Other non-current financial assets	12	181,125	158,201	12,557
Other non-current non-financial assets	11	203,505	206,132	226,914
Non-current receivables	2	198,785	198,102	149,234
Accounts receivables from related companies, non-current	3	104,896	358,259	224
Investments accounted for using the equity method	8	1,260,774	1,100,156	1,084,470
Intangible assets other than goodwill	10.a	21,556	21,380	18,108
Property, Plant and Equipment	7	12,351,430	11,210,433	10,507,650
Investment property		5,494	5,653	5,690
Total non-current assets		14,327,565	13,258,316	12,004,847
TOTAL ASSETS		20,279,041	18,253,880	15,734,793

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

CORPORACIÓN NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2010, December 31, 2009 and January 1st, 2009
(In thousands of US dollars - ThUS$)

	Notes	12-31-2010	12-31-2009	01-01-2009
		ThUS$	ThUS$	ThUS$
LIABILITIES AND EQUITY				
Current liabilities				
Other current financial liabilities	13	1,918,908	1,394,422	1,232,783
Trade and other current payables	16	1,803,276	1,822,752	1,153,119
Accounts payables to related companies, current	3	171,565	185,925	127,229
Other short-term provisions	17	296,713	208,733	186,173
Current tax liabilities	6.b	307,952	63,636	4,628
Current provisions for employee benefits	17	689,075	307,530	295,595
Other current non-financial liabilities		56,338	113,617	23,314
Total current liabilities other than liabilities included in disposal groups classified as held for sale		5,243,827	4,096,615	3,022,841
Liabilities included in disposal groups classified as held for sale		-	-	-
Total current liabilities		5,243,827	4,096,615	3,022,841
Non-current liabilities				
Other non-current financial liabilities	13	7,189,482	6,338,526	3,974,393
Other non-current payables		2,658	142,584	177,157
Accounts payables to related companies, non-current	3	349,204	388,767	429,968
Other long-term provisions	17	1,057,472	1,058,737	965,690
Deferred tax liabilities	5	711,382	722,417	1,860,935
Non-current provisions for employee benefits	17	1,191,112	997,824	738,779
Other non-current non-financial liabilities		2,692	65,183	764
Total non-current liabilities		10,504,002	9,714,038	8,147,686
Total liabilities		15,747,829	13,810,653	11,170,527
EQUITY				
Issued capital		2,524,423	2,524,423	1,524,423
Retained earnings		1,329,392	1,294,157	1,244,163
Other reserves	19	675,403	622,640	1,792,729
Equity attributable to owners of parent		4,529,218	4,441,220	4,561,315
Non-controlling interests	19	1,994	2,007	2,951
Total equity		4,531,212	4,443,227	4,564,266
TOTAL LIABILITIES AND EQUITY		20,279,041	18,253,880	15,734,793

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

CORPORACIÓN NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF INCOME

For the periods between January 1st and December 31, 2010 and 2009
(In thousands of US dollars - ThUS$)

	Notes	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Revenue	20	16,065,946	12,379,137
Cost of sales		(9,088,740)	(7,484,231)
Gross profit		6,977,206	4,894,906
Other income	21.a	141,473	308,363
Distribution costs		(14,994)	(19,157)
Administrative expenses		(390,234)	(505,616)
Other expense	21.b	(2,058,867)	(1,458,441)
Other Gains (losses)		28,040	14,750
Finance income		35,559	27,666
Finance costs	22	(331,132)	(318,757)
Share of profit (loss) of associates and joint ventures accounted for using equity method	8	303,395	310,651
Exchange differences	24	(202,524)	(266,531)
Profit (loss) before tax		4,487,922	2,987,834
Income tax expense	5	(2,611,601)	(1,813,643)
Profit (loss) from continuing operations		1,876,321	1,174,191
Profit (loss) from discontinued operations		-	-
Profit		1,876,321	1,174,191
Profit (loss) attributable to:			
Profit (loss) attributable to owners of parent		1,877,659	1,176,226
Profit (loss) attributable to non-controlling interests	19	(1,338)	(2,035)
Profit (loss)		1,876,321	1,174,191

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

CORPORACIÓN NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the periods between January 1st and December 31, 2010 and 2009
(In thousands of US dollars - ThUS$)

	Notes	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Profit (loss)		1,876,321	1,174,191
Components of other comprehensive income, before tax:			
Exchange differences on translation			
Gains (losses) on exchange differences on translation, before tax		490	2,426
Other comprehensive income, before tax, exchange differences on translation		490	2,426
Cash flow hedges			
Gains (losses) on cash flow hedges, before tax		111,508	(2,442,860)
Other comprehensive income (loss), before tax, cash flow hedges		111,508	(2,442,860)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		136,560	(246,779)
Other comprehensive income (loss) before tax		248,558	(2,687,213)
Income tax relating to components of other comprehensive income:			
Income tax relating to cash flow hedges of other comprehensive income	5	(63,560)	1,410,098
Aggregated income tax relating to components of other comprehensive income		(63,560)	1,410,098
Other comprehensive income (loss)		**184,998**	**(1,277,115)**
Total comprehensive income (loss)		**2,061,319**	**(102,924)**
Comprehensive income attributable to			
Comprehensive income, attributable to owners of parent		2,062,657	(100,889)
Comprehensive income, attributable to non-controlling interest		(1,338)	(2,035)
Total comprehensive income (loss)		**2,061,319**	**(102,924)**

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

CORPORACIÓN NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD

For the periods between January 1st and December 31, 2010 and 2009
(In thousands of US (In thousands of US dollars - ThUS$)

	Notes	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Cash flows from (used in) operating activities:			
Classes of cash receipts from operating activities			
Receipts from sales of goods and rendering of services		16,974,027	11,671,870
Other cash receipts from operating activities	25	1,767,151	1,520,165
Classes of cash payments			
Payments to suppliers for goods and services		(7,833,235)	(6,213,744)
Payments to and on behalf of employees		(1,784,501)	(1,190,622)
Other cash payments from operating activities	25	(3,525,415)	(2,240,250)
Dividends received		179,532	47,447
Income taxes refund (paid)		(2,515,754)	(320,560)
Net cash flows from (used in) operating activities		3,261,805	3,274,306
Cash flows from (used in) investing activities:			
Other cash payments to acquire interests in joint ventures		(44,878)	(69,274)
Loans made to related companies		(71,839)	(13,349)
Purchases of property, plant and equipment		(2,309,484)	(1,680,532)
Interest received		12,716	9,977
Other inflows (out flows) of cash		109,927	34,738
Net cash flows from (used in) investing activities		(2,303,558)	(1,718,440)
Cash flows from (used in) financing activities:			
Proceeds from long-term borrowings		1,687,500	1,641,550
Proceeds from short-term borrowings		699,886	463,900
Total proceeds from borrowings		2,387,386	2,105,450
Repayments of borrowings		(800,860)	(2,294,398)
Dividends paid		(2,206,124)	(835,692)
Interest paid		(237,686)	(251,347)
Other inflows (outflows) of cash		-	100,000
Net cash flows from (used in) financing activities		(857,284)	(1,175,987)
Net increase (decrease) in cash and cash equivalents before effects of exchange rate changes		100,963	379,879
Effects of exchange rate changes on cash and cash equivalents			
Effects of exchange rate changes on cash and cash equivalents		-	-
Net increase (decrease) in cash and cash equivalents		100,963	379,879
Cash and cash equivalents at beginnning of period		773,076	393,197
Cash and cash equivalents at end of period		874,039	773,076

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

CORPORACION NACIONAL DEL COBRE DE CHILE
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the periods between January 1 and December 31, 2010 and 2009
(In thousands of US dollars - ThUS$)

	Issued capital	Exchange differences on transtation	Reserves for cash flow hedges	Other miscellaneous reserves	Other reserves	Retained earnings	Equity attributable to owners of parent	Non-controlling interests	Total equity
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Equity at beginning of period 01/01/2009	1,524,423	-	28,404	1,764,325	1,792,729	1,244,163	4,561,315	2,951	4,564,266
Increase (decrease) through changes in accounting policies	-	-	-	-	-	-	-	-	-
Increase (decrease) through corrections of errors	-	-	-	-	-	-	-	-	-
Equity at beginning of period 01/01/2009	1,524,423	-	28,404	1,764,325	1,792,729	1,244,163	4,561,315	2,951	4,564,266
Changes in equity									
Comprehensive Income									
Profit (loss)						1,176,226	1,176,226	2,035	1,174,191
Other comprehensive income (loss)		2,426	(1,045,923)	(233,618)	(1,277,115)	-	(1,277,115)	-	(1,277,115)
Comprehensive income							(100,889)	(2,035)	(102,924)
Issue of equity	-		-				-		-
Dividends paid						(1,254,759)	(1,254,759)		(1,254,759)
Increase (decrease) through other contributions by owners	1,000,000	-	-	-	-	-	1,000,000		1,000,000
Decrease (increase) through other distributions to owners	-	-	-		-	-	-		-
Increase (decrease) through transfers and other changes	-	-	-	107,026	107,026	128,527	235,553	1,091	236,644
Increase (decrease) through treasury shares transactions	-		-	-			-		-
Increase (decrease) through changes in ownership interest in subsidiaries that do not result in loss of control							-		-
Total increase (decrease) in equity	1,000,000	2,426	(1,045,923)	(126,592)	(1,170,089)	49,994	(120,095)	(944)	(121,039)
Equity at end of period 12/31/2009	2,524,423	2,426	(1,017,519)	1,637,733	622,640	1,294,157	4,441,220	2,007	4,443,227

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

	Issued capital	Exchange differences on transtation	Reserves for cash flow hedges	Other miscellaneous reserves	Other reserves	Retained earnings	Equity attributable to owners of parent	Non-controlling interests	Total equity
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Equity at beginning of period 01/01/2010	2,524,423	2,426	(1,017,519)	1,637,733	622,640	1,294,157	4,441,220	2,007	4,443,227
Increase (decrease) through changes in accounting policies	-	-	-	-	-	-	-	-	-
Increase (decrease) through corrections of errors	-	-	-	-	-	-	-	-	-
Equity at beginning of period 01/01/2010	2,524,423	2,426	(1,017,519)	1,637,733	622,640	1,294,157	4,441,220	2,007	4,443,227
Changes in equity									
Comprehensive Income									
Profit (loss)						1,877,659	1,877,659	(1,338)	1,876,321
Other comprehensive income (loss)		490	47,948	136,560	184,998		184,998	-	184,998
Comprehensive income							2,062,657	(1,338)	2,061,319
Issue of equity	-								-
Dividends paids						(1,875,509)	(1,875,509)		(1,875,509)
Increase (decrease) through other contributions by owners	-	-	-	-	-	-	-		-
Decrease (increase) through other distributions to owners	-	-	-		-	-	-		-
Increase (decrease) through transfers and other changes	-	-	-	(132,235)	(132,235)	33,085	(99,150)	1,325	(97,825)
Increase (decrease) through treasury shares transactions	-		-	-			-		-
Increase (decrease) through changes in ownership interest in subsidiaries that do not result in loss of control							-		-
Total increase (decrease) in equity	-	490	47,948	4,325	52,763	35,235	87,998	(13)	87,985
Equity at end of period 12/31/2010	2,524,423	2,916	(969,571)	(1,642,058)	675,403	1,329,392	4,529,218	1,994	4,531,212

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

I. GENERAL ASPECTS

1. Corporate Information

Corporación Nacional del Cobre de Chile, Codelco (hereinafter referred to as “Codelco - Chile”, the “Corporation” or “the Company”), is the largest copper producer in the world. Its 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, a semi-elaborated product that uses copper cathodes as raw material in Germany.

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

Codelco is registered under Securities Registry No. 785 of the Superintendency of Securities and Insurance (the “Superintendency”) and is subject to the supervision of said Superintendency. According to Article 10 of Law No. 20,392 (on new Corporate Governance of Codelco), such supervision will be on the same terms as publicly traded corporations, notwithstanding the provisions in Decree Law (D.L.) No. 1,349 of 1976, which created the Comisión Chilena del Cobre (“Chilean Copper Commission”).

The corporate domicile and headquarters of Codelco are located in Santiago de Chile, at 1270 Huérfanos, telephone number (56 2) 6903000.

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 decree law, 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, Salvador, Andina, El Teniente and Ventanas. Also, in May 2008, Codelco - Chile started exploiting the deposit known as Gabriela Mistral whose mining operations are under the responsibility of its subsidiary Minera Gaby S.A., 100% owned by the Company. In 2010 the Company was authorized to invest in the operation of the new Division Ministro Hales Mine, whose estimated starting operating date is at the end of 2013. 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 corporations 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 by 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, which are applicable. The Company's income is also subject to a tax in accordance with Law No. 20,026 of 2005 (Specific Mining Tax).

The Company is subject to Law No. 13,196 that requires the payment of a 10% tax over the foreign currency return on the export value of copper production, including its by-products.

Additionally, Codelco, as any company operating in Chile, is subject to Value Added Tax (VAT) Law in accordance with Decree Law No. 825 of 1974; and also to the duties and other taxes levying business activities carried out by companies in Chile. In accordance with the above, Codelco recovers VAT credit as an exporter.

The Corporation, in the development of its operation and investing activities, engages services, subject to Law No. 20,123 on subcontracting, which are executed by contractor companies with their own employees. The labor relationships inside such companies are of exclusive responsibility of each of these companies. Nevertheless, and in order to verify the compliance of the labor and social security regulations by the contractor companies, Codelco exercises the rights of information, withholding and payment in relation to the labor and social security obligations that such companies must comply with their employees.

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

The associates correspond to companies located in Chile and abroad, which are detailed in note IV.8.

2. Bases of Presentation of the Consolidated Financial Statements

Accounting Principles

These consolidated financial statements are stated in thousands of US dollars and were prepared based on the accounting records kept by Codelco - Chile and its subsidiaries, and have been prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (hereinafter "IASB"), and were approved by the Board of Directors in the meeting held on March 23, 2011.

These consolidated financial statements reflect the financial position of Codelco Chile and subsidiaries as of December 31, 2010 and 2009, and January 1, 2009, and also the results of their operations, changes in net equity and cash flows for the years ended in 2010 and 2009.

For statutory purposes, for the preparation of its consolidated financial statements during 2009 Codelco has used the accounting principles generally accepted in Chile ("Chilean GAAP"). The consolidated financial statements of Codelco as of December 31, 2009, filed with the Superintendency of Securities and Insurance and approved by the Board of Directors on February 22, 2010, were prepared in conformity with accounting principles generally accepted in Chile, which were considered as the previous accounting principles, as defined in IFRS 1, prior to the preparation of the opening consolidated financial statements under IFRS.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Critical Accounting Policies and Key Sources of Estimates

The application of the International Financial Reporting Standards requires the use of estimates and assumptions that affect the amounts of assets and liabilities reported at the date of financial statements and the amounts of income and expenses during the reporting period. The management of the Corporation will necessarily make judgments and estimates that could have a significant effect on the amounts presented in the financial statements according to IFRS. Likewise, changes in assumptions and estimates could have a significant impact on the financial statements in conformity with such standards. A summary of the key estimates and judgments used is as follows:

a) **Useful Economic Lives of Property, Plant and Equipment -** The useful lives of the assets of property, plant and equipment that are used for calculating the depreciation are determined based on technical studies prepared by specialists (both internal and external). When there are indicators that could lead to changes in the estimated useful lives of such assets, these changes shall be performed by using technical estimates.

   The studies shall consider the specific factors related to the use of the assets.

b) **Ore Reserves -** The measurements of ore reserves are based on estimates of the ore resources that are 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 modifications in the usage estimates of certain assets and of the amount of certain decommissioning and restoration costs.

These estimates of reserves are based on methods and standards customary in the mining industry, which are supported by the historical experience and the assumptions of the Corporation regarding the production costs and the market prices.

The Corporation 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 in regard to the carrying amount. In the evaluation of the impairment, the assets are grouped in cash generating units ("CGU's") to which the assets belong. The recoverable amount of these assets or CGU's 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 the cash flows or the discount rate, could impact the carrying amounts of the corresponding assets.

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 the subsidiaries and associates.

d) **Provisions for Decommissioning and Site Restoration Costs -** An obligation to incur in 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.

The costs arising from the installation of a plant or other site preparation works discounted at their net present value are 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 the operational costs, while the unwinding of the discount in the provision is included as finance costs.

The costs for restoration of site damages, which are created on an ongoing basis during production, are provided for at their net current values and charged to profit or loss for the year as extraction progresses.

Decommissioning, site restoration and environmental provisions are provided for at the present value at the date such obligations are known, considering a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the related liabilities. The environmental costs are estimated by using also the work of external specialists and/or internal experts. The Corporation's management applies its judgment and experience to provide for and amortize these estimated costs over the useful life of the mine.

e) Provision for Employee Benefits - Employee benefits cost for severance payments and health benefits for services rendered by the employees, are determined based on actuarial calculations by using the Projected Credit Unit Method, and are charged to profit or loss on an accrual basis.

The Corporation uses assumptions to determine the best estimate of these benefits. Such estimates, as well as the assumptions, are determined together with an external actuary. These assumptions include demographic assumptions, the discount rate and expected salary increases and the rotation levels, among others. Although the Corporation believes that the assumptions used are appropriate, a change in these assumptions could affect profit or loss.

f) Provisions for Open Invoices - The Corporation uses information on future copper prices, through which it performs adjustments to its revenues and trade receivables, due to the conditions of its provisional invoicing. These adjustments are updated on a monthly basis.

g) Fair Value of the Derivatives and Other Instruments - Management uses its criterion to elect 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 the derivative financial instruments, the assumptions are based on the quoted market rates, adjusted in conformity with the specific features of the instruments.

h) Lawsuits and Contingencies - The Corporation assesses on an ongoing basis the probabilities of lawsuits and contingencies losses according to estimations performed by its legal counselors. In case management and its legal counselors believe that a favorable outcome will be obtained or when the results are uncertain and the lawsuits are still pending of resolution, no provisions are recognized.

2. Principal Accounting Policies

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

- Statements of Financial Position as of December 31, 2010, December 31, 2009 and January 1st, 2009.
- Statements of Comprehensive Income for the periods ended on December 31, 2010 and 2009, respectively.
- Statements of Changes in Equity for the periods ended December 31, 2010 and 2009, respectively.
- Statements of Cash Flows for the periods ended December 31, 2010 and 2009, respectively.

b) Basis of Preparation - The consolidated financial statements of the Corporation as December 31, 2010 have been prepared in conformity with IFRS, as issued by the IASB.

The statements of financial position as of December 31, 2009 and January 1, 2009 and the statements of comprehensive income, of net equity and of cash flows for the period ended December 31, 2009, included for comparative purposes, have been prepared in conformity with IFRS, on a consistent basis with the criteria used by the Company for the same period ended on December 31, 2010.

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

c) Responsibility for the Information and Use of Estimates - The Board of Directors of the Corporation has been informed regarding the information included in these financial statements and expressly states its responsibility for the consistent and reliable nature of the information incorporated in the consolidated financial statements as of December 31, 2010, for whose effects have been applied in full the IFRS principles and criteria as issued by the International Accounting Standards Board. These financial statements were approved by the Board of Directors at its meeting held on March 23, 2011.

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

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

The functional currency of the subsidiaries, associates and jointly controlled entities, which is the same as Codelco, 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. 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 corresponds to the US dollar as this is the 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.

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

e) Basis of Consolidation - The consolidated financial statements incorporates the financial statements of the Corporation and its subsidiaries.

In the consolidation process all significant balances and transactions between the consolidated companies have been fully eliminated, and the participation of the non-controlling interest has been recognized and presented as "Non-controlling Interest". 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 as follows:

				December 31, 2010			December 31, 2009	January 1st, 2009
				Ownership percentage			Ownership percentage	Ownership percentage
Taxpayer Number	Entity	Country	Functional currency	Direct	Indirect	Total	Total	Total
				%	%	%	%	%
Foreign	Chile Copper Limited	England	GBP	100.000	-	100.000	100.000	100.000
Foreign	Codelco Services Limited	England	GBP	-	100.000	100.000	100.000	100.000
Foreign	Codelco Group USA Inc.	United States	USD	100.000	-	100.000	100.000	100.000
Foreign	Codelco Metals Inc.	United States	USD	-	100.000	100.000	100.000	100.000
Foreign	Copper Technology Investment Inc.	United States	USD	-	-	-	-	100.000
Foreign	Semi Solid Metal Investors LLC.	United States	USD	-	-	-	-	100.000
Foreign	Corporación del Cobre Inc.	United States	USD	-	-	-	-	100.000
Foreign	Codelco International Limited	Bermuda	USD	100.000	-	100.000	100.000	100.000
Foreign	Codelco Technologies Ltd.	Bermuda	USD	-	100.000	100.000	100.000	100.000
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.000	100.000	100.000	100.000
Foreign	Codelco Kupferhandel Gmbh	Germany	EURO	100.000	-	100.000	100.000	100.000
Foreign	Metall Agentur Gmbh	Germany	EURO	-	100.000	100.000	100.000	100.000
Foreign	Ecometales Ltd.	Anglononmandars	USD	-	100.000	100.000	100.000	100.000
59.087.530-9	Ecometales Ltd. Agencia en Chile	Chile	USD	-	100.000	100.000	100.000	100.000
76.561.210-1	Mining Information Communications and Monitoring S.A.	Chile	USD	66.000	-	66.000	66.000	66.000
78.712.170-5	Compañía Minera Picacho (SCM)	Chile	USD	99.990	0.010	100.000	100.000	100.000
78.860.780-6	Compañía Contractual Minera Los Andes	Chile	USD	99.970	0.030	100.000	100.000	100.000
76.063.022-5	Inca de Oro S.A.	Chile	USD	79.740	20.260	100.000	100.000	-
79.566.720-2	Isapre Chuquicamata Ltda.	Chile	CLP	98.300	1.700	100.000	100.000	100.000
79.681.920-0	Sociedad Elaboradora de Cobre Chilena Ltda.	Chile	CLP	-	-	-	100.000	100.000
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.690	-	96.690	96.690	96.690
88.497.100-4	Clínica San Lorenzo Ltda.	Chile	CLP	99.900	-	99.900	99.950	99.950
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda.	Chile	CLP	-	99.990	99.900	100.000	100.000
89.441.300-K	Isapre Río Blanco Ltda.	Chile	CLP	99.990	0.010	100.000	100.000	100.000
96.817.780-K	Ejecutora Hospital del Cobre Calama S.A.	Chile	USD	99.900	0.010	99.910	100.000	100.000
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	USD	99.990	0.010	100.000	100.000	100.000
96.854.500-0	Instituto de Innovación en Minería y Metalurgia S.A.	Chile	USD	99.930	-	99.930	99.930	99.930
96.876.140-4	Santiago de Río Grande S.A.	Chile	USD	99.990	0.010	100.000	100.000	100.000
96.991.180-9	Biosigma S.A.	Chile	USD	66.670	-	66.670	66.670	66.670
Foreign	Biosigma Bermudas Ltda. (Bermudas)	Bermuda	USD	-	66.670	66.670	66.670	66.670
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	USD	99.900	0.100	100.000	100.000	100.000
99.573.600-4	Clínica Río Blanco S.A.	Chile	CLP	99.000	1.000	100.000	100.000	100.000
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.000	1.000	100.000	100.000	-
76.685.790-6	Minera Gaby S.A.	Chile	USD	99.900	0.100	100.000	100.000	100.000
77.773.260-9	Sociedad de Inversiones Copperfield Ltda.	Chile	USD	99.990	0.010	100.000	100.000	100.000
76.883.610-8	Energía Minera S.A.	Chile	USD	99.000	1.000	100.000	100.000	100.000
76.883.530-6	Termoeléctrica Farellones S.A.	Chile	USD	-	-	-	100.000	100.000
76.024.442-2	Ecosea Farming S.A.	Chile	USD	-	-	-	-	90.000
76.043.396-9	Innovaciones en Cobre S.A.	Chile	USD	0.100	99.900	100.000	100.000	100.000
76.082.774-6	Inversiones Tocopilla 2B S.A.	Chile	USD	99.999	0.010	100.009	-	-
76.082.158-6	Inversiones Mejillones 2 S.A.	Chile	USD	34.800	65.200	100.000	-	-
70.905.700-6	Fusat (Special Purpose Entity)	Chile	CLP	-	-	-	-	-

For the purposes of these financial statements, subsidiaries, associates, acquisitions and disposals and jointly controlled entities 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. 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 partly owned subsidiaries, the net assets and the net earnings attributable to the minority shareholders are presented as “Non-controlling interests” in the consolidated statements of financial position and consolidated statement of income.

  Likewise, on consolidation, the Corporation incorporates those entities where does not hold any direct or indirect ownership interest but represent a special purpose entity, in accordance with the criteria established in SIC Interpretation 12, Consolidation - Special Purpose Entities.

- **Associates -** An associate is an entity over which Codelco is in the position to exercise significant influence, but not 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 the Codelco’s share in the results of the associates, less any impairment of goodwill and any other changes in the associate’s net assets.

- **Acquisitions and Disposals -** The results of businesses acquired are incorporated in the consolidated financial statements from acquisition date; the results of businesses sold during the period are incorporated in 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 which has been sold.

- **Jointly Controlled Entities -** The entities that qualify as jointly controlled entities, in which there exists joint control over the operating and financial decisions, are accounted for by using the equity method.

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

- **Special Purpose Entities (SPE's) -** The substance of the relationship between Codelco and Fundación de Salud El Teniente (FUSAT), indicated that such entity is controlled by Codelco. As such, the consolidated financial statements of FUSAT are incorporated to the consolidation of Codelco. The consolidated financial statements of the FUSAT include the following entities:

ENTITY	Country	Ownership percentage December 31, 2010	Ownership percentage December 31, 2009	Ownership percentage January 1, 2009
		%	%	%
Centro de Servicios Médicos Porvenir Ltda.	Chile	99.00	99.00	99.00
Inmobiliaria Centro de Especialidades Torre Médica S.A.	Chile	75.09	75.09	75.09
Inmobiliaria e Inversiones Río Cipreces Ltda.	Chile	99.99	99.99	99.99
Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	99.00	99.00	99.00
Institución de Salud Previsional Fusat Ltda.	Chile	99.69	99.69	99.69

f) **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) (12/31/2010: Ch$21,455.55; 12/31/2009: Ch$20,942.88; 1/1/2009: Ch$21,452.57), are translated into U.S. dollars at the closing exchange rates.

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 the 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 or separate income statement presented shall be translated at average exchange rates of the reporting period.

All resulting exchange differences are recognized as a separate component of net equity.

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

The exchange rates used in each period are as follows:

Ratio	Year-end exchange rates December 31, 2010	December 31, 2009	January 1, 2009
US$ / CLP	0.00214	0.00197	0.00157
US$ / GBP	1.54059	1.60617	1.44279
US$ / BRL	0.60107	0,57372	0.42689
US$ / EURO	1.32802	1.43328	1.41223

g) 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.

h) Property, Plant and Equipment and Depreciation - The items of property, plant and equipment 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 the items of property, plant and equipment related to the extension, modernization or improvement representing an increase of the productivity, capacity or efficiency or an increase of the useful life of the assets is capitalized as cost of the corresponding assets.

Furthermore, the investments in assets acquired under the method of lease contracts with purchase options that meet the characteristics of a financial lease are included in this item. These items are not legally owned by the Corporation until the corresponding purchase option is exercised.

The items included in property, plant and equipment are depreciated in accordance with the straight-line method over their economic useful life, which are summarized in the following table:

Item	Minimum useful life	Maximum useful life
Buildings	15 years	50 years
Plant and Equipment	2 years	35 years
Fixtures and Fittings	2 years	15 years
Motor Vehicles	5 years	25 years
Mining operations	20 years	35 years
Construction in progress (Mine development)	1 year	5 years
Land improvements	10 years	35 years
Others	57 months	293 months

The assets maintained under financial lease are depreciated during the estimated period of the lease contract or in accordance with the useful life of the assets, whichever is lower.

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

The profit or loss from the 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 assets of property, plant and equipment and in mining development projects. Work in progress is transferred to assets in operation once the testing period has terminated and when they are available for their use, and start to be depreciated as of such moment.

The ore deposits owned by the Corporation are recorded in the accounting records at US$1 (one US dollar) and the economic value of these deposits differs from the accounting value.

Certain items of property, plant and equipment were, at the transition date to IFRS, recorded at fair value and this fair value was used as their deemed cost, in conformity with the optional exemption established in IFRS 1, First Time Adoption of International Financial Reporting Standards (IFRS 1).

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 their use or sale will be considered as part of the cost of items of property, plant and equipment.

i) **Impairment of Property, Plant and Equipment and Intangible Assets -** The items of property, plant and equipment and the intangible assets of definite 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. Where the asset does not generate cash flows independently from other assets, Codelco estimates the recoverable amount of the cash-generating unit (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 the 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 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 would had been recognized previously. A reversal is recognized as a decrease in the charge for depreciation for the year.

For cash generating units (CGU's), the future cash flow estimates are based on the estimates of future production levels, future prices of the basic products and the 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 of deposits in exploitation whose purpose is to maintain the production levels are charged to net income when incurred.

Exploration and drillings of deposits, expenses include the expenses destined to locate mineralized areas to determine their possible commercial exploitation and are charged to net income when incurred.

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 income during the period in which the benefits are obtained.

k) 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 to the mining activity referred to in Law 20,026 of 2005. Its foreign subsidiaries record it according to the tax standards of each country.

The deferred taxes generated by temporary differences and other events giving rise to differences between the accounting and tax base of assets and liabilities are recorded according to IAS 12 "Income Taxes".

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

l) Inventories - Inventories are stated at cost, which does not exceed their net realizable value. The net realizable value represents the estimated sales price less all finishing costs and the marketing, sales and distribution expenses. The costs have been determined according to the following methods:

- **Finished Products and Products in Process:** These inventories are stated at average production cost, according to the absorption costing method, including labor and the depreciation of the fixed assets, the amortization of the intangible assets and the indirect expenses of each period.

- **Materials in Warehouse:** These inventories are stated at acquisition cost and the Corporation determines a provision for obsolescence considering the permanence in stock of those slow moving materials in the warehouse.

- **Materials in Transit:** These inventories are stated at cost incurred until the period-end date. Any difference, due to the estimate of a lower net realizable value of the inventories, in relation to their accounting value, is adjusted with a charge to net income.

m) Dividends - The payment obligation of the 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.

n) Personnel Benefits - Codelco recognizes provisions for personnel benefits when there is a current obligation as a result of the services provided**.**

The contract conditions stipulate, subject to the compliance of certain conditions, the payment of a termination indemnity when an employment contract ends. In general, this corresponds to the proportion of a month per year of service and considering 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.

On the other hand, Codelco has agreed to post-retirement health plans with certain employees which are paid according to the fixed percentage over the monthly tax base of the employees covered by this agreement. This benefit has been defined as a long-term post-retirement health benefit.

The severance payment obligation and the post-retirement health 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 severance payment obligation and the health benefit. The actuarial gains and losses are recognized immediately in the statement of comprehensive income within the operating cost.

Management uses assumptions to determine the best estimate of these benefits. Such assumptions include an annual discount rate, the expected increases in the remunerations and future permanence, among other.

The Corporation 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 has established employee retirement programs by means of related addenda to employees contracts or collective bargaining agreements with benefits that encourage employees to retire. Accordingly, the required provisions are established based on the accrued obligation at current value.

o) Provisions for Dismantling and Restoration Costs - An obligation arises when incurred in dismantling and restoration cost when an alteration is generated caused by a mining activity (in development or in production). The costs are estimated based on a formal closure plan and are subject to regular reviews.

The costs arising from the obligation of dismantling the installation of a plant or other works for the preparation of the site, discounted at their net present value, are accrued and capitalized at the beginning of each project, as soon as the obligation to incur in such costs is originated.

These dismantling costs are stated in net income through the depreciation of the asset that gave rise to such cost and the use of the provision when the dismantling takes place. The subsequent changes in the estimates of the 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 use of the provision is made in the period in which the restoration works are performed. The changes in the measurement of the liability related to the location of the mining activity are recorded in the operating income.

The effects of the update of the liability, due to the discount rate and/or time, are recorded as a financial expense.

p) Leases - Leases are classified as financial leases when the lease transfers substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The lease payments under operating leases are recognized as expenses over the lease term. Assets acquired under financial leases are initially recognized as net income at the lower of the fair value and the present value of the minimum lease payments discounted at the implicit interest rate of the contract. Interest is charged within financial expenses, at a constant interest rate, in the same depreciation period over the useful life the asset.

The service and supply contracts that meet the conditions established in IFRIC 4, *Determining whether an Arrangement Contains a Lease* are recorded as a financial or operating lease contract, as appropriate (IFRIC = International Financial Reporting Interpretations Committee).

q) Revenue Recognition - Revenues are recorded when the 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 conditions and are subject to the variations related to the content and/or sales price at their liquidation date.

The sales contracts include a provisional price at the shipment date, whose final price is based on the price of the London Metal Exchange ("LME"). This final price will be fixed on the dates indicated in the contracts. The revenues at provisional prices are mark-to-market adjusted and are charge in net income.

The 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 the hedging policies in the metal futures market, the Corporation performs operations in the futures market. The net results of these contracts are added to or discounted from the sales revenues.

r) Derivative Contracts - Codelco uses derivative financial instruments to reduce the risk of fluctuations of the sales prices of its products from exchange rates and interest rates.

The 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 net income. The amount recognized in net equity is not transferred to the income statement account until the results of the hedged operations are recorded in the income statement 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 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 a range 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 and Interest Rates*

  The Corporation enters into exchange rate hedge transactions to cover exchange rate variations between the US dollar and the other currencies its transactions are made in. It has also contracted interest rate hedge transactions to cover fluctuations of interest rates for future obligations denominated in US dollars. According to the policies of the Board of Directors these operations are only performed when there is a balance (asset or liability) or an existing flow supporting it, and not for investment or speculative reasons.

  The results of the exchange rate hedge operations are recorded at the maturity or liquidation date of such contracts.

  The results of the hedging contracts for interest rates for future liabilities are amortized over the term of those liabilities.

- *Hedging Policies in the Futures Metal Markets*

  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 on the one hand to protect the expected cash flows from the sale of products by fixing the prices for a portion of future production, and on the other hand to adjust physical contracts to its commercial policy, when necessary.

When the sales agreements are fulfilled and the future contracts are settled, income from the sales and futures operations are offset.

The results of these hedging transactions are recorded at the settlement date of the hedging operations, as part of the sales revenue of the products.

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

- *Embedded Derivatives*

The Corporation has established a procedure that allows evaluating 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 requires a separate recording.

The procedure consists in an initial characterization of each contract that allows to distinguish those in which an embedded derivative could exist. In such case, such 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.

s) Financial Information per Segment - For the purposes of IFRS 8, *Operating Segments* it has been defined that the segments are determined according to the Operating Divisions, adding Yacimiento Gabriela Mistral operation, which make up Codelco. Income and expenses of headquarters are distributed in the defined segments.

t) 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 flow through the direct method.

u) Current and Non-Current Financial Assets - The Corporation determines the classification of its investments upon initial recognition and reviews these at each closing date. This classification depends on the purpose for which such investments were acquired.

In this section the following categories are observed:

- *Financial Assets at Fair Value through Profit or Loss*:

  This category includes those financial assets acquired for trading or sale in the short term. Their initial and subsequent recognition is performed at fair value, which is obtained as of the observable date in the market. The gains and losses from the variations in the fair value are included in the 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. They arise when the Corporation provides - for valuable consideration - cash, goods or services directly to a debtor without the intention of negotiating the accounts receivable that is generated by the transaction. Its initial recognition is at fair value which includes the transaction costs that are directly attributed to the acquisition or issuance of it. Subsequent to the initial recognition these are stated at amortized cost, recognizing in the income statement the accrued interest according to the effective interest rate and the possible losses in the 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 the amounts in accordance with the original terms.

  The amount of the 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 income statement.

  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 there are situations such as the dissolution of the company, the lack of identifiable assets for its execution or a legal pronouncement.

- *Available-for-Sale Financial Assets*

  Financial assets available for sale are non-derivative financial assets designated specifically in this category, or not classified in any other category. They are included in non-current assets unless Management intends to dispose of the investment in the following 12 months after the date of the Statement of Financial Position.

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

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the 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.

The 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.

w) Provisions for Doubtful Debts - The Corporation maintains an provisions for doubtful debts, based on the experience and analysis of Management regarding the portfolio of trade debtors and the aging of the entries.

x) Intangible Assets - Intangible assets are recorded at the value of actual disbursements. Amortization, were appropriate, is recognized in accordance with IAS 38.

Intangible assets are amortized using the straight-line method over their economic useful life as follows:

Item	Minimum useful life	Maximum useful life
Other intangible assets	17 years	19 years

The internally generated computer systems using the Company's own human resources and materials are charged to net income in the period in which they are incurred.

y) **Statement of Cash Flows -** For the purposes of preparing the statement of cash flows, the Corporation has defined the following:

Cash and cash equivalents include cash on hand, time deposits in credit institutions and other short-term investments of great liquidity with an original maturity of three months from their acquisition date. In the statement of financial position the bank overdrafts are classified as external resources in current liabilities.

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

Investing Activities: These correspond to activities of acquisition, sale 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 the net equity and of the financial liabilities.

z) **Law No. 13,196 -** 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 combines the economic development while safekeeping the environment and the health and safety of its collaborators. The Corporation recognizes that these principles are key for the wellbeing of its collaborators, the care of its environment and to succeed 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 those with a maturity equal or inferior to twelve months and as non-current those with a greater maturity. Where there are obligations whose maturity is less than twelve months, but whose long-term refinancing is insured upon decision of the Company, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

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

3. 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, but it was not obligatory to apply them[1]:

New IFRS	**Mandatory application date**
IFRS 9, *Financial Instruments*	Annual periods beginning on or after January 1, 2013
Amendments to IFRS	**Mandatory application date**
IFRS 1 (Revised) - First Time Adoption of International Financial Reporting Standards- Removal of Fixed Dates for First-time Adopter - Severe Hyperinflation	Annual periods beginning on or after July 1, 2011
IAS 12 - Deferred Taxes - Recovery of Underlying Assets	Annual periods beginning on or after January 1, 2012
IAS 24, *Related Party Disclosures*	Annual periods beginning on or after January 1, 2011
IAS 32, *Classification of Rights Issue*	Annual periods beginning on or after February 1, 2010
IFRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets	Annual periods beginning on or after July 1, 2010
IFRS 9, Financial Instruments: Additions to IFRS 9 for Financial Liability Accounting	Annual periods beginning on or after January 1, 2013
Improvements to IFRS May 2010 - set of amendments to seven International Financial Reporting Standards	Annual periods beginning on or after January 1, 2011
New Interpretations	**Mandatory application date**
IFRIC 19, Extinguishing financial liabilities with equity instruments	Annual periods beginning on or after July 1, 2010
Amendments to Interpretations	**Mandatory application date**
IFRIC 14 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	Annual periods beginning on or after January 1, 2011

1 IAS, International Accounting Standards; IFRS, International Financial Reporting Standards; IFRIC, International Financial Reporting Interpretation Committee

The Management early applied the Amendment to IFRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets in these financial statements.

Notwithstanding the above, the Management believes that these standards, amendments and interpretations, will be adopted in the consolidated financial statements of the Corporation in the respective years, and that their adoption will not have a significant impact in the financial statements of Codelco in the year of their initial application.

III. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

1. First Time Adoption of IFRS

a) **Basis of Transition to IFRS** - Until December 31, 2009, Codelco Chile and subsidiaries prepared their financial statements in conformity with accounting principles generally accepted in Chile and standards and instructions issued by the Superintendency of Securities and Insurance.

As per the above stated, the Corporation established January 1, 2009 as its IFRS transition date, defining it as the period for the measurement of the effects of the first application.

Application of IFRS 1

The consolidated financial statements of the Corporation for the period ended December 31, 2009 are the first consolidated financial statements prepared in conformity with International Financial Reporting Standards (IFRS). The Corporation has applied IFRS 1 when preparing its consolidated financial statements.

In general, IFRS 1 requires the complete retrospective application of the standards and interpretations effective at the date of the first application. However, such standard allows certain exemptions to the retrospective application, in order to assist the companies with their transition process.

b) The Corporation has analyzed these exemptions and has applied the following:

- **Business Combinations -** The Corporation decided not to apply retrospectively IFRS 3, *Business Combinations*, maintaining the previous carrying amounts of the previous combinations.

- **Fair Value as Deemed Cost -** The Corporation measured certain items of property, plant and equipment existing at the transition date of IFRS at fair value and used that fair value as its deemed cost.

- **Exchange Rate Differences on Translation -** The Corporation considered that the cumulative translation differences will be deemed to be zero at the transition date. Hereby, all profit or loss from subsequent disposals due to these operations will exclude translation differences originated before the transition date.

- **Assets and Liabilities of Subsidiaries, Associates and Joint Ventures** - The subsidiaries, associates and joint ventures have adopted IFRS on the same date as the Corporation.

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

- **Changes in Existing Liabilities for Decommissioning and Restoration -** The Corporation has measured the decommissioning obligation - at the transition date - through the calculation of the net present value of the liability, using a discount interest rate that is representative of its indebtedness, correcting the accumulated depreciation.

  In relation to the restoration provision, this has been determined at the net present value of the liability at the transition date.

- **Leases -** The Corporation adopted the transitional provisions of IFRIC 4, *Determining whether an arrangement contains a lease* to determine whether the existing agreements and contracts at the transition date to IFRS, qualify as a lease based on the facts and circumstances at the transition date.

- **Borrowing Costs -** The Corporation adopted the criterion of capitalizing borrowing costs for work in progress, only for those works with a commencement date on or after January 1, 2009.

- **Financial Instruments** - The Corporation applies hedge accounting for its derivative instruments.

2. Reconciliations between Generally Accepted Accounting Principles in Chile ("Chilean GAAP") and International Financial Reporting Standards ("IFRS")

a) Reconciliation of the Consolidated Net Equity

		Equity	
		December 31, 2009	**January 1, 2009**
		ThUS$	ThUS$
	Equity under Chilean GAAP	**5,308,585**	**3,875,692**
	IFRS Transition Adjustments:		
(i)	Exposure of derivatives on futures contracts	(2,315,792)	187,699
(ii)	Exposure of derivatives on exchange rate swaps	(50,532)	(103,258)
(iii)	Financial obligations at amortized cost	4,221	3,076
(iv)	Fair value of property, plant and equipment as deemed cost	1,545,971	1,803,700
(v)	Provision for transfer of net income to the public treasury	(503,738)	(84,671)
(vi)	Criteria Changes Defined benefit obligations with employees	263,418	270,383
(vii)	Special Purpose Entity incorporated on Consolidation	8,844	7,105
(viii)	Closure provision	(57,213)	(3,529)
(ix)	Effect of convergence to IFRS of subsidiaries and associates	(105,999)	(1,678)
(x)	Impairment assets	(54,745)	(57,916)
(xi)	Valuation of trade receivables at fair value through profit or loss	242,826	
(xii)	Change of functional currency in subsidiaries	(6,108)	
(xiii)	Capitalization of interest	2,343	
(xiv)	Deferred tax effect	159,139	(1,335,288)
	Non-controlling interests	2,007	2,951
	Equity under IFRS	**4,443,227**	**4,564,266**

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

b) Reconciliation of Profit (Loss)

		Profit(loss) January 1, 2009 December 31, 2009 ThUS$
	Profit (loss) under Chilean GAAP	**1,261,718**
	IFRS Transition Adjustments:	
(i)	Exposure of derivatives on futures contracts	-
(iii)	Financial obligations at amortized cost	435
(iv)	Fair value of property, plant and equipment as deemed cost – Depreciation	(257,729)
(vi)	Criteria Changes Defined benefits obligations with employees	(45,137)
(vii)	Special Purpose Entity incorporated on Consolidation	796
(viii)	Closure provision	(53,684)
(ix)	Effect of convergence to IFRS of subsidiaries and associates	(16,003)
(x)	Impairment assets	3,170
(xi)	Valuation of trade receivables at fair value through profit or loss	263,105
(xiii)	Capitalization of interest	2,343
(xiv)	Deferred tax effect	17,212
(=)	Profit (loss) controlling	1,176,226
	Non-controlling interests	(2,035)
	Profit (loss) under IFRS	**1,174,191**
	Other Comprehensive net Income under IFRS	**(1,277,115)**
	Total Comprehensive net Income under IFRS	**(102,924)**

c) Explanations of the Main Differences

(i) Exposure of Derivatives on Futures Operations

Under Chilean GAAP, these futures contracts were designated as hedging instruments in a cash flow hedge. Codelco recorded the exposure to the derivatives in control accounts, and the change in the fair value of these operations was disclosed in the explanatory notes to the financial statements. Under IFRS, in a cash flow hedge the portion of the profit or loss on theonsedging instrument that is determined to be an effective hedge is recognized in equity.

The IFRS adjustment in profit or loss corresponds to the portion of the change in the time value of the option contracts that was designated as a hedging instrument.

(ii) Exposure of Derivatives on Exchange Rate Swaps

The adjustment in net equity corresponds to the same GAAP difference as for the exposure of derivatives on futures operations.

(iii) Financial Obligations at Amortized Cost

Under Chilean GAAP, Codelco recognized in profit or loss the expenses for bank loans and recognized in assets or liabilities the premiums, discounts and costs of transactions related to the issuance of bonds and whose effect in profit or loss was recognized amortizing these according to the straight-line method over the period of the respective obligations. Under IFRS, this methodology is modified amortizing the expenses under the amortized cost method, based on the effective rate of the obligation.

(iv) Fair Value of Property, Plant and Equipment as Deemed Cost

Codelco, making use of the exemption of IFRS 1, has restated certain items of property, plant and equipment based on a methodology of determining the fair value applied by independent advisors. Useful lives associated to certain assets, based on technical and economic criteria were also redefined from such study.

The effect in net equity arises from the increase in the value of the asset, net of deferred taxes, while the effect in profit (loss) is generated by a higher depreciation associated to the amount added to the asset.

(v) Provision for the Transfer of net income for the public treasury

According to Article 6 of D.L. 1,350, the revenues generated by the Corporation belong to the State and, prior to discounting the authorized amounts - through the procedure indicated in such article - for the capitalization and reserve funds, they shall be incorporated to the general revenues of the State. Only at this point, as per Chilean GAAP, the corresponding amount was included in the financial statements. The application of IFRS determines the need to accrue a provision for the amounts transferred to the State, in the financial statements corresponding to the year in which the revenues to be transferred were generated.

(vi) Criteria Changes Defined Benefits Obligations with Employees

The obligations of the Corporation with its employees for the concept of severance payments were recorded, under Chilean GAAP, at their current value, that is, based on the final remuneration of the employee, multiplied by his service years. According to IFRS, these provisions are calculated at net present value discounted at a discount rate based on a representative indebtedness rate, adding the use of certain actuarial assumptions, such as the retirement rates, mortality, turnover, etc.

Its equity effects are derived from a decrease in the provision associated with these obligations, generated by the application of the financial discount, while the effect on profit or loss is caused by the impact on costs of sales, financial expenses and exchange rate differences.

(vii) Special Purpose Entity Incorporated on Consolidation

According to the evaluation performed by the Corporation from the point of view of the application of SIC 12, Fundación de Salud El Teniente (FUSAT) meets the conditions to qualify as a Special Purpose Entity.

The consolidation of this entity implies that its net equity has to be added to the net equity of the Corporation. The effect on profit or loss is given by the consolidation of its profit (loss) in the results of Codelco.

(viii) Closure provision

The dismantling costs of assets, that are part of the provision made by Codelco according to Chilean GAAP for the concepts of closing mining sites, dams and other closure expenses, were charged directly in profit or loss for the year in which such a provision was generated. Due to the application of IFRS, some of these costs have to be charged to the value of the assets over which such disbursements were applied.

The impact on equity arises from the correction of the effect recorded in profit or loss of prior years, in which the total cost was charged under Chilean GAAP and which according to IFRS is deferred according to the depreciation of the assets to be dismantled, net of other effects associated with the calculation of this provision in accordance with IAS 37.

(ix) Effect of Convergence to IFRS of Subsidiaries and Associates

Each subsidiary and associate performed its convergence process to IFRS, in which impacts of different nature were generated. The effects of these impacts were transferred both to the consolidated net equity, as well as to the profit (loss) of Codelco.

(x) Impairment of Assets

At the date of transition to IFRS, the Corporation performed an asset impairment tests in accordance with IAS 36. Such tests concluded that the recoverable amounts of the assets for the Cash Generating Unit "División Ventanas" were lower than the carrying amounts of the assets of such unit. Consequently, the adjustments recorded as a result of were mainly the total write-off of the goodwill recognized in the Corporation's assets, which were previous the transition to IFRS and generated by the acquisition of

Fundición Las Ventanas in 2005, in addition to the partial decrease in items of Property, Plant and Equipment of the aforementioned CGU, and the related negative effect on equity. At the Statement of Income by Function level, the effect of this adjustment was reversing the depreciation charges of the impaired assets in their corresponding proportion.

(xi) Valuation of Trade Receivables at Fair Value through Profit or Loss

When applying Chilean GAAP, the estimations of lower sales revenues, in open operations at year-end, were accrued with direct effect on profit or loss, according to the available information at the preparation date of the financial statements and are presented deducting the balance of the trade debtors. As per IFRS, both the estimations of lower and higher revenues are recognized directly in profit or loss.

(xii) Change of Functional Currency in the Subsidiaries

Some subsidiaries have changed their functional currency according to IAS 21, adopting the functional currency of Codelco (US dollar). Because under Chilean GAAP these companies continued to be valued in Chilean pesos, the effects of the adjustments to the change that were recorded in equity during year-end 2009, have to be reversed for the purposes of the application of IFRS.

(xiii) Capitalization of Interest

According to IFRS, there are financial costs that are directly related to the acquisition, construction or production of qualifying assets and, therefore, they need to be capitalized as a cost of such assets. According to this treatment, the Corporation has identified those qualifying assets and the directly related financing costs that must be capitalized.

In this context, the effect on equity is caused by a lower expense recognized in profit or loss for the capitalization of interest, treatment that was optional under Chilean GAAP.

(xiv) Effect of Deferred Taxes

The net deferred taxes generated by the IFRS adjustments subject to the tax rates are included.

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

d) Reconciliation of Cash Flows

	12-31-2009		
	Chilean GAAP ThUs$	**IFRS transition adjustments and reclassifications (*)** ThUs$	**IFRS** ThUs$
a) Net cash flows from operating activities	2,998,783	275,523	3,274,306
b) Net cash flows from (used in) investing activities	(1,831,089)	112,649	(1,718,440)
c) Net cash flows used in financing activities	(924,640)	(251,347)	(1,175,987)
d) Net increase (decrease) in cash and cash equivalents	243,054	136,825	379,879
f) Cash and cash equivalents at beginnning of period	386,965	6,232	393,197
e) Cash and cash equivalents at end of period	630,019	143,057	773,076

(*) Reclassifications of resale agreements and incorporation of Fundación de Salud el Teniente to the Consolidation of the Cash Flows.

IV. EXPLANATORY NOTES

1. Cash and Cash Equivalents

The detail of cash and cash equivalents is as follows:

	December 31, 2010 ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Cash on hand	3,319	4,158	3,996
Bank balances	17,012	19,889	23,441
Time deposits	741,579	575,660	352,929
Mutual funds	61,855	16,454	9,414
Resale agreements	50,274	156,915	3,417
Total cash and cash equivalents	874,039	773,076	393,197

Time deposits have a maturity of 90 days or less from their date of acquisition and they are valued at cost plus interest at their corresponding interest rate.

2. Trade and Other Receivables

a) Provisions for Open Sales Invoices

As mentioned in Article of Summary of Significant Accounting Policies, the Corporation adjusts its revenues and balances from trade debtors, based on future copper prices, by recording a provision 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 of 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.

As per the above, the amounts are:

	Debit (credit) balance		
Classification of the provision of open invoices	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Current assets	406,837	267,014	(95,225)
Current liabilities	-	-	(194,523)

(In thousands of 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 provisions:

Trade and other receivables, current	**Current**			**Non-Current**		
	December 31, 2010	**December 31, 2009**	**January 1, 2009**	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables	2,349,685	1,724,304	504,929	-	-	-
Provision for bad and doubtful debts	(2,343)	(2,159)	(2,104)	-	-	-
Subtotal trade receivables, net	2,347,342	1,722,145	502,825			
Other receivables	370,878	344,684	338,945	198,785	198,102	149,234
Provision for bad and doubtful debts	(4,214)	(4,803)	(6,403)	-	-	-
Subtotal other receivables, net	366,664	339,881	332,542	198,785	198,102	149,234
Total	2,714,006	2,062,026	835,367	198,785	198,102	149,234

(1) Trade debtors are generated by the sale of products of the Corporation, which in general are sold for cash or through bank documents:

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

- Personnel of the Corporation, including short-term loans and mortgage loans, both discounted on a monthly basis from their remunerations. The mortgage loans are backed by mortgage guarantees.
- Claims for 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 (Fundición Ventanas).

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

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

The movement of the provision for doubtful accounts in the periods January to December 2010 and 2009 is as follows:

Movements of the bad debts provision	December 31, 2010 ThUS$	December 31, 2009 ThUS$
Opening balance	6,962	8,507
Increases	184	55
Write-offs / applications	589	1,600
Movement, subtotal	(405)	(1,545)
Final balance	6,557	6,962

Details of past due and not provided balances are as follows:

	December 31, 2010 ThUS$	December 31, 2009 ThUS$	January 1, 2009 ThUS$
Less than 90 days	18,814	33,672	101,498
Between 90 days and 1 year	378	4,575	877
More than 1 year	3,572	3,275	5,535
Total past-due and not impaired	22,764	41,522	107,910

3. Balances and Transactions with Related Companies

a) Related Operations through Persons

The Board of Directors of the Corporation has established the policy that governs transactions with persons and companies related to Codelco personnel, which has been regulated by Management, since December 1, 1995, through Corporate Regulation No.18 and its corresponding administrative procedures.

Accordingly, Codelco cannot enter into agreements or acts in which one or more Directors, its Executive President, members of the Divisional Board of Directors, Vice Presidents, Corporate Auditor, Divisional General Managers and senior supervisory personnel, including their spouses, children and other relatives, up to the second degree of blood relationship, have direct personal interests, whether they are represented by third parties or they act as representatives of another person, without prior authorization as set forth in the aforementioned policy and Regulation, and by the Board of Directors, when required by Law or the Company's By-Laws.

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 in those companies.

Without affecting to the above, the internal regulatory framework included in Corporate Regulation No. 18, is adjusted by the provisions of Title XVI of the Law on Corporations - of the operations with related parties in publicly traded companies and their subsidiaries - and in particular, to the final section of Article 147 b), which establishes exemption standards regarding operations with related parties, that are made according to general habitual policies determined by the Board of the Corporation. The Corporation has established a general policy in this regard, adhering to the final section of Article 147 b) which establishes the operations that are habitual, and it is understood that these are those performed habitually with its related parties within its line of business, that contribute to a social interest and that are necessary for the normal development of the activities of Codelco and its subsidiaries.

For purposes of this regulation, second and third hierarchical level positions in the Divisions, and Managers and Assistant Managers in the heardquarters are considered as senior supervisory positions.

The Board of the Corporation is aware of the transactions regulated by the Corporate Regulation No. 18, on which according to this standard, it has to make a statement. Among these operations are those indicated in the following chart, for the total amounts indicated, which need to be executed in the periods specified by each contract.

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

Transactions related through persons								
					1-1-2010 / 12-31-2010		1-1-2009 / 12-31-2009	
Company	Taxpayer number	Country	Nature of the relationship	Description of the transaction	Amount	Effects on net Income (charges)/ credits	Amount	Effects on net Income (charges)/ credits
					ThU$	ThU$	ThU$	ThU$
Industrial Support Company Ltda.	77.276.280-1	Chile	Executive's relative	Services	-	-	3,432	(3,432)
CMS Tecnologia S.A.	96.893.530-5	Chile	Associate	Services	-	-	7,913	(7,913)
Inst. de Innovacion en Min. y Metal S.A.	96.854.500-0	Chile	Subsidiary	Services	-	-	39,500	(39,500)
Quadrem Chile Ltda	77.546.140-3	Chile	Related	Services	2,034	(2,034)	225	(225)
R & Q Ingenieria S.A.	84.865.000-5	Chile	Executive's relative	Services	-	-	4,879	(4,879)
Juan Patricio Alvear Arriagada	7.828.426-9	Chile	Executive's relative	Services	-	-	60	(60)
Ingeniería Insitu S.A.	96.796.630-4	Chile	Executive's relative	Services	-	-	299	(299)
Domingo Iraola Vera	2.320.212-3	Chile	Executive's relative	Services	59	(59)	3,150	(3,150)
Compañía de Petróleos de Chile S.A.	99.520.000-7	Chile	Director's ownership	Purchase of supplies	-	-	248	(248)
Prodalam S.A.	93.772.000-9	Chile	Director's ownership	Services	-	-	1,790	(1,790)
Prodinsa S.A.	92.698.000-9	Chile	Director's ownership	Services	-	-	1,303	(1,303)
CIS Ingenieros y Asociados	88.422.600-7	Chile	Director's ownership	Services	170	(170)	-	-
Mining Industry Robotic Solutions S.A.	76.869.100-2	Chile	Investee	Services	-	-	1,073	(1,073)
Sociedad Contractual Minera El Abra	96.701.340-4	Chile	Investee	Services	8	(8)	-	-
Petricio Industrial S.A.	96.799.310-7	Chile	Executive's relative	Services	-	-	223	(223)
Ernst &Young Ltda.	77.802.430-6	Chile	Executive's relative	Services	2,489	(2,489)	-	-
Club de Deportes Cobresal	70.658.400-5	Chile	Club president's employee	Services	340	(340)	-	-
Servicios Aridam S.A.	76.033.531-2	Chile	Executive's relative	Services	192	(192)	-	-
CAID S.A.	76.069.751-6	Chile	Executive's relative	Services	771	(771)	-	-
B. BOSCH S.A.	84.716.400-K	Chile	Executive's relative	Services	473	(473)	-	-
Irene Astudillo Fernández	8.972.584-4	Chile	Executive's relative	Services	74	(74)	-	-
Entel S.A.	92.580.000-7	Chile	Executive's relative	Services	70	(70)	-	-
Ecometales Ltd.	59.097.530-9	Chile	Subsidiary	Services	27,735	(27,735)	14,199	(14,199)
Clinica San Lorenzo Limitada	88.497.100-4	Chile	Subsidiary	Services	1,841	(1,841)	-	-
San Lorenzo Institución de Salud Previsional Ltda.	76.521.250-2	Chile	Subsidiary	Services	1,353	(1,353)	-	-
SKM Minmetals Ltda.	76.334.600-5	Chile	Executive's relative	Services	-	-	7,236	(7,236)
Exploraciones Mineras Andina S.A.	99.569.520-0	Chile	Subsidiary	Services	-	-	44,700	(44,700)
Mining Information Communications and Monitoring S.A.	76.561.210-1	Chile	Subsidiary	Services	25	(25)	-	-
Biosigma S.A.	96.991.180-9	Chile	Subsidiary	Services	12,000	(12,000)	-	-
Minera Gaby S.A.	76.685.790-6	Chile	Subsidiary	Services	464,280	(464,280)	-	-
Sinclair Knight Merz (Chile) Ltda.	76.334.600-5	Chile	Executive's relative	Services	9,223	(9,223)	-	-

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

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 Boards of Directors and Divisional General Managers should be approved by this Board.

During 2010 and 2009, the members of the Board of Directors have received the following amounts as per diems, remunerations and fees:

Name	ID number	Country	Nature of the relationship	Description of the transaction	01-01-2010 / 12-31-2010		01-01-2009 / 12-31-2009	
					Amount	Effects on income (charges)/ credits	Amount	Effects on net income (charges)/ credits
					ThUS$	ThUS$	ThUS$	ThUS$
Santiago González Larraín	6.499.284-8	Chile	Chairman of the Board of Directors	Director's fees	4	(4)	19	(19)
Andrés Velasco Brañes	6.973.692-0	Chile	Director	Director's fees	4	(4)	19	(19)
Nicolás Majluf Sapag	4.940.618-5	Chile	Director	Director's fees	45	(45)	59	(59)
Nicolás Majluf Sapag	4.940.618-5	Chile	Director	Fees	-	-	27	(27)
Jorge Bande Bruck	5.899.738-2	Chile	Director	Director's fees	90	(90)	59	(59)
Jorge Bande Bruck	5.899.738-2	Chile	Director	Fees	-	-	27	(27)
Jorge Candia Díaz	8.544.205-8	Chile	Director	Compensations	-	-	86	(86)
Jorge Candia Díaz	8.544.205-8	Chile	Director	Dieta Directorio	11	(11)	59	(59)
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Remuneraciones	72	(72)	34	(34)
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Director's fees	70	(70)	59	(59)
Gustavo González Jure	6.866.126-9	Chile	Director	Director's fees	11	(11)	59	(59)
Alberto Arenas de Mesa	8.718.414-5	Chile	Director	Director's fees	18	(18)	-	-
Jaime Gutiérrez Castillo	6.772.588-3	Chile	Director	Compensations	80	(80)	-	-
Jaime Gutiérrez Castillo	6.772.588-3	Chile	Director	Director's fees	59	(59)	-	-
Andrés Sanfuentes Vergara	4.135.157-8	Chile	Director	Director's fees	18	(18)	-	-
Gerardo Jofré Miranda	5.672.444-3	Chile	Director	Director's fees	115	(115)	-	-
Marcos Büchi Buc	7.383.017-6	Chile	Chairman of the Board of Directors	Director's fees	70	(70)	-	-
Fernando Porcile Valenzuela	4.027.183-K	Chile	Director	Director's fees	48	(48)	-	-
Andrés Tagle Dominguez	5.895.255-9	Chile	Director	Director's fees	48	(48)	-	-
Marcos Lima Aravena	5.119.963-4	Chile	Director	Director's fees	79	(79)	-	-
Juan Luis Ossa Bulnes	3.638.915-K	Chile	Director	Director's fees	48	(48)	-	-

Through Supreme Decree of the Treasury Department No. 257, dated March 3, 2010, the method for determining the remunerations of the directors of the Corporation was established. This document details the calculation method of such remunerations, as per the following:

a. The monthly remuneration of the directors of Codelco is fixed in the amount of Ch$3,000,000 - (three million Chilean pesos) for participating in the Board meetings.

b. A unique monthly remuneration of Ch$6,000,000 - (six million Chilean pesos) is established for the Chairman of the Board.

c. In the case of the 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, they shall receive a single additional monthly amount of Ch$1,000,000 - (one million 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$2,000,000 - (two million Chilean pesos).

d. The remunerations established in this legal document will be valid for a period of two years, as of March 1, 2010, and will be adjusted as of January 10, 2011, according to the same provisions that govern the general remuneration adjustment of the employees of the Public Sector of the Republic of Chile.

The short-term benefits related to the main executives of the Corporation, paid during the period January - December 2010, amount to ThUS$6,658 (2009: ThUS$5,718).

The non-current benefits paid during the period January - December 2010 amount to ThUS$547 (2009: ThUS$234).

The criteria to determine the remunerations of the executives were established by the Board on January 29, 2003. The current text of the policy, updated in the remunerations committee of the Board dated March 2, 2004, is the following:

i. The fixed remuneration will be equal to the fixed remuneration corresponding to 50% of the fixed component of the remuneration of the position in the market of reference, with a range of approximately 15%.

ii. The non-guaranteed performance bonus will have an annual value that will fluctuate depending on the goal compliance and the individual performance between zero and three fixed monthly remunerations. In addition two limitations are established: first, that the annual surplus of the Corporation shall be higher than 20% of its equity (capital plus reserves), and, second, that the total bonuses shall not exceed 2.4 times the amount added to the monthly base remuneration of these executives.

iii. The total remuneration, that is to say, the sum of the guaranteed fixed remuneration plus the possible performance bonus, shall not exceed the total remuneration corresponding to the 75 percentile of this position in the market of reference.

None of the main executives of Codelco received severance payments as of December 31, 2009 and 2010.

c) Operations with Codelco Investees

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 interests or indexation. These companies are the following: Sociedad GNL Mejillones S.A., Sociedad Contractual Minera Sierra Mariposa, Copper Partners Investment Company Ltd., Sociedad Contractual Minera Purén, Kairos Mining S.A., MI Robotic Solutions S.A., Inversiones Tocopilla Ltda., Sociedad Contractual Minera El Abra, Electroandina S.A., Agua de La Falda S.A., CMS Tecnología S.A., Ecosea Farming S.A., Comotech S.A., Inversiones Mejillones S.A., E-CL S.A., Inversiones Tocopilla 2A S.A., Inversiones Tocopilla 2B S.A., Inversiones Mejillones 1 S.A., Inversiones Mejillones 2 S.A. and Deutsche Geissdraht GmbH, Quadrem Chile Ltda. And Suez Energy Andino S.A.

The Corporation does not establish provisions 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.

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

The detail of the accounts receivable from and payable to related companies as of December 31, 2010, December 31, 2009 and January 1, 2009, is presented in the following tables:

Due from related companies

					Current			Non-Current		
Taxpayer number	**Name**	**Home country**	**Nature of the relationship**	**Indexation currency**	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
					ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
96.731.500-1	Electroandina S.A.	Chile	Associate	USD	-	-	101,743	-	-	-
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	52,655	30,241	14	104,672	170,278	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	1,217	5,842	2,746	-		
Foreign	Copper Partners Invest. Company Ltd.	Bermudas	Joint Venture	USD	100,121	123,238	9,708	-	61,633	-
88.006.900-4	E-CL S.A.	Chile	Associate	USD	2,453	412	-	-	126,124	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	USD	-	-	-	224	224	224
96.893.530-5	CMS Tecnologia S.A.	Chile	Associate	CLP	-	-	1,275	-	-	-
96.885.200-0	Suez Energy Andino S.A.	Chile	Partner	CLP	-	69,387	-	-	-	
76.024.442-2	Ecosea Farming S.A.	Chile	Associate	CLP	64	59	208	-	-	-
76.009.778-0	Comotech S.A.	Chile	Associate	CLP	165	-	-	-	-	
76.082.774-6	Inversiones Tocopilla 2B S.A.	Chile	Associate	CLP	-	2	-	-	-	-
76.869.100-2	Mining Industry Robotic Solutions S.A.	Chile	Associate	CLP	1,279	-	-	-	-	-
Total					157,954	229,181	115,694	104,896	358,259	224

Due to related companies

					Current			Non-Current		
Taxpayer number	**Name**	**Home country**	**Nature of the relationship**	**Indexation currency**	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
					ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Foreign	Copper Partners Investment Company Ltd.	Bermudas	Joint Venture	USD	36,666	36,667	49,162	345,324	381,975	418,938
Foreign	Deutsche Geissdraht GmbH	Alemania	Associate	EURO	2,081	1,319	2,542	-		
76.781.030-K	Kairos Mining S.A.	Chile	Associate	CLP	13,845	10,642	-	-	-	-
76.869.100-2	Mining Industry Robotic Solutions S.A.	Chile	Associate	CLP	-	848	115	-	-	-
77.546.140-3	Quadrem Chile Ltda.	Chile	Other investment	CLP	66	241	-	-	-	-
88.006.900-4	E-CL S.A.	Chile	Associate	USD	53,091	93,476	-	3,880	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	50,670	42,732	16,692	-	-	-
96.731.500-1	Electroandina S.A.	Chile	Associate	USD	-		57,888	-	6,792	11,030
96.893.530-5	CMS Tecnologia S.A.	Chile	Associate	CLP	-	-	830	-	-	-
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	15,146	-	-	-	-	-
Total					171,565	185,925	127,229	349,204	388,767	429,968

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

The transactions performed between the Corporation and its related entities during the periods January - December 2010 and 2009, are detailed in the next chart together with their corresponding effects on profit or loss of such periods:

			December 31, 2010		December 31, 2009	
Taxpayer number	Company	Description of the transaction	Amount	Effects on income (charges) /credits	Amount	Effects on income (charges) /credits
			ThUS$	ThUS$	ThUS$	ThUS$
Foreign	Copper Partners Investment Co. Ltd.	Sale of products	143,902	143,902	153,496	153,496
Foreign	Copper Partners Investment Co. Ltd.	Capital reduction	-	-	44,805	-
76.024.442-2	Ecosea Farming S.A.	Capital contribution	-	-	-	-
76.082.152-7	Inversiones Mejillones 3 S.A.	Sale of shares	-	-	32	-
76.708.710-1	Central Termoeléctrica Andina S.A.	Loan	-	-	13,392	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Capital contribution	-	-	67,500	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Capital decrease	-	-	200,500	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Loan	157,322	-	200,500	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Purchase of energy	105,658	(105,658)	-	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Expense reimbursement	5	-	1,646	-
76.781.030-K	Kairos Mining S.A.	Purchase of services	14,345	(14,345)	17,185	(17,185)
76.869.100-2	Mining Industry Robotic Solutions S.A.	Capital contribution	-	-	200	-
76.869.100-2	Mining Industry Robotic Solutions S.A.	Purchase of services	1,448	(1,448)	2,656	(2,656)
78.835.420-7	Inversiones Tocopilla Ltda.	Dividends received	-	-	12,831	-
78.835.420-7	Inversiones Tocopilla Uno S.A.	Capital contribution	-	-	171,486	-
78.835.420-7	Inversiones Tocopilla Uno S.A.	Capital contribution	-	-	19,920	-
78.835.420-7	Inversiones Tocopilla Uno S.A.	Dividends received	-	-	34,973	-
88.006.900-4	E-CL S.A.	Promissory note	-	-	19,920	-
88.006.900-4	E-CL S.A.	Loan	-	-	113,144	-
96.701.340-4	SCM El Abra	Purchase of products	447,027	(447,027)	373,861	(373,861)
96.701.340-4	SCM El Abra	Dividends received	147,000	-	-	-
96.701.340-4	SCM El Abra	Sale of products	28,179	28,179	54,776	54,776
96.701.340-4	SCM El Abra	Purchase of services	1,607	(1,607)	4,138	(4,138)
96.701.340-4	SCM El Abra	Commissions received	145	145	166	166
88.006.900-4	E-CL S.A.	Interest and commissons	-	-	3,472	3,472
88.006.900-4	E-CL S.A.	Purchase of energy	466,955	(466,955)	509,438	(509,438)
88.006.900-4	E-CL S.A.	M&O services	1,007	(1,007)	614	(614)
88.006.900-4	E-CL S.A.	Loan	130,627	-	53,400	-
88.006.900-4	E-CL S.A.	Dividends received	32,040	-	-	-
96.782.220-5	Suez Energy Andino S.A.	Acquisition of centra share	-	-	21,695	-
96.782.220-5	Suez Energy Andino S.A.	Acquisition of rights	-	-	30,416	-
96.782.220-5	Suez Energy Andino S.A.	Sale of share of inversiones	-	-	172,500	39,940
88.006.900-4	E-CL S.A.	Purchase of services	-	-	986	(986)
88.006.900-4	E-CL S.A.	Gas supply	-	-	4,910	(4,910)
99.990.660-0	Inversiones Mejillones S.A.	Dividends received	-	-	13,976	-

d) Additional Information

The current and non-current account payable to the company Copper Partners Investment Company Ltd., corresponds to the balance of an advance payment received (US$550 million) due to the commercial agreement with the company Minmetals.

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

4. Inventories

The inventories at December 31, 2010, December 31, 2009 and January 1, 2009 are detailed as follows:

	December 31, 2010	December 31, 2009	January 1, 2009
	ThUS$	ThUS$	ThUS$
Finished products	418,394	315,838	384,232
Subtotal finished products, net	**418,394**	**315,838**	**384,232**
Products in process	1,055,664	908,764	891,454
Subtotal products in process, net	**1,055,664**	**908,764**	**891,454**
Materials in warehouse and others	381,932	318,011	360,356
Obsolescence provision adjustment	(73,484)	(70,837)	(89,444)
Subtotal products in process, net	**308,448**	**247,174**	**270,912**
Total inventories	**1,782,506**	**1,471,776**	**1,546,598**

The value of the finished products is stated net of an unrealized profit corresponding to the purchase and sale operations of associates and subsidiaries, and which according to accounting standards need to be discounted from the entries that originated them.

The inventories recognized as an expense in the costs of sales during the years ended December 31, 2010 and 2009, correspond to finished products and amount to ThUS$8,777,024 and ThUS$5,326,908, respectively.

Codelco has not written off inventories that have been recognized in the Statement of Income by function.

5. Deferred Taxes and Income Taxes

This provision is stated in the item Current Tax Liabilities, in current liabilities, net of monthly provisional tax payments and other tax credits (Note 6).

In accordance with the Law 20,455 on Reconstruction due to the earthquake, the income tax rates were changed for tax years 2012 and 2013. The current tax rate will temporarily increase from 17% to 20% and 18.5%, respectively.

The effect of such tax rate change resulted in recognizing a deferred tax asset crediting net income for ThUS$22,735. The deferred taxes that will be reversed in tax years 2012 and 2013 (fiscal years 2011 and 2012), amount to ThUS$17,379 and ThUS$5,356, respectively.

In accordance with the Law 20,469 on the Specific Mining Activity Tax, that changes the current income tax rate (5%) to be applied from tax year 2012 onwards, the Company has estimated a tax rate of 5.68% for that tax year.

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

The following table shows the detail of the deferred tax assets and liabilities:

Deferred tax assets:	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Provisions	671,737	513,489	655,626
Unrealized gains	49,246	51,885	60,703
Financial lease	18,862	13,855	8,693
Specific Mining tax	7,452	-	-
Derivatives - futures	1,232,505	1,320,002	-
Advances from clients	217,734	238,626	259,522
Derivatives interest rate swaps	52,740	28,803	58,857
Health care plans	20,081	7,641	5,333
Others	31,754	73,226	30,534
Total deferred tax assets	2,302,111	2,247,527	1,079,268

Deferred tax liabilities:	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Financial liabilities under effective interest rate	8,000	8,378	7,899
Derivatives exchange rate swaps	-	-	-
Specific Mining tax	-	30,792	25,898
Price-level restatement of property, plant and equipment (first application of IFRS)	832,594	881,203	1,028,109
Valuation of severance indemnity	200,568	172,119	159,986
Accelerated depreciation	1,915,741	1,735,279	1,584,453
Derivatives - futures	-	-	106,678
Provisions	46,808	134,177	56
Others	9,782	7,996	27,124
Total deferred tax liabilities	3,013,493	2,969,944	2,940,203

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

Deferred taxes affecting equity	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Cash flow hedge	(63,560)	1,394,332	37,651
Total deferred taxes affecting equity	(63,560)	1,394,332	37,651

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

The following table shows the reconciliation of taxes considering the legal tax rate and the calculation of the taxes actually paid:

	December 31, 2010				
	Taxable base 17%	**Taxable base 40%**	**Tax rate 17%**	**Additional tax rate 40%**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Profit before taxes	4,487,922	4,487,922	762,947	1,795,169	2,558,116
Permanent differences 17%	(588,768)	-	(100,091)	-	(100,091)
Permanent differences 40%	-	(290,069)	-	(116,028)	(116,028)
Income from corporations and others	(72,774)	(72,774)	(12,372)	(29,110)	(41,482)
Income from contractual companies	(234,402)	-	(39,848)	-	(39,848)
Income from Isapres (Private Health Insurance Companies)	(2,174)	-	(370)	-	(370)
Translation exchange differences	826	826	140	330	471
Specific mining tax	(304,652)	(304,652)	(51,791)	(121,861)	(173,652)
Dividends receivable	-	106,244	-	42,498	42,498
Others	24,408	(19,713)	4,149	(7,885)	(3,736)
Specific mining tax net of deferred tax	-	-	-	-	291,039
Effect of subsidiaries	-	-	-	-	(21,435)
Total tax expense			662,856	1,679,141	2,611,601

	December 31, 2009				
	Taxable base 17%	**Taxable base 40%**	**Tax rate 17%**	**Additional tax rate 40%**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Profit before taxes	2,881,765	2,987,834	489,900	1,195,134	1,685,034
Permanent differences 17%	(265,421)	-	(45,122)	-	(45,122)
Permanent differences 40%	-	(3,629)	-	(1,452)	(1,452)
Income from corporations and others	(140,640)	(246,709)	(23,909)	(98,684)	(122,593)
Income from contractual companies	(192,286)	-	(32,689)	-	(32,689)
Income from Isapres	468	-	80	-	80
Translation exchange differences	8,534	8,534	1,451	3,414	4,865
Specific mining tax	(169,763)	(169,763)	(28,860)	(67,905)	(96,765)
Dividends receivable	-	170,495	-	68,198	68,198
Others	228,266	228,266	38,805	91,306	130,111
Specific mining tax net of deferred tax	-	-	-	-	173,987
Effect of subsidiaries	-	-	-	-	3,415
Total tax expense			444,778	1,191,463	1,813,643

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

6. Current Tax Assets and Liabilities

a) Current Tax Assets

This item shows the right to collect VAT fiscal credit, income taxes and other taxes receivable, and is detailed as follows:

	December 31, 2010	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
VAT fiscal credit	153,347	123,334	83,763
Other taxes	5,153	4,308	4,708
Income tax	35,726	20,224	348,483
Total	194,226	147,866	436,954

b) Current Tax liabilities

This item shows the income tax liabilities, net of monthly provisional payments:

	December 31, 2010	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Income tax payable	307,952	63,636	4,628

(In thousands of 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 December 31, 2010 comparative with December 31, 2009 and January 1, 2009, are as follows:

Property, plant and equipment, gross	December 31, 2010 ThUS$	December 31, 2009 ThUS$	January 1, 2009 ThUS$
Construction in progress	2,756,793	2,492,101	1,361,417
Land	108,087	106,924	94,650
Buildings	3,163,952	3,105,730	3,074,943
Plant and equipment	9,767,914	8,955,969	8,744,234
Fixtures and fittings	35,600	31,770	32,086
Motor vehicles	1,106,413	1,097,051	976,108
Land improvements	3,067,271	2,772,167	2,671,457
Mining operations	2,670,080	2,570,495	2,196,619
Mine development	737,544	659,615	659,559
Other assets	735,895	672,157	676,821
Total property, plant and equipment, gross	24,149,549	22,463,979	20,487,894

Property, plant and equipment, accumulated depreciation	December 31, 2010 ThUS$	December 31, 2009 ThUS$	January 1, 2009 ThUS$
Buildings	1,905,162	1,915,566	1,794,303
Plant and equipment	5,407,138	4,927,764	4,298,190
Fixtures and fittings	24,123	25,612	24,748
Motor vehicles	643,353	643,164	551,174
Land improvements	1,820,174	1,748,969	1,653,993
Mining operations	1,305,938	1,414,156	1,097,353
Mine development	316,568	312,942	276,766
Other assets	375,663	265,373	283,717
Total property, plant and equipment, accumulated depreciation	11,798,119	11,253,546	9,980,244

Property, plant and equipment, net	December 31, 2010 ThUS$	December 31, 2009 ThUS$	January 1, 2009 ThUS$
Construction in progress	2,756,793	2,492,101	1,361,417
Land	108,087	106,924	94,650
Buildings	1,258,790	1,190,164	1,280,640
Plant and equipment	4,360,776	4,028,205	4,446,044
Fixtures and fittings	11,477	6,158	7,338
Motor vehicles	463,060	453,887	424,934
Land improvements	1,247,097	1,023,198	1,017,464
Mining operations	1,364,142	1,156,339	1,099,266
Mine development	420,976	346,673	382,793
Other assets	360,232	406,784	393,104
Total property, plant and equipment, net	12,351,430	11,210,433	10,507,650

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

b) Movement of Property, plant and equipment

Movements	Construction in progress	Land	Buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Land improvements	Mining operations	Mine development	Other assets	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance 1/1/2009	1,361,417	94,650	1,280,640	4,446,044	7,338	424,934	1,017,464	1,099,266	382,793	393,104	10,507,650
Additions	1,710,915	1,581	535	8,850	305	68	-	262,022	-	107,927	2,092,203
Disposals	(16,587)	(2,062)	4,606	(6,763)	(45)	(256)	225	(50)	-	(48,917)	(69,849)
Capitalizations	(452,531)	14,318	21,312	194,556	10	120,038	102,757	-	56	-	516
Depreciation and amortization	-	-	(120,034)	(629,188)	(1,830)	(91,986)	(94,976)	(316,803)	(36,176)	19,248	(1,271,745)
Reclassifications	(112,840)	(1,782)	(827)	8,917	300	983	(2,272)	111,904	-	(4,383)	-
Impairment	-	-	-	1,867	-	-	-	-	-	-	1,867
Others	1,727	219	3,932	3,922	80	106	-	-	-	(60,195)	(50,209)
Total movements	1,130,684	12,274	(90,476)	(417,839)	(1,180)	28,953	5,734	57,073	(36,120)	13,680	702,783
Final balance 12/31/2009	2,492,101	106,924	1,190,164	4,028,205	6,158	453,887	1,023,198	1,156,339	346,673	406,784	11,210,433

Movements	Construction in progress	Land	Buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Land improvements	Mining operations	Mine development	Other assets	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance 1/1/2010	2,492,101	106,924	1,190,164	4,028,205	6,158	453,887	1,023,198	1,156,339	346,673	406,784	11,210,433
Additions	2,227,531	172	4,761	16,383	705	27	-	324,906	-	39,618	2,614,103
Disposals	(55,184)	(198)	(14,981)	(26,520)	(523)	(6,820)	(8,838)	(26,957)	-	(57,506)	(197,527)
Capitalizations	(1,661,144)	55	166,091	923,208	6,361	105,288	335,136	4,901	107,015	13,089	-
Depreciation and amortization	-	-	(97,258)	(600,258)	(1,610)	(92,054)	(102,023)	(317,433)	(32,910)	(47,303)	(1,290,849)
Reclassifications	(242,132)	-	11,088	727	439	2,732	4,562	222,386	198	-	-
Impairment	-	-	-	1,867	-	-	-	-	-	-	1,867
Others	(4,379)	1,134	(1,075)	16,944	(53)	-	(4,938)	-	-	5,550	13,183
Total movements	264,692	1,163	68,626	332,571	5,319	9,173	223,899	207,803	74,303	(46,552)	1,140,997
Final balance 12/31/2010	2,756,793	108,087	1,258,790	4,360,776	11,477	463,060	1,247,097	1,364,142	420,976	360,232	12,351,430

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 to, and any claims that could arise from their activities. These policies provide adequate coverage of the potential risks.

e) Revaluation of property, plant an equipment assets at the date of transition to IFRS.

At the date of transition to IFRS (January 1, 2009), the Corporation revaluated certain property, plant and equipment assets invoking the exemptions included in IFRS 1. This valuation was mainly focused on assigning value to those assets that according to Chilean GAAP, had accumulated depreciation equal or close to the their gross value, but nevertheless continued to be employed in the Corporation's normal operations.

The work was performed by an independent consultant and was based mainly on the valuation model of Marston and Agg, which determined an increase in asset value of US$1,804 million at January 1, 2009.

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

Reconciliation of property, plant and equipment, net at January 1, 2009 between Chilean GAAP and IFRS	ThUS$
Property, plant and equipment, net under Chilean GAAP (net fixed assets) at January 1, 2009	8,460,452
Revaluation under IFRS 1 at January 1, 2009	1,803,700
Impairment of assets as of January 1, 2009	(38,597)
Capitalization of decomissioning costs at January 1, 2009	283,355
Other IFRS effects	(1,260)
Property, plant and equipment, net under IFRS at January 1, 2009	10,507,650

f) Restrictions on ownership and assets given in guarantee.

The Corporation currently has no ownership restrictions on Property, Plant and Equipment assets.

In addition, under no circumstance has management granted assets in guarantee to third parties to allow performance of its normal business activities or as a commitment to secure the payment of its obligations.

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:

	Equity Method			Accrued net income	
	December 31, 2010	December 31, 2009	January 1, 2009	01-01-2010 12-31-2010	01-01-2009 12-31-2009
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Associates equity method accounted investments	1,234,139	1,100,156	966,870	287,607	287,633
Joint ventures	26,635	-	117,600	15,788	23,018
Total	1,260,774	1,100,156	1,084,470	303,395	310,651

a) Associates

Agua de la Falda S.A.

At December 31, 2010, Codelco has a 43.28% interest in Agua de la Falda S.A., with the remaining 56.72% owned by Minera Meridian Limitada.

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

Sociedad Contractual Minera El Abra

Sociedad Contractual Minera El Abra was formed in 1994. At December 31, 2010, 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

At December 31, 2010, Codelco has a 35% interest in Sociedad Contractual Minera Purén, with the remaining 65% owned by Compañía Minera Mantos de Oro.

Its object is to explore, identify, survey, investigate, develop and exploit mineral deposits in order to extract, produce and process ore.

Sociedad Contractual Minera Sierra Mariposa

At December 31, 2010 and January 1, 2009, Codelco has a 23.73% interest in Sociedad Contractual Minera Sierra Mariposa**,** with the remaining 76.27% owned by Exploraciones e Inversiones PD Chile Limitada.

Its object is to explore, identify, survey, investigate, develop and exploit mineral deposits in order to extract, produce and process ore concentrates or other mineral products.

Kairos Mining S.A.

At December 31, 2010, Codelco has a 40% interest in Kairos Mining S.A., with the remaining 60% owned by Honeywell Chile S.A.

Its corporate purpose is to provide automation and control services for industrial and mining activities and to license technology and software licenses.

Mining Industry Robotic Solutions S.A.

As at 31 December 2010, Codelco has a 36% interest in Mining Industry Robotic Solutions S.A., with the remainder owned by Support Company Limited 53%, Nippon Mining & Metals Co. Ltd., 9% and Kuka Roboter GmbH, 2%.

The company's corporate purpose is the research, design, creation, invention, manufacture, installation, supply, maintenance and marketing in any form or type of robot products, technology products of a robotic nature or complementary supplies necessary for the marketing and maintenance of those products that can be used in the mining and metals industry and related services; to produce under license, license and market the licensing of products, processes and technology services of robotic nature for the mining and metallurgical industry, as well as any other form of use by third parties of products or services based on such technology. In addition the company can also form all types of companies and participate as a partner or shareholder in any existing company.

Sociedad GNL Mejillones S.A.

At December 31, 2010, 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 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.

Its corporate purpose is the production, storage, marketing, transportation and distribution of all types or classes of fuel, and the acquisition, construction, maintenance and operation of infrastructure facilities and physical works necessary for transport, reception, processing and storage both in Chile and abroad, singly or in partnership with third parties.

Comotech S.A.

At December 31, 2010, Codelco has a 33.33% interest in Comotech S.A. through its indirect subsidiary Innovaciones en Cobre S.A., Molibdenos y Metales S.A. and Universidad de Chile, each own a 33.33% interest.

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

Merger of Electric Energy Assets

On November 6, 2009, Codelco and Suez Energy Andino S.A. (at that date, the indirect controller of E-CL S.A. through Inversiones Mejillones S.A. and Inversiones Tocopilla Ltda.) agreed to execute and sign the acts and contracts for the defined merger process to gather in a single company all of the shares and rights that Codelco and Suez Energy Andino S.A. own in E-CL SA, Electroandina SA, and other companies. This merge process included the following acts which directly affected the composition of the shareholders of this company:

- The split on November 13, 2009, of Inversiones Mejillones S.A. (which until before this act was its direct controlling entity) into three entities: Inversiones Mejillones-1 S.A., Inversiones Mejillones- 2 S.A. and Inversiones Mejillones- 3 S.A., with the first two, as owners of 27.37% and 54.93% of E-CL S.A., respectively.

- The transformation on November 20, 2009, of Inversiones Tocopilla Ltda. (which until before the act was its indirect controlling entity through Mejillones- 1 S.A. e Inversiones Mejillones-2 S.A.) into Inversiones Tocopilla 1 S.A. and its split into three corporations: the continuing company Inversiones Tocopilla 1 S.A., Inversiones Tocopilla 2-A S.A. and Inversiones Tocopilla 2-B S.A., leaving the latter two as a direct controlling entities of 65.2% of Inversiones Mejillones-1 S.A. and Inversiones Mejillones-2 S.A. respectively.

- The December 29, 2009, merger between this company and Inversiones Tocopilla 1 S.A., where the latter was absorbed, which meant that the direct interest of Codelco in Inversiones Tocopilla 1 S.A., through a share swap, Codelco became a direct shareholder of E-CL S.A.

Therefore, at December 31, 2010, the ownership of E-CL S.A. is composed of a 16.35% direct interest held by Codelco, 11.78% by Inversiones Mejillones-1 S.A., 23.65% by Inversiones Mejillones 2 S.A. and 40.62% by Suez Energy Andino S.A., with a 7.6% remainder held by minority shareholders.

At December 31, 2010, the Corporation has a 16.3471% ownership interest in E-CL S.A., with 173,382,461 total shares. As a result the Corporation has the following ownership interest in the companies:

Inversiones Tocopilla 2-B S.A.

At December 30, 2010, Codelco holds a 100% direct and indirect interest in Inversiones Tocopilla 2-B S.A.

The company's corporate purpose is the investment in any class of shares, corporate rights and other forms of participation in companies of any nature and to exercise the corresponding rights.

Through this company the Corporation holds a 23.65% indirect interest in E-CL S.A.

E-CL S.A. (Formerly - Edelnor S.A.)

At December 31, 2010, Codelco holds a 16.35% direct interest in E-CL S.A.

Its corporate purpose is the production, distribution and supply of electricity to industrial customers and mining companies established in the Northern part of Chile.

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

Associates	Taxpayer number	Functional currency	Ownership percentage 12-31-2010	Ownership percentage 12-31-2009	Ownership percentage 01-01-2009	Equity Method of Accounting 12-31-2010	Equity Method of Accounting 12-31-2009	Equity Method of Accounting 01-01-2009	Accrued net income 01-01-2010 12-31-2010	Accrued net income 01-01-2009 12-31-2009
			%	%	%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Deutsche Geissdraht GmbH	Foreign	EURO	40.00%	40.00%	40.00%	4,141	3,961	5,143	1,816	1,429
Agua de la Falda S.A.	96.801.450-1	USD	43.00%	43.00%	43,28%	5,810	5,783	6,111	28	(328)
Sociedad Contractual Minera El Abra	96.701.340-4	USD	49.00%	49.00%	49.00%	542,625	448,014	202,101	236,833	230,447
Minera Puren SCM	76.028.880-2	USD	35.00%	35.00%	35.00%	5,407	7,810	7,653	(2,403)	157
Sociedad GNL Mejillones S.A.	76.775.710-7	USD	37.00%	50.00%	50.00%	-	-	201,424	(28,927)	(87,507)
Kairos Mining S.A.	76.781.030-K	CLP	40.00%	40.00%	40.00%	105	94	45	1	39
MI Robotic Solutions S.A.	76.869.100-2	CLP	36.00%	36.00%	36.00%	2,537	2,238	1,688	45	86
E - CL S.A.	88.006.900-4	USD	40.00%	16.35%	0.00%	672,409	258,011	-	80,096	15,889
Inversiones Tocopilla 2A S.A.	76.082.781-9	USD	0.00%	49.00%	0.00%	-	59,410	-	-	3,659
Inversiones Tocopilla 2B S.A.	76.082.774-6	USD	0.00%	49.00%	0.00%	-	119,274	-	-	7,345
Inversiones Mejillones 1 S.A. (1)	96.990.660-0	USD	0.00%	34.80%	0.00%	-	64,714	-	-	3,985
Inversiones Mejillones 2 S.A. (1)	76.082.158-6	USD	0.00%	34.80%	0.00%	-	129,921	-	-	8,000
Electroandina S.A. (2)	96.731.500-1	USD	0.00%	0.00%	34.80%	-	-	143,805	-	26,077
Inversiones Tocopilla Ltda.	78.835.420-7	USD	0.00%	0.00%	49.00%	-	-	259,457	-	50,767
Inversiones Mejillones S.A. (2)	96.990.660-0	USD	0.00%	0.00%	34.80%	-	-	138,288	-	29,225
Sociedad Contractual Minera Sierra Mariposa	76.913.610-K	USD	0.00%	23.73%	23.73%	-	-	1,030	-	(1,126)
Others						1,105	926	125	118	(511)
TOTAL						1,234,139	1,100,156	966,870	287,607	287,633

(1) At December 31, 2009, although as a result of the division of Inversiones Mejillones S.A. (existing at January 1, 2009), Codelco had directly and indirectly a 66.75% interest in Inversiones Mejillones-1 S.A. and Inversiones Mejillones-2 S.A., it did not have control or management of these; therefore, according to IFRS, they did not satisfy the conditions for inclusion in the consolidation of the Corporation's financial statements.

(2) Although at January 1, 2009 Codelco had directly and indirectly a 66.75% interest in Electroandina S.A. and Inversiones Mejillones S.A., it did not have control or management of these. Therefore, according to IFRS, they did not satisfy the conditions for inclusion in the consolidation of the Corporation's financial statements.

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

The following tables provide details of the assets, liabilities and major movements in investments in associates accounted for under the equity method and their respective results during 2009 and 2010:

Assets and Liabilities	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Current Assets	1,725,246	1,642,794	597,649
Non-Current Assets	3,611,736	3,163,332	2,289,867
Current Liabilities	892,494	1,211,534	416,370
Non-Current Liabilities	1,371,759	572,775	101,734

Net income	**01-01-2010 12-31-2010**	**01-01-2009 12-31-2009**
	ThUS$	ThUS$
Revenue	2,694,143	2,327,259
Recurrent Expenses	2,048,076	1,387,278
Profit (Loss) for the period	646,067	939,981

Movements of Investments in Associates	**01-01-2010 12-31-2010**	**01-01-2009 12-31-2009**
	ThUS$	ThUS$
Opening balance	1,100,156	966,870
Contributions	-	67,700
Dividends	(179,040)	(61,780)
Capital Reduction / Write-offs	(2)	(200,500)
Net income for the period	287,607	287,633
Exchange differences	262	1,076
Realized gains	4,778	15,465
Transfer of negative equities	42,977	41,922
Energy Group Merger	-	(20,576)
Other comprehensive income	-	348
Others	(22,599)	1,998
Final Balance	1,234,139	1,100,156

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

b) Joint Ventures

At December 31, 2010, 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.

Identification of the company	Ownership percentage
Copper Partners Investment Company Limited	50%

Joint venture	Tax payer number	Functional currency	Ownership porcentage			Equity value			Accrued net income	
			12-31-2010	12-31-2009	01-01-2009	12-31-2010	12-31-2009	01-01-2009	01-01-2010 12-31-2010	01-01-2009 12-31-2009
			%	%	%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Copper Partners Investment Company	Foreign	USD	50%	50%	50%	26,635	-	117,600	15,788	23,018

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

Assets and Liabilities	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Current assets	138,824	116,362	108,032
Non-current assets	345,324	381,975	418,636
Current liabilities	258,021	296,917	46,639
Non-current liabilities	172,858	330,103	244,829

Net Income	**01-01-2010 12-31-2010**	**01-01-2009 12-31-2009**
	ThUS$	ThUS$
Revenue	434,426	309,902
Costs of sales	(402,850)	(263,867)
Profit (Loss)	31,576	46,035

Movements of investments in joint ventures	**01-01-2010 12-31-2010**	**01-01-2009 12-31-2009**
	ThUS$	ThUS$
Opening Balance	-	117,600
Net income for the period	15,788	23,018
Distribution	(12,431)	(17,679)
Transfer of negative equities	(64,342)	64,342
Other comprehensive income	87,620	(187,281)
Final balance	26,635	-

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

c) Fair Value of Investments for Which There Are Published Price Quotations

Investments in associates for which there are public quoted prices, have the following value for the Corporation, as set forth in the following table[1]:

Entity	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$
E-CL S.A. (Formerly Edelnor S.A.)	2,755,536	1,942,616
Investment attributable to the Corporation 40%	1,102,214	777,046

d) Interest in Negative Equities

The Corporation, at December 31, 2010 and December 31, 2009, has an interest in the following negative equities (amounts expressed in ThUS$):

		Negative equity	
Entity	**Ownership percentage**	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$
Sociedad GNL Mejillones S.A.	37%	(116,152)	(41,924)
Copper Partners Investment Company Limited	50%	-	(128,683)

e) Additional Information about Unrealized Profit

The Corporation has recognized unrealized profit for purchases and sales of products, mining properties, fixed assets 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 the unrealized profit to be recognized as of December 31, 2010 is ThUS$86,240 (12/31/2009: ThUS$91,018; 1/1/2009: ThUS$106,483). This figure is shown deducting the investing in this company. The recognition of profit is performed in accordance with the depletion of the ore reserves of the company. In 2010 profit for ThUS$4,778 (2009: ThUS$15,465) was recognized.

[1] The fair value is determined from the quoted prices and the company's market presence, provided as financial background on the site http://www.bolsadesantiago.com

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

Codelco carries out copper purchases and sales with this company. At December 31, 2001, December 31, 2009 and January 1, 2009, the value of finished products in Inventories does not have an unrealized profit provision.

9. 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	**December 31, 2010** ThUS$	**December 31, 2009** ThUS$	**January 1, 2009** ThUS$
Current Assets	338,871	304,403	238,925
Non-Current Assets	721,681	303,346	360,581
Current Liabilities	231,351	302,655	196,135
Non-Current Liabilities	297,303	248,441	256,084

Income	**01-01-2010 12-31-2010** ThUS$	**01-01-2009 12-31-2009** ThUS$
Revenue	1,273,466	923,882
Costs	1,216,205	897,294
Profit (Loss) for the period	57,261	26,588

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

10. Intangible Assets Other Than Goodwill

a) Balance of Intangible Assets

Intangible assets, gross	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Software Licenses	474	536	950
Water Rights	12,172	12,172	10,627
Others	15,806	15,540	13,310
Total	28,452	28,248	24,887

Intangible assets, acumulated amortization	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Software Licenses	346	318	229
Water Rights	6,550	6,550	6,550
Others	-	-	-
Total	6,896	6,868	6,779

Intangible assets, net	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Software Licenses	128	218	721
Water Rights	5,622	5,622	4,077
Others	15,806	15,540	13,310
Total	21,556	21,380	18,108

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

b) Movement of Intangible Assets

Movements of Intangible Assets	**Software licenses**	**Water rights**	**Others**	**Total**
Movements	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance 01.01.2009	721	4,077	13,310	18,108
Additions	16	1,545	2,027	3,588
Disposal	(10)	-	-	(10)
Capitalized costs	9	-	-	9
Amortization	(526)	-	(1,237)	(1,763)
Reclassifications	-	-	-	-
Impairment	-	-	-	-
Other	8	-	1,440	1,448
Total movements	(503)	1,545	2,230	3,272
Final balance 12.31.2009	218	5,622	15,540	21,380
Opening balance 01.01.2010	218	5,622	15,540	21,380
Additions	18	-	-	18
Disposal	(1)	-	-	(1)
Capitalized costs	(90)	-	(352)	(442)
Amortization	(21)	-	-	(21)
Reclassifications	-	-	-	-
Impairment	-	-	618	618
Other	4	-	-	4
Total movements	(90)	-	266	176
Final balance 12.31.2010	128	5,622	15,806	21,556

c) Research and Development

Research and development	**1-1-2010 12-31-2010**	**1-1-2009 12-31-2009**
	ThUS$	ThUS$
Disbursements for research and development recognized as expenses in the period	72,375	86,864

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

11. Other Non-Current Non-Financial Assets

The detail of the item Other non-current non-financial assets of the Statement of Financial Position at December 31, 2010, December 31, 2009 and January 1, 2009 is as follows:

Other non-current non-financial assets	**December 31, 2010**	**December 31, 2009**	**January 1, 2009**
	ThUS$	ThUS$	ThUS$
Anglo American Purchase Option (1)	155,700	155,700	155,700
Reserved Law Asset (2)	38,199	41,864	45,530
Others	9,606	8,568	25,684
Total	**203,505**	**206,132**	**226,914**

(1) On December 19, 2008, Empresa Nacional de Minería (ENAMI) assigned Codelco Chile the right to acquire up to 49% of the shares of Anglo American Sur S.A. This right may be exercised by the Corporation until 2027, deciding whether or not to exercise every three years.

(2) It corresponds to the recording of the commitment related to Law 13,196, for the advance 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 dollars of the United States of America, except as indicated in other currency or unit)

12. Current and Non-Current Financial Assets

The following tables show the breakdown of the current and non-current financial assets included in the statement of financial position:

	December 31, 2010				
Classification in the statement of financial position	**At fair value through profit or loss**	**Loans and receivables**	**Hedging derivatives**	**Available for sale**	**Total Financial Assets**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	61,855	812,184	-	-	874,039
Trade and other current receivables	2,303,951	410,055	-	-	2,714,006
Rights receivable, non - current	-	198,785	-	-	198,785
Due from related companies, current	-	157,954	-	-	157,954
Due from related companies, non-current	-	104,896	-	-	104,896
Other current financial assets	-	8,117	187,021	-	195,138
Other non-current financial assets	-	7,826	173,299	-	181,125
Total	2,365,806	1,699,817	360,320	-	4,425,943

	December 31, 2009				
Classification in the statement of financial position	**At fair value through profit or loss**	**Loans and receivables**	**Hedging derivatives**	**Available for sale**	**Total Financial Assets**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	16,454	756,622	-	-	773,076
Trade and other current receivables	1,684,147	377,879	-	-	2,062,026
Rights receivable, non - current	-	198,102	-	-	198,102
Due from related companies, current	-	229,181	-	-	229,181
Due from related companies, non-current	-	358,259	-	-	358,259
Other current financial assets	-	7,920	284,964	-	292,884
Other non-current financial assets	-	7,600	150,601	-	158,201
Total	1,700,601	1,935,563	435,565	-	4,071,729

	January 1, 2009				
Classification in the statement of financial position	**At fair value through profit or loss**	**Loans and receivables**	**Hedging derivatives**	**Available for sale**	**Total Financial Assets**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	9,414	383,783	-	-	393,197
Trade and other current receivables	483,737	351,630	-	-	835,367
Rights receivable, non - current	-	149,234	-	-	149,234
Due from related companies, current	-	115,694	-	-	115,694
Due from related companies, non-current	-	224	-	-	224
Other current financial assets	-	5,712	380,301	-	386,013
Other non-current financial assets	-	6,279	6,278	-	12,557
Total	493,151	1,012,556	386,579	-	1,892,286

- **Financial assets designated as fair value through profit or loss:** At December 31, 2010, this category mainly includes unfinished product sale invoices and mutual fund investments made by Codelco Chile subsidiaries.

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

  No material impairments were recognized in accounts receivable.

- **Hedging derivatives:** Correspond to the receivable balances for derivative contracts, for the exposure generated by existing operations. The detail of derivative transactions is included in Note 27.

- **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 Financial leases, which are recorded by the Corporation at amortized cost using the effective interest rate method.

These items are generated by the following situations:

- ***Borrowings from financial institutions:***

  The loans obtained by the Corporation for up to a twelve-month term, contracted at the market interest rate to finance its production operations oriented to for the foreign market.

  The loans obtained by the Corporation for terms that exceed twelve month are mainly to finance the investments required for the production process.

- ***Bond obligations:***

On May 4, 1999, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$300,000. These bonds were payable in a single installment on May 1, 2009, with a 7.375% annual interest rate and with six-monthly interest payments.

On November 18, 2002, the Corporation issued and placed bonds in the domestic market, under the rules of the Superintendency of Securities and Insurance. These bonds were issued for a nominal amount of UF7,000,000, in a single series denominated Series A, and consists of 70,000 bonds for UF100 each. These bonds are payable in a single installment on September 1, 2012, with a 4.0% annual interest rate and with six-monthly interest payments.

On November 30, 2002, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS$435,000. These bonds are payable in a single installment on November 30, 2012, with a 6.375% annual interest rate and with six-monthly interest payments.

On October 15, 2003, 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 15, 2013, with a 5.5% annual interest rate and with six-monthly interest payments.

On October 15, 2004, 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 15, 2014, with a 4.750% annual interest rate and with six-monthly interest payments.

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF6,900,000, in a single series denominated Series B, and consists of 6,900 bonds for UF1,000 each. These bonds are payable in a single installment on April 1, 2025, with a 3.29% annual interest rate and with six-monthly 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 six-monthly 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 six-monthly interest payments.

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

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 semi-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 semi-annually.

- ***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 by the amortized cost method.

- ***Finance leases:***

Financial leasing transactions are generated for service contracts, principally for buildings and machinery.

The following tables detail the composition of the Other financial liabilities, current and non-current.

	December 31, 2010					
	Current			Non-Current		
Items	Loans and other payables	Hedge derivatives	Total	Loans and other payables	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans from financial entities	340,613	-	340,613	1,296,050	-	1,296,050
Bonds	61,933	-	61,933	4,647,841	-	4,647,841
Financal lease	17,367	-	17,367	122,503	-	122,503
Hedge obligations	-	1,493,312	1,493,312	-	1,028,308	1,028,308
Other financial liabilities	5,683	-	5,683	94,780	-	94,780
Total	425,596	1,493,312	1,918,908	6,161,174	1,028,308	7,189,482

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

	December 31, 2009					
	Current			Non-Current		
Items	**Loans and other payables**	**Hedge derivatives**	**Total**	**Loans and other payables**	**Hedge derivatives**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans from financial entities	215,026	-	215,026	795,779	-	795,779
Bonds	55,183	-	55,183	3,601,966	-	3,601,966
Financal lease	20,734	-	20,734	132,318	-	132,318
Hedge obligations	-	1,097,233	1,097,233	-	1,736,546	1,736,546
Other financial liabilities	6,246	-	6,246	71,917	-	71,917
Total	297,189	1,097,233	1,394,422	4,601,980	1,736,546	6,338,526

	January 1, 2009					
	Current			Non-Current		
Items	**Loans and other payables**	**Hedge derivatives**	**Total**	**Loans and other payables**	**Hedge derivatives**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans from financial entities	858,054	-	858,054	646,924	-	646,924
Bonds	336,849	-	336,849	2,901,237	-	2,901,237
Financal lease	14,609	-	14,609	130,832	-	130,832
Hedge obligations	-	14,740	14,740	-	246,920	246,920
Other financial liabilities	8,531	-	8,531	48,480	-	48,480
Total	1,218,043	14,740	1,232,783	3,727,473	246,920	3,974,393

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

At December 31, 2010, the detail of Borrowings from financial institutions and Bond obligations is as follows:

Type of Debt	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current balance ThUS$	Non-current balance ThUS$
Loans with financial entities:											
Export Pre-Funding Credit	Bank of Tokyo-Mitsubishi	12-22-2015	Floating	US$	100,000	Maturity	Quarterly	1.05%	1.15%	-	99,602
Export Pre-Funding Credit	HSBC Bank Bermuda Limited	12-17-2015	Floating	US$	162,500	Maturity	Quarterly	1.15%	1.27%	-	161,695
Export Pre-Funding Credit	BBVA Bancomer	09-27-2014	Floating	US$	400,000	Maturity	Quarterly	0.45%	0.45%	-	399,509
Export Pre-Funding Credit	Bank of Tokyo-Mitsubishi	06-29-2011	Floating	US$	100,000	Maturity	Quarterly	0.65%	0.65%	100,005	-
Export Pre-Funding Credit	Banco Santander	12-09-2011	Floating	US$	200,000	Maturity	Quarterly	0.95%	0.95%	200,030	-
Export Pre-Funding Credit	Export. Dev. Canada	12-28-2015	Floating	US$	250,000	Maturity	Quarterly	1.10%	1.22%	-	248,752
Export Pre-Funding Credit	Export. Dev. Canada	03-26-2012	Floating	US$	200,000	Maturity	Quarterly	0.95%	0.95%	-	200,000
Export Pre-Funding Credit	Banco Santander Londres	11-30-2015	Floating	US$	75,000	Maturity	Quarterly	1.14%	1.26%	-	74,639
Export Pre-Funding Credit	Banco Santander	12-23-2015	Floating	US$	100,000	Maturity	Quarterly	1.15%	1.27%	-	99,503
	Other institutions									40,578	12,350
Total										340,613	1,296,050
Bonds:											
BCODE-A	Banco de Chile - B. in UF	09-01-2012	Fixed	U.F.	7,000,000	Maturity	Semi-annual	3.96%	4.45%	4,389	319,000
144-A REG.S	JP - Morgan	11-30-2012	Fixed	US$	435,000	Maturity	Semi-annual	6.38%	6.48%	2,528	434,222
144-A REG.S	JP - Morgan	10-15-2013	Fixed	US$	500,000	Maturity	Semi-annual	5.50%	5.57%	6,044	499,092
144-A REG.S	HSBC USA	10-15-2014	Fixed	US$	500,000	Maturity	Semi-annual	4.75%	4.99%	5,219	495,913
BCODE-B	Banco de Chile - B. in UF	04-01-2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	3,196	342,976
144-A REG.S	JP - Morgan	09-21-2035	Fixed	US$	500,000	Maturity	Semi-annual	5.63%	5.78%	8,003	489,931
144-A REG.S	The Deutsche Bank	10-24-2036	Fixed	US$	500,000	Maturity	Semi-annual	6.15%	6.22%	5,914	495,730
114-A REG.S	JP - Morgan	01-15-2019	Fixed	US$	600,000	Maturity	Semi-annual	7.50%	7.79%	20,665	589,839
114-A REG.S	HSBC USA	11-04-2020	Fixed	US$	1,000,000	Maturity	Semi-annual	3.75%	3.98%	5,975	981,138
Total										61,933	4,647,841

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

At December 31, 2009

Type of Debt	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current balance ThUS$	Non-current balance ThUS$
Loans with financial entities:											
Export Pre-Funding Credit	Bank of Tokyo-Mitsubishi	12-23-2010	Floating	US$	100,000	Maturity	Quarterly	0.63%	0.63%	100,004	-
Export Pre-Funding Credit	HSBC Bank USA	12-30-2010	Floating	US$	100,000	Maturity	Monthly	0.79%	0.79%	100,015	-
Export Pre-Funding Credit	BBVA Bancomer	09-27-2014	Floating	US$	400,000	Maturity	Semi-annual	0.44%	0.46%	-	398,593
Export Pre-Funding Credit	Export. Dev. Canada	03-26-2012	Floating	US$	200,000	Maturity	Quarterly	1.24%	1.21%	-	198,593
Export Pre-Funding Credit	Banco Santander	12-09-2011	Floating	US$	200,000	Maturity	Quarterly	1.20%	1.20%	153	198,593
	Other institutions									14,854	-
Total										215,026	795,779
Bonds:											
BCODE-A	Banco de Chile - B. in UF	09-01-2012	Fixed	U.F.	7,000,000	Maturity	Semi-annual	4.00%	4.45%	3,920	300,373
144-A REG.S	JP - Morgan	11-30-2012	Fixed	US$	435,000	Maturity	Semi-annual	6.38%	6.48%	2,605	430,058
144-A REG.S	JP - Morgan	10-15-2013	Fixed	US$	500,000	Maturity	Semi-annual	5.50%	5.57%	6,044	495,058
144-A REG.S	HSBC USA	10-15-2014	Fixed	US$	500,000	Maturity	Semi-annual	4.75%	4.99%	5,220	495,058
BCODE-B	Banco de Chile - B. in UF	04-01-2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	3.29%	3.24%	2,960	296,243
144-A REG.S	JP - Morgan	09-21-2035	Fixed	US$	500,000	Maturity	Semi-annual	5.63%	5.78%	8,002	495,058
144-A REG.S	The Deutsche Bank	10-24-2036	Fixed	US$	500,000	Maturity	Semi-annual	6.15%	6.22%	5,766	495,059
114-A REG.S	JP - Morgan	01-15-2019	Fixed	US$	600,000	Maturity	Semi-annual	7.50%	7.79%	20,666	595,059
Total										55,183	3,601,966

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

At January 1st, 2009

Type of Debt	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of interest	Nominal rate	Effective interest rate	Current balance	Non-current balance
										ThUS$	ThUS$
Loans with financial entities:											
Export Pre-Funding Credit	ABN AMRO Bank	12-24-2009	Floating	US$	200,000	Maturity	Monthly	2.65%	3.16%	200,121	-
Export Pre-Funding Credit	Export. Dev. Canada	03-31-2009	Floating	US$	100,000	Maturity	Monthly	1.81%	2.11%	301	98,975
Export Pre-Funding Credit	Export. Dev. Canada	11-30-2010	Floating	US$	150,000	Maturity	Quarterly	3.04%	3.16%	-	148,975
Export Pre-Funding Credit	Bank of Tokyo-Mitsubishi	06-25-2009	Floating	US$	350,000	Maturity	Quarterly	4.60%	4.60%	350,029	-
Export Pre-Funding Credit	HSBC Bank USA	01-27-2009	Floating	US$	250,000	Maturity	Monthly	2.68%	3.44%	250,031	-
Sindicated loan	BBVA Bancomer	09-27-2014	Floating	US$	400,000	Maturity	Semi-annual	3.30%	3.33%	35	398,974
	Other institutions									57,537	-
Total										858,054	646,924
Bonds:											
144-A REG. S	Merrill Lynch	05-04-2009	Fixed	US$	300,000	Maturity	Semi-annual	7.38%	7.47%	303,728	-
144-A REG. S	JP - Morgan	11-30-2012	Fixed	US$	435,000	Maturity	Semi-annual	6.38%	6.48%	2,528	435,000
144-A REG. S	JP - Morgan	10-15-2013	Fixed	US$	500,000	Maturity	Semi-annual	5.50%	5.57%	6,044	500,000
144-A REG. S	HSBC USA	10-15-2014	Fixed	US$	500,000	Maturity	Semi-annual	4.75%	4.99%	5,220	500,000
144-A REG. S	JP - Morgan	09-21-2035	Fixed	US$	500,000	Maturity	Semi-annual	5.63%	5.78%	8,002	500,000
144-A REG. S	The Deutsche Bank	10-24-2036	Fixed	US$	500,000	Maturity	Semi-annual	6.15%	6.22%	5,745	500,000
BCODE SERIES A	Banco de Chile - B. in UF	09-01-2012	Fixed	UF	7,000,000	Maturity	Semi-annual	3.96%	4.45%	3,166	235,946
BCODE SERIES B	Banco de Chile - B. in UF	04-01-2025	Fixed	UF	6,900,000	Maturity	Semi-annual	4%	4%	2,416	230,291
Total										336,849	2,901,237

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

The amounts due undiscounted that the Corporation has with financial institutions are summarized as follows:

December 31, 2010								Current			Non current			
Debtor's name	**The debtor country**	**Creditor's name**	**Creditor country**	**Currency**	**Effective interest rate**	**Nominal rate**	**Type of amortization**	**Less than 90 days**	**Over 90 days**	**Total current**	**One to three years**	**Three to five years**	**More than five years**	**Total non-current**
								ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Codelco Chile	Chile	BBVA Bancomer S.A.	United states of America	US$	0.45280%	0.45280%	Semi annual	453	1,358	1,811	405,061	-	-	405,061
Codelco Chile	Chile	BBVA Santander S.A.	United states of America	US$	0.95219%	0.95219%	Semi annual	360	201,465	201,825	-	-	-	-
Codelco Chile	Chile	EDC	Canada	US$	0.95281%	0.95281%	Semi annual	471	1,435	1,906	200,482	-	-	200,482
Codelco Chile	Chile	Banco Santander Londres	United states of America	US$	1.14438%	1.14438%	Semi annual	141	718	859	2,575	75,846	-	78,421
Codelco Chile	Chile	HSBC Bank Bermuda Limited	Bermudas	US$	1.15188%	1.15188%	Semi annual	395	1,477	1,872	5,615	164,434	-	170,049
Codelco Chile	Chile	Bank of Tokyo Mitsubishi Ltd.	United states of America	US$	1.05281%	1.05281%	Semi annual	237	816	1,053	3,158	101,103	-	104,261
Codelco Chile	Chile	Banco Santander S.A.	United states of America	US$	1.15281%	1.15281%	Semi annual	263	890	1,153	3,458	101,210	-	104,668
Codelco Chile	Chile	EDC	Canada	US$	1.10281%	1.10281%	Semi annual	666	2,091	2,757	8,271	252,933	-	261,204
Codelco Chile	Chile	The Bank of New York	United states of America	US$	6.37500%	6.37500%	Semi annual	11,555	16,177	27,732	461,191	-	-	461,191
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.50000%	5.50000%	Semi annual	7,944	19,556	27,500	550,340	-	-	550,340
Codelco Chile	Chile	The Bank of New York	United states of America	US$	4.75000%	4.75000%	Semi annual	6,861	16,889	23,750	567,556	-	-	567,556
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.62500%	5.62500%	Semi annual	6,094	22,031	28,125	84,375	84,375	1,008,594	1,177,344
Codelco Chile	Chile	Deutsche Bank Securities Inc.	United states of America	US$	6.15000%	6.15000%	Semi annual	9,738	21,013	30,751	92,250	92,250	1,090,144	1,274,644
Codelco Chile	Chile	HSBC	United states of America	US$	7.50000%	7.50000%	Semi annual	1,750	43,250	45,000	135,000	35,000	652,125	822,125
Codelco Chile	Chile	The Bank of New York	United states of America	US$	3.75000%	3.75000%	Semi annual	12,917	24,583	37,500	112,500	112,500	1,112,083	1,337,083
							Total ThUS$	59,845	373,749	433,594	2,631,832	1,019,651	3,862,946	7,514,429
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	3.96080%	3.96080%	Semi annual	43,899	233,357	277,256	-	7,191,769	-	7,191,769
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	4.00000%	4.00000%	Semi annual	92,000	184,000	276,000	-	828,000	828,000	1,656,000
							Total U.F.	135,899	417,357	553,256	-	8,019,769	828,000	8,847,769
							Subtotal ThUS$	6,230	19,133	25,363	367,660	37,959	410,695	816,314
							Total ThUS$	66,075	392,882	458,957	2,999,492	1,057,610	4,273,641	8,330,743

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

December 31, 2009								Current			Non current			
Debtor's name	**The debtor country**	**Creditor's name**	**Creditor country**	**Currency**	**Effective interest rate**	**Nominal rate**	**Type of amortization**	**Less than 90 days**	**Over 90 days**	**Total current**	**One to three years**	**Three to five years**	**More than five years**	**Total non-current**
								ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Codelco Chile	Chile	The Bank of Tokyo-Mitsubishi	United states of America	US$	0.59875%	0.59875%	Quartely	136	321	457	-	-	-	-
Codelco Chile	Chile	HSBC Bank US National	United states of America	US$	0.75063%	0.75063%	Quartely	186	573	759	-	-	-	-
Codelco Chile	Chile	BBVA Bancomer S.A.	United states of America	US$	0.43250%	0.43250%	Quartely	433	1,298	1,731	5,190	401,398	-	406,588
Codelco Chile	Chile	Banco Santander S.A.	United states of America	US$	1.20656%	1.20656%	Quartely	456	1,957	2,413	202,333	-	-	202,333
Codelco Chile	Chile	EDC	Canada	US$	1.58250%	1.58250%	Quartely	791	2,374	3,165	204,009	-	-	204,009
Codelco Chile	Chile	The Bank of New York	United states of America	US$	6.37500%	6.37500%	Semi annual	6,933	20,798	27,731	489,307	-	-	489,307
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.50000%	5.50000%	Semi annual	6,875	20,625	27,500	578,222	-	-	578,222
Codelco Chile	Chile	The Bank of New York	United states of America	US$	4.75000%	4.75000%	Semi annual	5,938	17,813	23,751	71,250	520,385	-	591,635
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.62500%	5.62500%	Semi annual	7,031	21,094	28,125	84,375	84,375	1,037,109	1,205,859
Codelco Chile	Chile	Deutsche Bank Securities Inc.	United states of America	US$	6.15000%	6.15000%	Semi annual	7,688	23,063	30,751	92,250	92,250	1,121,321	1,305,821
Codelco Chile	Chile	HSBC	United states of America	US$	7.50000%	7.50000%	Semi annual	11,250	33,750	45,000	135,000	135,000	697,750	967,750
							Total ThUS$	47,717	143,666	191,383	1,861,936	1,233,408	2,856,180	5,951,524
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	3.96800%	3.96080%	Semi annual	69,314	207,942	277,256	7,472,876	-	-	7,472,876
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	4.00000%	4.00000%	Semi annual	69,000	207,000	276,000	828,000	828,000	9,238,333	10,894,333
							Total U.F.	138,314	414,942	553,256	8,300,876	828,000	9,238,333	18,367,209
							Subtotal ThUS$	5,712	17,137	22,849	342,820	34,196	381,537	758,553
							Total ThUS$	53,429	160,803	214,232	2,204,756	1,267,604	3,237,717	6,710,077

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

December 31, 2008								Current			Non current			
Debtor's name	The debtor country	Creditor's name	Creditor country	Currency	Effective interest rate	Nominal rate	Type of amortization	Less than 90 days ThUS$	Over 90 days ThUS$	Total current ThUS$	One to three years ThUS$	Three to five years ThUS$	More than five years ThUS$	Total non-current ThUS$
Codelco Chile	Chile	ABN-AMOR Bank N.V.	United states of America	US$	3.11625%	3.11625%	Quartely	60,467	-	60,467	-	-	-	-
Codelco Chile	Chile	ABN-AMOR Bank N.V.	United states of America	US$	3.11625%	3.11625%	Quartely	141,091	-	141,091	-	-	-	-
Codelco Chile	Chile	The Bank of Tokyo-Mitsubishi	United states of America	US$	3.56625%	3.56625%	Quartely	50,436	-	50,436	-	-	-	-
Codelco Chile	Chile	HSBC Bank	United states of America	US$	2.22125%	2.22125%	Monthly	250,478	-	250,478	-	-	-	-
Codelco Chile	Chile	EDC	Canada	US$	1.80625%	1.80625%	Monthly	100,161	-	100,161	-	-	-	-
Codelco Chile	Chile	EDC	Canada	US$	0.84625%	0.84625%	Monthly	100,073	-	100,073	-	-	-	-
Codelco Chile	Chile	EDC	Canada	US$	3.03563%	3.03563%	Quartely	1,138	3,415	4,553	154,946	-	-	154,946
Codelco Chile	Chile	BBVA Bancomer	United states of America	US$	1.59130%	1.59130%	Quartely	1,609	4,774	6,383	19,096	19,096	400,619	438,811
Codelco Chile	Chile	The Bank of Tokyo	United states of America	US$	1.71625%	1.71625%	Quartely	1,301	3,862	5,163	15,446	305,521	-	320,967
Codelco Chile	Chile	The Bank of New York	United states of America	US$	7.37500%	7.37500%	Semi annual	5,531	301,905	307,436	-	-	-	-
Codelco Chile	Chile	The Bank of New York	United states of America	US$	6.37500%	6.37500%	Semi annual	6,933	20,798	27,731	517,423	-	-	517,423
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.50000%	5.50000%	Semi annual	6,875	20,625	27,500	82,500	523,604	-	606,104
Codelco Chile	Chile	The Bank of New York	United states of America	US$	4.75000%	4.75000%	Semi annual	5,938	17,813	23,751	71,250	544,465	-	615,715
Codelco Chile	Chile	The Bank of New York	United states of America	US$	5.62500%	5.62500%	Semi annual	7,031	21,094	28,125	84,375	84,375	1,065,625	1,234,375
Codelco Chile	Chile	Deutsche Bank Securities Inc.	United states of America	US$	6.15000%	6.15000%	Semi annual	7,688	23,063	30,751	92,250	92,250	1,152,498	1,336,998
							Total ThUS$	746,750	417,349	1,164,099	1,037,286	1,569,311	2,618,742	5,225,339
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	3.96800%	3.96800%	Semi annual	69,440	208,320	277,760	7,755,353	-	-	7,755,353
Codelco Chile	Chile	Banco de Chile	Chile	U.F.	4.00000%	4.00000%	Semi annual	69,000	207,000	276,000	828,000	828,000	9,518,167	11,174,167
							Total U.F.	138,440	415,320	553,760	8,583,353	828,000	9,518,167	18,929,520
							Subtotal ThUS$	4,666	13,999	18,665	289,316	27,909	320,825	638,050
							Total ThUS$	751,416	431,348	1,182,764	1,326,602	1,597,220	2,939,567	5,863,389

(In thousands of 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:

	December 31, 2010			December 31, 2009			January 1, 2009		
	Gross	Interest	Net	Gross	Interest	Net	Gross	Interest	Net
Financial Lease	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Less than one year	36,810	(19,443)	17,367	40,094	(19,360)	20,734	32,918	(18,309)	14,609
Between one year and five years	99,176	(48,376)	50,800	179,491	(62,312)	117,179	136,990	(80,498)	56,492
More than five years	123,539	(51,836)	71,703	57,866	(42,727)	15,139	121,534	(47,194)	74,340
Total	259,525	(119,655)	139,870	277,451	(124,399)	153,052	291,442	(146,001)	145,441

14. Fair Value of Items Recorded at Amortized Cost

The fair values of the principal financial assets and liabilities that in the Statement of Financial Position are not presented at fair value are as follows:

	Carrying amount			
12-31-2010	**Current**	**Non-current**	**Total**	**Fair value**
	ThUS$	ThUS$	ThUS$	ThUS$
Assets	5,951,476	14,327,565	20,279,041	20,279,041
Liabilities				
Loans and bonds	402,546	5,943,891	6,346,437	6,629,248
Other	4,841,281	4,560,111	9,401,392	9,401,392

	Carrying amount			
12-31-2009	**Current**	**Non-current**	**Total**	**Fair value**
	ThUS$	ThUS$	ThUS$	ThUS$
Assets	4,995,564	13,258,316	18,253,880	18,253,880
Liabilities				
Loans and bonds	270,209	4,397,745	4,667,954	4,941,050
Other	3,826,406	5,316,293	9,142,699	9,142,699

The methodology and assumptions used in fair value calculation are as follows:

- The Fair Value of the Bonds was determined based on market reference prices, as these instruments are traded in the market under standard conditions and are highly liquid.

- Other items measured at Amortized Cost are a good approximation of Fair Value.

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

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 December 31, 2010:

Financial Assets and Liabilities at Fair Value Ranked	**December 31, 2010**			
	Level 1	**Level 2**	**Level 3**	**Total**
	ThUS$	ThUS$	ThUS$	ThUS$
Financial assets at far value recorded in profit/loss				
Unfinished invoices for sale of products	2,303,951	-	-	2,303,951
Cross Currency Swap	-	173,299	-	173,299
Mutual fund unit	61,855	-	-	61,855
Futures	187,021	-	-	187,021
Financial liabilities at fair value recorded in profit/loss				
Futures	2,441,236	-	-	2,441,236

No transfers between different levels of markets values were observed for the reporting period.

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

16. Trade and Other Payables

Total trade payables, current and non-current, are shown in the following table:

	Current Liabilities		
	12-31-2010	12-31-2009	01-01-2009
Item	ThUS$	ThUS$	ThUS$
Trade payables	1,292,895	843,436	779,270
Dividends payable	173,134	503,738	84,671
Payables to employees	31,310	197,138	29,769
Other payables	305,937	278,440	259,410
Total	1,803,276	1,822,752	1,153,120

17. Other Provisions

The detail of Other short-term provisions and non-current liabilities at the indicated dates is as follows:

Item	Current			Non-Current		
	12-31-2010	12-31-2009	01-01-2009	12-31-2010	12-31-2009	01-01-2009
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Other provisions, current / non-current						
Trade (1)	38,191	42,502	8,335	-	-	-
Operating (2)	22,835	20,751	42,115	-	-	-
Law 13,196	202,711	130,197	110,431	-	-	-
Sundry (3)	32,976	15,283	24,252	48,466	26,620	5,548
Closure (4)	-	-	1,040	887,142	942,093	843,011
Contingencies	-	-	-	121,864	90,024	117,131
Total	296,713	208,733	186,173	1,057,472	1,058,737	965,690
Current provisions for employees' benefits						
Employees according to collective bargaining agreements	203,301	104,511	116,998	-	-	-
Severance indemnity	37,283	34,321	24,227	809,177	685,264	479,314
Bonus	4,524	3,144	2,601	-	-	-
Compensations (5)	-	-	-	-	-	-
Vacations	150,000	140,425	110,879	-	-	-
Health programs (6)	480	488	134	304,876	212,739	197,098
Retirement plans (7)	282,414	11,881	33,042	-	-	-
Others	11,073	12,760	7,714	77,059	99,821	62,367
Total	689,075	307,530	295,595	1,191,112	997,824	738,779

(1) Corresponds to a sales related provision, which includes charges for freight, loading, and unloading, which were not invoiced at end of the period.

(2) Corresponds to a provision for customs duties, freight on purchases, electricity, among others.

(3) Includes a provision of uncompleted invoices for product purchases, which lowers the current provision balance.
(4) Corresponds to a provision for future closing costs primarily related to tailing dams, mine closure and other asset.
(5) Corresponds to commitments with the Corporation's employees which have been accrued at the date of closure of the financial statements.
(6) Corresponds to a provision for contributions to health institutions agreed with employees and former employees.
(7) Corresponds to a provision for employees who have agreed to retire in accordance with plans in force for personnel retirement.

18. Employee Benefits

Severance Indemnity and Health Plans

The severance indemnity provision covers the severance indemnity liabilities to be paid to employees when they leave the Corporation based on the agreements in the employment contracts or collective bargaining agreements.

The health plans provision is to cover payment obligations that the Corporation has contracted with its employees, according to contracts or collective bargaining agreements, to partially cover the costs of medical services.

These provisions are recorded in the statement of financial position, at the present value of estimated future obligations. These obligations are calculated using actuarial methods and assumptions defined by independent actuaries. 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 results from adjustments and changes in actuarial variables are charged or credited to the income statement of the period in which they occur.

i. Actuarial Assumptions for Determining the Severance Indemnity Provision

Actuarial Assumptions	
Discount rate	5.16% - Annual
Turnover Rate - resignation	1.5% - Annual
(Average) wage increase	0.9% - Annual
Men's Retirement Age	65
Women's Retirement Age	60

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

ii. Reconciliation of Service Indemnity balances

Movements	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Opening balance	719,585	503,541
Cost	43,187	32,498
Financial expense	35,976	28,261
Taxes Paid	(22,379)	(25,579)
Subtotal	776,369	538,721
(Gains) Losses from exchange differences	70,091	180,864
Final balance	846,460	719,585

iii. Expenses by Nature of the Benefits

Movements of Expenses according to the Nature of the Benefits	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Benefits:		
Short-Term Benefits	1,640,202	1,303,336
Post-Employment Benefits	59,410	7,176
Termination Benefits	254,669	8,825
Benefits for Years of Service	25,691	-
Total	1,979,972	1,319,337

19. Net Equity

Article 6 of Decree Law 1,350, stipulates that the profit generated by the Corporation belong to the State and must be credited to general government revenue, after deduction of the amounts authorized for capitalization and reserves through the procedure specified in the Article.

The balance of payable dividends in the respective periods is presented reducing the equity of the Corporation and recognizing a liability under Trade and other payables in current liabilities. At December 31, 2010 the Corporation has a liability for ThUS$173,134.

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

The Corporation has recorded this liability as a provision for the difference that exists in the respective periods between the financial profit generated and the dividends and advances paid to the Treasury of Chile, charged to the same periods as established in article 6 of DL 1,350 and its amendments, which govern the Corporation. The law referred to above allows the Board of the Corporation - at the end of this fiscal year - to propose the capitalization of part of this year's profit, which must be approved by a joint decree of the Ministries of Finance and Mining.

As a reference, by agreements of the Board and by the issue of the respective decrees referred to above, in 2007 and 2008 the Corporation capitalized approximately US$500 million, with charge to the respective period's profit. Additionally, for the same purpose of financing the Corporation's investment plan, in 2009 the Corporation received a capital increase of US$1,000 million, as stipulated in transitory Article 6 of Law No.20,392.

The "Statement of Changes in Equity" discloses the changes in the Corporation's equity.

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

a) Other Reserves

The details of the other reserves in equity, are listed in the table below, at the dates indicated in each case.

Other Reserves	**12-31-2010** ThUS$	**12-31-2009** ThUS$	**01-01-2009** ThUS$
Exchange differences on translation reserves	2,916	2,426	-
Cash flow hedges reserves	(969,571)	(1,017,519)	28,404
Other reserves	1,642,058	1,637,733	1,764,325
Total	**675,403**	**622,640**	**1,792,729**

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

b) IFRS First-Time Adoption Adjustments in Net Equity

The balance to be realized of the main IFRS first-time adoption adjustments that were recorded in the Corporation's net equity and the amount that has been realized in 2010 and 2009, is as follows:

	Opening balance	Unrealized balance		Realized balance in the period	
	01.01.2009	12-31-2009	12-31-2010	12-31-2009	12-31-2010
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Main IFRS adjustments credited/(debited) to retained earnings					
Fair value of property, plant and equipment as deemed cost	1,803,700	1,545,971	1,327,497	(257,729)	(218,474)
Defined benefit obligations with employees	279,739	244,560	187,776	(35,179)	(56,784)
Effect on Deferred Taxes	(1,291,732)	(1,110,129)	(939,469)	181,603	170,660
Total	791,707	680,402	575,804	(111,305)	(104,598)

c) Non-Controlling Ownership Interest

The details of non-controlling ownership interest, included in liabilities and net income are listed in the table below, at the dates indicated in each case.

Entity	Net equity			Profit (Loss)	
	12-31-2010	12-31-2009	01-01-2009	01-01-2010 12-31-2010	01-01-2009 12-31-2009
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Asociación Garantizadora de Pensiones	24	25	21	(2)	(1)
Biosigma S.A.	1,023	987	1,805	(1,284)	(1,898)
Instituto de Innovación en Minería y Metalurgia S.A.	4	3	2	-	1
Clínica San Lorenzo Ltda.	11	13	11	3	-
Micomo S.A.	914	967	1,103	(53)	(136)
Fundación de Salud El Teniente	18	12	9	(2)	(1)
Total	1,994	2,007	2,951	(1,338)	(2,035)

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

20. Revenue

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

Item	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Revenue from sales of the Company's copper	14,501,055	10,684,457
Revenue from sale of third parties' copper	1,255,682	826,320
Revenue from sales of molybdenum	719,831	512,031
Revenue from sales of Other Products	631,447	743,433
Loss in Futures Market	(1,042,069)	(387,104)
Total	16,065,946	12,379,137

21. Other Revenues and Expenses by Function

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

a) Other Revenues by Function

Item	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Penalties to suppliers	8,111	7,175
Realized income	4,778	15,465
Outsourcing	6,295	5,129
Miscellaneous sales (net)	98,168	65,894
Other sundry income	24,121	214,700
Total	141,473	308,363

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

b) Other Expenses by Function

Item	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Law No.13,196	(1,331,012)	(979,906)
Year-end expenses	(14,810)	(128,286)
Bonus for the end of collective bargaining	(208,083)	(127,226)
Early retirement plan	(288,246)	(15,622)
Other expenses	(216,716)	(207,401)
Total	(2,058,867)	(1,458,441)

22. Finance Costs

Item	01-01-2010 12-31-2010 ThUS$	01-01-2009 12-31-2009 ThUS$
Bond interest	(208,925)	(182,887)
Bank loan interest	(11,756)	(28,325)
Exchange differenciacion severance indemnity provision	(35,976)	(28,261)
Exchange differences on other non-current provisions	(56,139)	(50,967)
Other	(18,336)	(28,317)
Total	(331,132)	(318,757)

23. Operating Segments

In Section II, "Summary of Significant Accounting Policies" it has been indicated that, for purposes of IFRS No. 8, "Operating Segments", these are determined according to the Divisions that make up Codelco. On the other hand, the revenues and expenses of the headquarters, are distributed among the defined segments.

The mining sites in operation, in which the Corporation carries out its extractive and processing production processes, are managed by Chuquicamata, Radomiro Tomic, Salvador, Andina and El Teniente divisions. The Ventanas division is dedicated exclusively to smelting and refining processes. These divisions operate under separate management, which report to the Executive President. Additionally, in May 2008, the Gabriela Mistral mine site was added. The characteristics of each division and their respective mine sites are detailed below:

Chuquicamata
Type of mine sites: open pit mines
Operating: since 1915
Location: Calama - Region II
Products: electrorefined and electro-obtained copper cathodes and copper concentrate

Radomiro Tomic
Types of mine sites: open pit mines
Operating: since 1997.
Location: Calama - Region II
Products: electrorefined and electro-obtained copper cathodes and copper concentrate

Salvador
Type of mine: underground mine
Operating: since 1926
Location: Salvador - Region III
Products: electrorefined and 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

Gabriela Mistral
Type of mine: open pit mine
Operating: since 2008
Location: Calama - Region II
Products: electro-obtained cathodes

Headquarters Distribution

The revenue and expenses of the headquarters and the Corporation's Subsidiaries are added to the direct revenue and expenses of the operating divisions, according to bases established for each year, as evidenced by the Statement of Income and Expenses of the headquarters and the

Subsidiaries. In addition, revenue and costs between operating segments are eliminated. Principal items are allocated as the criteria:

The Sales and Selling Costs of Headquarters Commercial Transactions

- The distribution to the Operating Divisions is made proportionally to the value of the products and sub-products invoiced by each Division.

Administration and Sales Expenses

- The cost centers identified with each Division are allocated directly.
- The cost centers associated with the sales function and administration and sales expenses are allocated in proportion to the invoiced and recorded value of products and byproducts shipped by each Division.
- The cost centers associated to the supply function are allocated in relation to the warehouse accounting balances of each Operating Division.
- The remaining cost centers are allocated in relation to the operating expenditures of the respective Divisions.

Other Revenue

- The revenue associated and identified with each specific Division is allocated directly.
- The recognition of realized revenue and other revenue of the headquarters are allocated in proportion to the invoiced and recorded value of products and byproducts shipped by each Division.
- The remainder is distributed in proportion to the sum of the balances of the “Other revenue” and the “Financial revenue” items of the respective Divisions.

Other Expenses

- The expenses associated and identified with each specific Division are allocated directly.
- The expenses of pre-investment studies and the non-operating expenses of the Subsidiaries are allocated in proportion to the invoiced and recorded value of the shipped products and byproducts invoiced by each Division.
- The remainder is allocated in proportion to the sum of the balances of the “Other expenses” and the “Financial costs” items of each Division.

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

The following tables detail the information according to the Corporation's operating segments:

	At December 31, 2010										
Segments	**Chuquicamata** ThUS$	**R. Tomic** ThUS$	**Salvador** ThUS$	**Andina** ThUS$	**El Teniente** ThUS$	**Ventanas** ThUS$	**G. Mistral** ThUS$	**M. Hales** ThUS$	**Total Codelco** ThUS$	**Sunsidiaries (1) and Headquarters Net** ThUS$	**Consolidated Total** ThUS$
Revenue from sales of copper	5,094,736	2,373,076	1,088,075	1,341,566	3,159,811	621,224	919,008	-	14,597,496	513,680	15,111,176
Revenue from sale of third parties' copper	-	-	-	-	-	153,129	-	-	153,129	1,102,553	1,255,682
Revenue from sales of molybdenum	381,074	-	44,032	98,916	195,809	-	-	-	719,831	-	719,831
Revenue from sales of Other Products	210,421	-	110,140	17,768	91,835	286,256	-	-	716,420	(84,973)	631,447
Revenue from Futures Market	(401,061)	(168,938)	(78,597)	(96,208)	(231,889)	-	(64,582)	-	(1,041,275)	(794)	(1,042,069)
Revenue between segments	-	-	-	-	-	-	-	-	-	(610,121)	(610,121)
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Income from regular activities	5,285,170	2,204,138	1,163,650	1,362,042	3,215,566	1,060,609	854,426	-	15,145,601	920,345	16,065,946
Cost of sales of the Company's copper	(2,899,503)	(744,202)	(784,451)	(598,133)	(1,184,452)	(635,176)	(400,401)	-	(7,246,318)	(553,174)	(7,799,492)
Cost of sales of Third Parties' Copper	-	-	-	-	(329)	(160,077)	-	-	(160,406)	(1,096,325)	(1,256,731)
Cost of sales of Molybdenum	(74,460)	-	(13,993)	(17,891)	(34,721)	-	-	-	(141,065)	-	(141,065)
Cost of sales of Other Products	(95,586)	-	(104,310)	20,790	(97,220)	(309,157)	-	-	(585,483)	85,161	(500,322)
Costs of sales between segments	(13,570)	(5,659)	(2,988)	(3,497)	(8,256)	(2,723)	(2,194)	-	(38,887)	959,473	920,586
Other Costs of sales	-	-	-	-	-	-	-	-	-	(311,716)	(311,716)
Cost of sales	(3,083,119)	(749,861)	(905,742)	(598,731)	(1,324,978)	(1,107,133)	(402,595)	-	(8,172,159)	(916,581)	(9,088,740)
Gross profit	2,202,051	1,454,277	257,908	763,311	1,890,588	(46,524)	451,831	-	6,973,442	3,764	6,977,206
Other revenue per function	27,110	11,536	10,839	27,601	54,161	3,757	196	-	135,200	6,273	141,473
Distribution costs	(3,081)	(1,295)	(3,832)	(866)	(2,241)	(622)	(485)	-	(12,422)	(2,572)	(14,994)
Administrative expenses	(116,492)	(33,189)	(30,926)	(33,644)	(95,651)	(19,560)	(24,157)	(210)	(353,829)	(36,405)	(390,234)
Other expenses per function	(906,468)	(250,084)	(156,173)	(154,340)	(424,539)	(81,402)	(83,459)	-	(2,056,465)	(2,402)	(2,058,867)
Other gains (losses)	-	-	-	-	-	-	-	-	-	28,040	28,040
Finance income	14,536	3,705	2,735	4,248	7,885	1,054	1,564	-	35,727	(168)	35,559
Finance costs	(107,456)	(11,630)	(6,092)	(61,745)	(88,041)	(15,309)	(36,162)	(2)	(326,437)	(4,695)	(331,132)
Share in the profit (loss) of associates and joint ventures accounted for by the equity method	114,589	43,491	22,832	27,203	63,448	20,928	2,080	-	294,571	8,824	303,395
Exchange differences	(56,628)	(9,410)	(15,220)	(24,192)	(82,960)	(8,618)	(4,747)	-	(201,775)	(749)	(202,524)
Profit (loss) before taxes	1,168,161	1,207,401	82,071	547,576	1,322,650	(146,296)	306,661	(212)	4,488,012	(90)	4,487,922
Income tax expenses	(676,240)	(711,367)	(37,259)	(322,324)	(781,162)	96,183	(178,313)	129	(2,610,353)	(1,248)	(2,611,601)
Profit (loss)	491,921	496,034	44,812	225,252	541,488	(50,113)	128,348	(83)	1,877,659	(1,338)	1,876,321

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

	At December 31, 2009										
Segments	**Chuquicamata** ThUS$	**R. Tomic** ThUS$	**Salvador** ThUS$	**Andina** ThUS$	**El Teniente** ThUS$	**Ventanas** ThUS$	**G. Mistral** ThUS$	**M. Hales** ThUS$	**Total Codelco** ThUS$	**Sunsidiaries (1) and Headquarters Net** ThUS$	**Consolidated Total** ThUS$
Revenue from sales of copper	3,600,541	1,740,864	770,923	1,222,116	2,178,028	386,749	805,959	-	10,705,179	409,438	11,114,617
Revenue from sale of third parties' copper	-	-	-	-	-	61,307	-	-	61,307	765,013	826,320
Revenue from sales of molybdenum	325,672	-	22,899	47,195	116,265	-	-	-	512,031	-	512,031
Revenue from sales of Other Products	174,116	-	118,762	23,544	152,004	275,012	(5)	-	743,433	-	743,433
Gain on Future Market	(141,137)	(67,977)	(27,340)	(47,382)	(70,889)	-	(32,253)	-	(386,978)	(126)	(387,104)
Revenue between segments	-	-	-	-	-	-	-	-	-	(430,160)	(430,160)
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Income from regular activities	3,959,192	1,672,887	885,244	1,245,473	2,375,408	723,068	773,701	-	11,634,972	744,165	12,379,137
Cost of sales of the Company's copper	(1,903,304)	(787,452)	(263,934)	(528,630)	(1,091,510)	(64,702)	(371,781)	-	(5,011,313)	(442,452)	(5,453,765)
Cost of sales of Third Parties' Copper	(428,832)	-	(387,902)	-	-	(397,529)	-	-	(1,214,263)	(747,818)	(1,962,081)
Cost of sales of Molybdenum	(67,784)	-	(8,720)	(15,090)	(34,325)	-	-	-	(125,919)	-	(125,919)
Cost of Sales of Other Products	(42,395)	-	(107,697)	(492)	(115,512)	(283,842)	(1)	-	(549,940)	-	(549,940)
Costs of sales between segments	(8,561)	(3,606)	(1,916)	(2,689)	(5,136)	(1,552)	(1,668)	-	(25,128)	915,037	889,909
Other Costs of sales	-	-	-	-	-	-	-	-	-	(282,435)	(282,435)
Cost of sales	(2,450,877)	(791,058)	(770,169)	(546,901)	(1,246,484)	(747,625)	(373,450)	-	(6,926,563)	(557,668)	(7,484,231)
Gross profit	1,508,315	881,829	115,076	698,572	1,128,924	(24,557)	400,250	-	4,708,409	186,497	4,894,906
Other income per function	37,482	66,819	50,270	36,021	97,000	13,558	1,053	-	302,203	6,160	308,363
Distribution costs	(5,854)	(2,466)	(1,310)	(1,838)	(3,512)	(1,061)	(1,140)	-	(17,182)	(1,975)	(19,157)
Administrative expenses	(85,272)	(29,699)	(23,695)	(38,206)	(74,411)	(19,201)	(16,551)	-	(287,035)	(218,581)	(505,616)
Other expenses per function	(631,384)	(169,937)	(83,843)	(152,377)	(290,202)	(52,422)	(76,642)	-	(1,456,807)	(1,634)	(1,458,441)
Other profits (losses)	-	-	-	-	-	-	-	-	-	14,750	14,750
Finance income	9,721	2,745	2,042	2,689	7,423	899	638	-	26,158	1,508	27,666
Finance costs	(125,250)	(44,603)	(16,496)	(37,661)	(72,297)	(9,728)	(8,078)	-	(314,112)	(4,645)	(318,757)
Share in the profit (loss) of associates and joint ventures accounted for by the equity method	103,387	43,538	22,403	32,324	62,006	18,739	20,135	-	302,533	8,118	310,651
Exchange differences	(181,508)	7,524	(11,236)	(22,317)	(52,911)	(19,135)	2,255	-	(277,328)	10,797	(266,531)
Profit (loss) before taxes	629,637	755,751	53,212	517,206	802,020	(92,907)	321,920	-	2,986,839	995	2,987,834
Income tax expenses	(401,942)	(449,825)	(30,530)	(309,473)	(486,336)	56,702	(189,209)	-	(1,810,613)	(3,030)	(1,813,643)
Profit (loss)	227,696	305,926	22,682	207,732	315,684	(36,205)	132,711	-	1,176,226	(2,035)	1,174,191

(In thousands of 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 corporate center (headquarters) at December 31, 2010 and at December 31, 2009, are detailed in the following tables:

	At December 31, 2010									
Balance Sheet Item	**Chuquicamata** ThUS$	**R. Tomic** ThUS$	**Salvador** ThUS$	**Andina** ThUS$	**El Teniente** ThUS$	**Ventanas** ThUS$	**G. Mistral** ThUS$	**M. Hales** ThUS$	**Parent** ThUS$	**Consolidated** ThUS$
Current assets	1,697,367	524,568	489,662	467,567	795,830	310,335	251,597	4,318	1,410,232	5,951,476
Non-current assets	3,118,643	1,233,388	428,352	3,042,902	2,771,088	278,212	916,073	131,803	2,407,104	14,327,565
Current liabilities	696,405	93,134	113,621	285,423	459,953	138,851	541	42,692	3,413,207	5,243,827
Non-current liabilities	827,355	118,390	164,582	174,766	597,336	35,300	11,552	93,641	8,481,080	10,504,002

	At December 31, 2009									
Balance Sheet Item	**Chuquicamata** ThUS$	**R. Tomic** ThUS$	**Salvador** ThUS$	**Andina** ThUS$	**El Teniente** ThUS$	**Ventanas** ThUS$	**G. Mistral** ThUS$	**M. Hales** ThUS$	**Parent** ThUS$	**Consolidated** ThUS$
Current assets	1,329,738	513,156	407,270	279,741	579,670	270,398	186,260	-	1,429,329	4,995,564
Non-current assets	3,655,301	940,986	364,215	2,814,741	3,201,128	424,348	1,261,809	-	595,788	13,258,316
Current liabilities	761,808	64,517	82,019	228,870	365,324	158,492	3,525	-	2,432,059	4,096,615
Non-current liabilities	1,125,457	97,673	245,541	245,625	747,845	44,756	14,828	-	7,192,313	9,714,038

Revenue segregated by geographical area is as follows:

Revenue per geographical areas	**12-31-2010** ThUS$	**12-31-2009** ThUS$
Total revenue from local customers	1,211,955	985,679
Total revenue from foreign customers	14,853,991	11,393,458
Total	16,065,946	12,379,137

24. Exchange Differences

According to Decree Law 1,350, the Corporation keeps its accounting records in United States dollars (US$), recording transactions in currencies other than U.S. dollar at the current exchange rate at the date of each transaction and subsequently updating them, when necessary, according to the exchange rate determined by the Superintendency of Securities and Insurance at the reporting date of closure of each of the financial statements.

The following table summarizes the exchange differences in the Codelco Chile and subsidiaries consolidated statements of income:

Profit (Loss) from exchange differences recognized in income	**01-01-2010 12-31-2010** ThUS$	**01-01-2009 12-31-2009** ThUS$
Profit from exchange differences	84,996	188,478
Loss from exchange differences	(287,520)	(455,009)
Total exchange differences	(202,524)	(266,531)

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

25. 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:

	12-31-2010 ThUS$	12-31-2009 ThUS$
Other collections from operating activities:		
VAT refund	1,242,491	1,011,662
Others	524,660	508,503
Total	1,767,151	1,520,165

	12-31-2010 ThUS$	12-31-2009 ThUS$
Other payments for operating activities:		
Contribution to the Chilean Treasury (Law No.13,196)	(1,270,940)	(912,498)
Financial hedges and sales	(986,624)	(324,025)
VAT and other similar paid	(1,267,851)	(1,003,727)
Total	(3,525,415)	(2,240,250)

26. Financial Risk Management

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

The Market Risk Management Committee and the Vice-presidency of Administration and Finance are responsible for this.

The Market Risk Management Committee is also responsible for analyzing and proposing financial hedging operations to the Corporation's Board of Directors, to issue standards and to control the execution of the authorizations given by the Board.

The following are the risks to which Codelco is exposed, along with a brief description of the actions that are implemented in each case.

a. Financial Risks

- **Exchange rate risk:**

According to IFRS 7, exchange rate risk is understood to be that which arises from financial instruments that are denominated in foreign currencies, that is, a currency other than the Corporation's functional currency (U.S. dollar).

Codelco’s activities that generate this exposure correspond to funding in UF, accounts payable and receivable in Chilean pesos, other foreign currencies for its business operations and obligations with employees.

The transactions in currencies other than US$ are mainly in Chilean pesos.

Taking the assets and financial liabilities at December 31, 2010 as the base, a fluctuation (positive or negative) of 10 Chilean pesos against the U.S. dollar (keeping the other variables constant), could affect profit by + / - US$30 million.

- **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 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 at December 31, 2010 and 2009, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US$10 million change in financial expenses at 31 December 2010.

Total fixed and variable interest rate obligations maintained by Codelco at December 31, 2010, amount to ThUS$4,672,235 and ThUS$1,587,500, respectively.

b. Market Risks

- **Commodity Price Risk:**

As a result of its commercial operations and activities, the results of the Corporation are principally exposed to the volatility of copper prices and certain sub products such as gold and silver.

Revenues associated with sales contracts that provide for a provisional price at the date of shipment and whose final price is based on the price of the London Metal Exchange ("LME") are adjusted to their market value and recorded in net income for the period.

At December 31, 2010, if the future price of copper were to vary by + / - 5% (with the other variables constant), net income would vary + / - US$172 million as a result of the mark to market adjustment of sales revenue at provisional prices current at December 31, 2010 (ThTMF 401).

In order to protect its cash flows and, if necessary, adjust its sales contracts to its commercial policy, the Corporation performs transactions in the futures market, recording their results at maturity. These results are added or deducted from sales revenue. This addition or deduction is made because sales revenue incorporates the positive or negative effect of market prices.

The note "Derivative Contracts" describes the financial hedging instruments that exist at December 31, 2010 and December 31, 2009 to minimize market risk.

At December 31, 2010 and December 31, 2009, a one cent (US$) variation in the price of the pound of copper, because of the effect on derivative instrument contracts entered into by the Corporation, would mean a variation in revenue or payments for existing contracts (exposure) of US$7 and US$13 million, respectively.

No hedging contracts have been entered into for the specific purpose of mitigating the price risk caused by fluctuations in the price of production supplies.

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

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 availability, whether in cash, liquid financial instruments and credit facilities that are sufficient to meet its obligations.

In addition, the Finance Department constantly monitors the Company's cash flow projections based on short and long term projections and available financing alternatives. In addition, the Company estimates it has enough room to increase the level of borrowing for 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 presented in the statement of financial position are as follows:

Maturities of financial liabilities at December 31, 2010	**Less than one year** ThUS$	**Between one year and five years** ThUS$	**More than five years** ThUS$
Loans to financial institutions	340,613	1,296,050	-
Bonds	61,933	1,748,227	2,899,614
Financial leases	17,367	50,800	71,703
Derivatives	1,493,312	1,028,308	-
Other financial liabilities	5,683	94,780	-
Total	1,918,908	4,218,165	2,971,317

d. Credit Risk

This risk comprises the possibility that a third party does not fulfill its contractual obligations, thereby causing a loss to the Corporation.

Given the Corporation's sales policy, principally with cash and advance payments and bank letters of credit, the uncollectibility of client debt balances is minimal. This is complemented with the knowledge the Corporation has of its clients and the length of time it has operated with them. Therefore, the credit risk of these transactions is not significant.

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

The maximum credit risk exposure at December 31, 2010 is reliably represented by the financial assets items that are 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 provisions, which are not significant, based on the 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 provided for.

The Corporation estimates that unimpaired amounts overdue over 30 days are recoverable, based on the clients' historical payment behavior and their existing credit ratings.

At December 31, 2010, December 31, 2009 and January 1, 2009, there are no receivable balances that have been renegotiated.

Codelco works with major banks, with 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 of its business.

During the third quarter of 2010 and 2009, no assets have been obtained as a result of the execution of guarantees contracted to insure the collection of third party debt.

Personnel loans are principally generated by mortgage loans, according to programs included in collective agreements, which are guaranteed by housing mortgages and payment is made though payroll discounts.

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

27. 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 interest rate fluctuations, exchange rate variations and sales price variations, as follows:

a. Interest Rate Hedges

At December 31, 2010 and 2009, the Corporation has no current contracts.

b. Exchange Rate Hedges

The Corporation has interest rate hedging transactions for a total of ThUS$173,299, which mature in August 2012 and April 2025.

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

December 31, 2010					
Hedged Item	Bank	Type of Derivative Contract	Amount of hedged item	Swap Value	Exposure
			ThUS$	ThUS$	ThUS$
Bond in UF maturing in 2012	Bco. Chile - Jp Morgan	Swap	320,909	164,482	34,665
Bond in UF maturing in 2025	Credit Suisse	Swap	316,326	208,519	138,634
Total			637,235	373,001	173,299

ThUS$67,030 at December 31, 2010 (December 31, 2009: ThUS$49,253; January 1, 2009: ThUS$59,338) are included in Other Non-Current Financial Liabilities. The collections originated by these contracts are recorded at the respective obligations maturity.

c. Cash Flow and Commercial Policy Adjustment Hedging Contracts

The Corporation performs transactions in the futures market, recording their results at maturity. These results are added to or deducted from sales revenue. This addition or deduction is made because sales revenue incorporates the positive or negative effect of market prices. At December 31, 2010, these operations generated lower net income of ThUS$1,043,294 (plus an effect of lower net income equivalent to ThUS$794 in subsidiaries), which is detailed below:

c.1. Commercial Operations of Current Copper Contracts

The purpose of these contracts is to adjust the price of shipments to the Corporation's related policy, defined in accordance with the London Metal Exchange (LME). In the January to December 2010 period, the Corporation has performed futures market transactions that represent 237,045 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

The current contracts at December 31, 2010 present a ThUS$153,947 positive exposure, 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 December 30, 2010 generated a net negative effect on net income of ThUS$28,419, which is deducted from the amounts paid for purchase contracts and added to the values received for sales contracts of the products affected by these pricing transactions.

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

At December 31, 2010 the Corporation maintains contracts for pricing the sale of gold for ThTOZ 3 and silver for ThTOZ 994.

The negative exposure at that date is ThUS$244.4.

The transactions completed between January 1 and December 30, 2010 generated a negative effect on net income of ThUS$9,194, which is deducted from the amounts received for the sales contracts of the products affected by these pricing transactions. These hedging transactions mature up to March 2012.

c.3. Cash Flow Hedging Operations Backed by Future Production

Also, to hedge future cash flows by ensuring the sale price of part of its production, copper futures transactions have been entered into for 365,550 tons of fine copper (TMF). The copper futures sales contracts mature up to March 2013.

The current futures contracts at December 31, 2010 present a ThUS$2,409,632 negative exposure, and their final result will only be known at their maturity, offsetting their effects with the sale of the hedged products.

The futures transactions completed between January 1 and December 31, 2010, related to production sold, generated a lower revenue of ThUS$1,005,680, which is the result of offsetting the hedging transaction and sales revenue from the sale of the products affected by this pricing. These results are presented reducing net operating results.

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

At December 31, 2010, the Corporation does not have any option contracts.

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

	December 31, 2010						
	Maturity Date						
	2010 ThUS$	2011 ThUS$	2012 ThUS$	2013 ThUS$	2014 ThUS$	Following ThUS$	Total ThUS$
Flex Com Copper (assets)	-	186,776	(3,637)	-	-	-	183,139
Flex Com Copper (liabilities)	-	(29,192)	-	-	-	-	(29,192)
Flex Com Gold/Silver	-	245	-	-	-	-	245
Cooper Pricing	-	(1,450,766)	(957,641)	-	-	-	(2,408,407)
Metal options	-	-	-	-	-	-	-
Total	-	(1,292,937)	(961,278)	-	-	-	(2,254,215)

	December 31, 2009						
	Maturity Date						
	2010 ThUS$	2011 ThUS$	2012 ThUS$	2013 ThUS$	2014 ThUS$	Following ThUS$	Total ThUS$
Flex Com Copper (assets)	284,761	74	-	-	-	-	284,835
Flex Com Copper (liabilities)	(1,323)	-	-	-	-	-	(1,323)
Flex Com Gold/Silver	203	-	-	-	-	-	203
Cooper Pricing	(1,088,384)	(994,183)	(693,128)	-	-	-	(2,775,695)
Metal options	-	-	-	-	-	-	-
Total	(804,743)	(994,109)	(693,128)	-	-	-	(2,491,980)

	December 31, 2010						
	Maturity Date						
	2010 Th MT/OZ	2011 Th MT/OZ	2012 Th MT/OZ	2013 Th MT/OZ	2014 Th MT/OZ	Following Th MT/OZ	Total Th MT/OZ
Copper Futures [MT]	-	422	26	-	1	-	449
Gold / Silver Futures [OZ]	-	997	-	-	-	-	997
Copper Pricing [MT]	-	202	150	-	-	-	352
Metal Options [MT]	-	-	-	-	-	-	-

	December 31, 2009						
	Maturity Date						
	2010 Th MT/OZ	2011 Th MT/OZ	2012 Th MT/OZ	2013 Th MT/OZ	2014 Th MT/OZ	Following Th MT/OZ	Total Th MT/OZ
Copper Futures [MT]	360	22	-	-	-	-	382
Gold / Silver Futures [OZ]	260	-	-	-	-	-	260
Copper Pricing [MT]	252	216	150	-	-	-	618
Metal Options [MT]	-	-	-	-	-	-	-

28. Contingencies and Restrictions

i. Litigations and Contingencies

There are different lawsuits and legal actions initiated by or against the Company, which are derived 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 Company is being sued do not represent significant loss contingencies. 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 different tax lawsuits for 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, referred to occupational illness (silicosis).

- Mining Lawsuits and others derived from operations: The Corporation has been participating and will probably continue to participate as a plaintiff 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. The amounts related to these processes have not been currently determined and do not essentially affect Codelco's development.

A case by case analysis of these lawsuits has shown that there are a total of 302 cases that have an estimated value. It is estimated that 51 of these, that represent 17% of the universe and which amount to ThUS$33,623, could have a negative result for the Corporation. There are also 129 lawsuits, that represent 43% of the total and which amount to ThUS$81,777, about which there is no certainty that the outcome would be unfavorable for Codelco. For the 122 remaining cases, amounting to ThUS$13,825, the Corporation's legal advisors believe an unfavorable outcome is unlikely. In addition, there are 161 lawsuits for undetermined amounts; it is believed that the result of 27 of these could be unfavorable to Codelco.

Additionally the Corporation is in the process of answering, by the corresponding deadlines, a resolution of the Internal Revenue Service originated in a review of prior years' taxable income, related to a product sales contract signed with a related company.

The necessary provisions have been made for the lawsuits with probable losses and their legal costs. These provisions are recorded as contingency provisions.

As is public knowledge, the Corporation has submitted Appeals for Protection before the respective Courts of Appeals, challenging the records of finding notified by the Labor Department, for inspections performed under the framework of Law No.20,123, which regulates subcontracted work schemes and temporary service firms. Five of these appeals were accepted and one was rejected, the latter has been appealed by the Corporation. All appeals are currently pending in the Supreme Court.

ii. Other Commitments

a) On April 29, 2008, the Company jointly with other companies of the mining sector entered into an electricity generation supporting contract with Gas Atacama Generación S.A. in the Norte Grande Interconnected System (SING), in force from March 1, 2008 to December 31, 2011, whose expense will be accrued according to the participating companies' consumptions. Codelco is responsible for covering a maximum of US$194.71 million in that period.

b) On February 29, 2010, the Board agreed to continue the mining operations of the Salvador Division until 2016, and if market and operating conditions are maintained, until 2021. Both extensions are subject to the condition that management improvements and cost reductions commitments made by the Division are met. These commitments were filed at the Board of Directors in August 2010. And the extension was approved.

c) 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 equal participation. A 15-year copper cathode sales contract to that associated company was agreed, as well as a purchase contract from Minmetals to the latter for the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid by the buyer at a price formed by a fixed readjustable component plus a variable component, which depends on current copper prices at the time of shipment.

   In addition, Codelco granted Minmetals an option to purchase, at market price, a minority interest in a company that would exploit the Gaby deposit, subject to the conditions established and authorized by Codelco to carry out this initiative.

On September 23, 2008, Codelco Chile and Minmetals agreed to indefinitely suspend the rights and obligations related to the option on the Gabriela Mistral Deposit. Any possible replacement of this option will require an agreement between both parties. Likewise, both companies agreed to work together, case by case, in the study of new international copper mining business and exploration opportunities, principally in Latin America and Africa.

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.

At December 31, 2010, the contract is operational, and monthly shipments began in June 2006.

On the basis of the agreements with Minmetals, Codelco's Board of Directors authorized hedging transactions for a total of 139,325 tons, by Copper Partners Investment Company Ltd., which were completed during the months of January and March 2006 (13,900 TMF outstanding at December 31, 2010), maturing until July 2011. Copper Partners Investment Company Ltd. assumes the results of the hedging transactions.

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, principally 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.

d) On January 30, 2009, the Corporation informed Anglo American Sur S.A. of its decision to postpone the exercise of the option it has - initially belonging to Empresa Nacional de Minería (ENAMI) and transferred to Codelco for consideration - to acquire up to 49% of the shares of said company, for the next contract period from January 1 to 31, 2012.

On February 22, 2010, Codelco made an advance payment of ThUS$163,935 for the assignment of ENAMI's option to purchase Anglo American Sur S.A. shares, in three installments, the first two of ThUS$60,000 were paid on February 22 and 25, 2010, respectively, and a third installment for the balance, was paid on March 1, 2010.

e) The Corporation has signed gas supply contracts with its associated company GNL Mejillones S.A., which begin to operate in October 2010, and through this contract, the associated company agrees to sell part of a minimum equivalent to 27 Tera BTU's (British Thermal Units) per year during the 2010 - 2012 period. Additionally, the Corporation has signed an option contract together with other participating mining companies that includes the option to:

- Acquire the right to the long-term use of the terminal's capacity from the end of the contract, or

- To acquire the company's shares; the companies are committed to choosing one or other of these two alternatives.

The Corporation has signed guarantees for 50% of the total exposure of the derivative transactions made by GNL Mejillones S.A., up to a maximum of ThUS$360,000.

f) Law 19,993 dated December 17, 2004, which authorized the purchase of the Fundición y Refinería Las Ventanas assets from ENAMI, established that the Corporation must ensure the smelting and refining capacity required, 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 other form agreed by the parties.

g) The 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 December 31, 2010 and 2009, has met these conditions.

h) 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 351 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 that is currently under construction. This plant is coal-fired; therefore, the electric energy tariff rate applied for the energy supplied to Codelco is linked to the price of coal.

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

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.

i) On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA SA:

- This Contract 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.

j) On December 31, 2009, Codelco has signed a purchase contract with Empresa Nacional de Electricidad S.A., for the purchase of power and electricity from the Central Interconnected System (SIC) to meet Codelco's requirements for its Salvador Division.

The contract is effective as of April 1, 2010 and up to March 31, 2013. The agreed maximum power is HP 70 (MW) and HFP 71 (MW).

29. Guarantees

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

The guarantees given by Codelco include those granted to financial institutions. The main ones are detailed in the following tables:

		Direct Guarantees Provided to Financial Institutions			
		December 31, 2010		December 31, 2009	January 1, 2009
Creditor of the Guarantee	Type of Guarantee	Maturity	Guaranteed Amount	Guaranteed Amount	Guaranteed Amount
			ThUS$	ThUS$	ThUS$
Macquarie Bank Limited	Standby Letter - Banco Intesa Sanpaolo	January, 2011	60,000	165,000	-
Macquarie Bank Limited	Standby Letter - Banco Intesa Sanpaolo	-	-	-	60,000
Sempra Metals Limited	Standby Letter - Banco Santander Chile	July, 2010	-	-	80,000
Macquarie Bank Limited	Standby Letter - Banco Intesa Sanpaolo	January, 2011	55,000	-	-
Koch Supply & Trading LP	Standby Letter - Banco Santander Chile	January, 2011	55,000	55,000	-
Koch Supply & Trading LP	Standby Letter - Banco Intesa Sanpaolo	March, 2011	30,000	-	-
Koch Supply & Trading LP	Standby Letter - Banco Intesa Sanpaolo	March, 2011	50,000	-	-

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

Creditor of the Guarantee	Gunranteed Debtor	Relatonship	Type of Guarantee	Indirect Guarantees Provided to Financial Institutions December 31, 2010 Guaranteed Amount ThUS$	December 31, 2009 Guaranteed Amount ThUS$	January 1, 2009 Guaranteed Amount ThUS$
Barclays Bank PLC	Sociedad GNL Mejillones S.A.	Associate	Guarantor	100,000	100,000	100,000
Morgan Stanley Capital Group INC.	Sociedad GNL Mejillones S.A.	Associate	Guarantor	200,000	200,000	200,000
Koch Supply & Trading LP	Sociedad GNL Mejillones S.A.	Associate	Guarantor	60,000	60,000	60,000
China Development Bank	Copper Partners Investment Co. Ltd.	Joint Venture	Rights	26,635	-	117,600

The documents obtained as guarantees principally cover supplier and contractor obligations related to the various projects in progress. Considering the large amount of documents received and the large number of suppliers and contractors, the information regarding these guarantees, is grouped according to the Operating Divisions that have received them.

Division	**Guarantees received from third parties** **12-31-2010** ThUS$	**12-31-2009** ThUS$	**01-01-2009** ThUS$
Andina	50,026	78,224	94,892
Chuquicamata	54,907	59,065	51,959
Casa Matriz	202,116	166,103	186,079
Salvador	536	190	188
El Teniente	67,026	81,841	77,506
Fundición Ventanas	2,127	2,167	897

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

30. Balance by Foreign Currency

a) Assets by Type of Currency

Item	12-31-2010 ThUS$	12-31-2009 ThUS$
US dollars	983,905	879,566
Euros	558	4,412
Other currencies	21,780	2,984
Non-indexed Ch$	62,934	171,745
U.F.	-	7,253
Liquid assets	1,069,177	1,065,960
US dollars	792,409	591,822
Euros	-	2,256
Other currencies	21,779	-
Non-indexed Ch$	59,851	171,745
U.F.	-	7,253
Cash and cash equivalents	874,039	773,076
US dollars	191,496	287,744
Euros	558	2,156
Other currencies	1	2,984
Non-indexed Ch$	3,083	-
U.F.	-	-
Other current financial assets	195,138	292,884
US dollars	2,628,357	2,247,579
Euros	67,926	34,933
Other currencies	459,333	1,643
Non-indexed Ch$	18,835	561,727
U.F.	1,190	1,686
Short and long-term receivables	3,175,641	2,847,568
US dollars	2,363,430	1,725,845
Euros	67,926	34,933
Other currencies	265,486	1,643
Non-indexed Ch$	15,974	297,919
U.F.	1,190	1,686
Trade and other receivables	2,714,006	2,062,026

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

Item	12-31-2010 ThUS$	12-31-2009 ThUS$
US dollars	3,585	3,742
Euros	-	-
Other currencies	193,847	-
Non-indexed Ch$	1,353	194,360
U.F.	-	-
Rights receivable, non-current	198,785	198,102
US dollars	156,446	159,733
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	1,508	69,448
U.F.	-	-
Due from related companies, current	157,954	229,181
US dollars	104,896	358,259
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Due from related companies, non-current	104,896	358,259
US dollars	11,754,576	12,724,782
Euros	460,807	-
Other currencies	3,530,536	-
Non-indexed Ch$	250,197	1,615,570
U.F.	38,107	-
Rest of assets	16,034,223	14,340,352
US dollars	15,366,838	15,851,927
Euros	529,291	39,345
Other currencies	4,011,649	4,627
Non-indexed Ch$	331,966	2,349,042
U.F.	39,297	8,939
Total Assets	20,279,041	18,253,880

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

b) Liability by Type of Currency

	December 31, 2010		December 31, 2009	
	Until 90 days	From 90 days to 1 year	Until 90 days	From 90 days to 1 year
Current liabilities by currency	ThUS$	ThUS$	ThUS$	ThUS$
US dollars	3,072,346	1,904,206	-	3,205,916
Euros	-	3,979	-	44,102
Other currencies	95,386	25	-	366,324
Non-indexed Ch$	336	-	-	351,067
U.F.	156,851	10,698	-	129,206
Current liabilities	3,324,919	1,918,908	-	4,096,615
US dollars	-	1,904,206	-	1,375,981
Euros	-	3,979	-	2,217
Other currencies	-	25	-	856
Non-indexed Ch$	-	-	-	-
U.F.	-	10,698	-	15,368
Other current financial liabilities	-	1,918,908	-	1,394,422
US dollars	-	336,440	-	211,268
Euros	-	1,060	-	2,071
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	3,113	-	1,687
Bank loans	-	340,613	-	215,026
US dollars	-	54,348	-	48,303
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	7,585	-	6,880
Secured debentures	-	61,933	-	55,183

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

	December 31, 2010		December 31, 2009	
	Until 90 days	From 90 days to 1 year	Until 90 days	From 90 days to 1 year
Current liabilities by currency	ThUS$	ThUS$	ThUS$	ThUS$
US dollars	-	17,116	-	19,732
Euros	-	226	-	146
Other currencies	-	25	-	856
Non-indexed Ch$	-	-	-	-
U.F.	-	-	-	-
Financial lease	-	17,367	-	20,734
US dollars	-	1,496,302	-	1,096,678
Euros	-	2,693	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	-	-	-	6,801
Others	-	1,498,995	-	1,103,479
US dollars	3,072,346	-	-	1,829,935
Euros	-	-	-	41,885
Other currencies	95,386	-	-	365,468
Non-indexed Ch$	336	-	-	351,067
U.F.	156,851	-	-	113,838
Other current liabilities	3,324,919	-	-	2,702,193

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

	December 31, 2010				December 31, 2009			
Non-current liabilities by curency	**From 1 year to 3 years** ThUS$	**From 3 to 5 years** ThUS$	**From 5 to 10 years** ThUS$	**More than 10 years** ThUS$	**From 1 year to 3 years** ThUS$	**From 3 to 5 years** ThUS$	**From 5 to 10 years** ThUS$	**More than 10 years** ThUS$
US dollars	4,594,673	1,579,613	1,570,977	985,661	5,912,979	1,002,269	14,362	990,117
Euros	476	-	-	-	2,087	-	-	-
Other currencies	2,444	-	-	-	67	-	-	-
Non-indexed Ch$	1,022,154	-	-	-	1,094,174	-	-	-
U.F.	405,028	-	-	342,976	382,809	12,516	6,415	296,243
Non-current liabilities	6,024,775	1,579,613	1,570,977	1,328,637	7,392,116	1,014,785	20,777	1,286,360
US dollars	2,257,146	1,579,613	1,570,977	985,661	3,639,268	1,002,269	14,362	990,117
Euros	476	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	64,921	-	-	-	-	-	-	-
U.F.	387,712	-	-	342,976	377,336	12,516	6,415	296,243
Other non-current financial liabilities	2,710,255	1,579,613	1,570,977	1,328,637	4,016,604	1,014,785	20,777	1,286,360
US dollars	212,350	1,083,700	-	-	397,186	398,593	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	-	-	-	-	-	-
Bank loans	212,350	1,083,700	-	-	397,186	398,593	-	-
US dollars	933,314	495,913	1,570,977	985,661	1,420,174	595,059	-	990,117
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	319,000	-	-	342,976	300,373	-	-	296,243
Secured debentures	1,252,314	495,913	1,570,977	1,328,637	1,720,547	595,059	-	1,286,360
US dollars	53,315	-	-	-	67,871	-	-	-
Euros	476	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	68,712	-	-	-	64,447	-	-	-
Financial lease	122,503	-	-	-	132,318	-	-	-
US dollars	1,058,167	-	-	-	1,754,037	8,617	14,362	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	64,921	-	-	-	-	-	-	-
U.F.	-	-	-	-	12,516	12,516	6,415	-
Others	1,123,088	-	-	-	1,766,553	21,133	20,777	-
US dollars	2,337,527	-	-	-	2,273,711	-	-	-
Euros	-	-	-	-	2,087	-	-	-
Other currencies	2,444	-	-	-	67	-	-	-
Non-indexed Ch$	957,233	-	-	-	1,094,174	-	-	-
U.F.	17,316	-	-	-	5,473	-	-	-
Other non-current liabilities	3,314,520	-	-	-	3,375,512	-	-	-

31. Sanctions

At December 31, 2010 and 2009, neither Codelco Chile, nor its Directors and Managers, have been sanctioned by the Superintendency of Securities and Insurance or other administrative authorities.

32. Subsequent Events

a. On January 7, 2011, it was reported in a matter of material fact, that the Corporation's Board of Directors decided to approve the starting of the process to sell up to all the shares that it directly and indirectly has in E-CL S.A., a publicly traded company registered in the Securities Register under number 273, representing 40% of the shareholding of this company.

b. On January 7, 2011, it was reported that Mr. Waldo Fortín Cabezas will no longer be the Legal Counsel of Codelco Chile from March 1, 2011. He will be replaced by Mr. Patricio Enei Villagra.

c. On January 27, 2011, it was reported in a matter of material fact the placement of 424,251,415 shares issued by E-CL S.A. (representing 40% of the shareholding of this company) directly owned by Codelco Chile and its subsidiary Inversiones Mejillones 2 S.A. in E-CL S.A. The sale of shares was performed in Santiago Stock Exchange using the stock exchange method called "Auction Sale of One Order Book" and started on January Wednesday 19, 2011 and finished on January Thursday 27, 2011. As a result of the above, the total amount of the placement of shares is Ch$509,101,698,000, equivalent to ThUS$1,051,558 at the exchange rate at the corresponding current day. The resulting financial income after taxes for this transaction was ThUS$29,819.

d. On February 11, 2011, it was reported in a matter of material fact that Codelco Chile chose Ernst & Young as the Company's external auditors for the period 2011 - 2013, both years included. The selection process of the aforementioned auditing company considered a limited bidding where the main local companies were invited, excluding the current external auditors Deloitte, in accordance with the policy of turnover of this kind of services defined by the Corporation's Board of Directors. The appointment of Ernst & Young is subject to the approval of the Meeting of Shareholders. The related proposal has been filed at the aforementioned meeting in accordance with Article 11 of the Corporation's Statutory Decree Law 1,350 and Article 52 of Law 18,046.

e. On February 22, 2011, it was reported complementing a matter of material fact dated February 26, 2010 and March 8, 2010, that Supreme Decree No.1048 of the Treasury Department (the Chilean Treasury being aware of this on February 15, 2011), approved Codelco's partnership with Minera PanAust IDO Ltda., related to Inca de Oro deposit. This partnership will be executed through Sociedad Inca de Oro S.A. As a result of the above, there was a revised agreement with a valuation in accordance with the new market terms. This agreement stated that PanAust IDO Ltda. will have 66% of ownership in Inca de Oro S.A. and Codelco will have 34% of ownership in Inca de Oro S.A. PanAust IDO Ltda. will invest US$55.3 million of its own capital in Inca de Oro S.A. to purchase 66% of the company, which will be the owner of the efforts made and the properties of the project. Also, the agreement states that Inca de Oro S.A. will pay a royalty to Codelco for the net returns of smelting from Inca de Oro Project, with a maximum of US$30 million (at the exchange rate ruling in 2010). The financial effects of this transaction will result in profit after taxes for Codelco for US$ 22 million.

f. On March 16, 2011 it was reported that Codelco's Development Vice President, Juan Enrique Morales Jaramillo, submitted his letter of resignation from the Corporation. He will be in his position until March 31, 2011.

The Management of the Corporation is not aware of other significant financial events or events of other nature, occurred between January 1, 2011 and the date of issuance of these financial statements (March 23, 2011), that could materially affect them.

33. Environment

The environmentally sustainable exploitation, exploration and search for new resources has been an important concern for the Corporation. That is why since 1998 the Corporation has defined its environmental commitments. The Corporation controls its environmental commitments through an environmental management system used for its exploration and exploitation activities, which has been perfected over time to conform to the IS0 14001 Standard. This standard has been applied to the work performed in geology, geochemistry, geophysics and drilling in exploring for mineral resources in Chile and abroad.

In this respect, at December 31, 2010, Chuquicamata, Radomiro Tomic, Andina, Salvador, El Teniente divisions, and the headquarters have been certified under the ISO 14001 standard.

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

Below is a detail of the Corporation's principal expenditures related to the environment during the periods between January 1 and December 31, 2010 and 2009, respectively:

Environmental Investments Projected Future Expenses	**2011** ThUS$
Total Codelco-Chile	22,066
Andina	19,096
Infrastructure improvements for spill management - projected	1,000
Line enhancements for main wall stirrups	503
Construction of water trap for ballast deposit - projected	4,922
Improvement tunnel 3 handling of Ovejería residue - projected	1,000
Drainage construction DL D2 to port - projected	1,766
Acid water treatment DLN and projected	9,905
El Teniente	**2,970**
Online monitoring canal residue - Tte - projected	100
Liquid waste sewage solution - Sewel	2,870

Environmental Investments Real Nominal Expense	**12-31-2010** ThUS$	**12-31-2009** ThUS$
Total Codelco - Chile	**61,620**	**44,550**
Codelco Norte	**-**	**1,608**
Remodeling and construction of a warehouse for hazardous substances	-	1,608
Salvador	**1,334**	**2,942**
Implementation of solution for handling of liquid waste and water	1,006	1,471
Compliance with lighting standard	-	387
Construction of hazardous waste ditch	-	247
Solution to oxygen plant water treatment and water plants	328	837
Andina	**10,492**	**25,123**

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

Dispatch drainage dump for external use in the La Unión Stage 1 sector	-	1,026
Ovejería reservoir control	-	444
Improvement to control discharge of residue thickener	39	1
Enhance drainage and wall east of Ovejería reservoir	-	6,167
Remediation works - residue transport tunnels	1,670	2,686
Replacement of residue lines at Los Leones reservoir	-	665
Implementation of infrastructure for recovery of rejected concentrate	-	1,387
Construction of uptake tower N°3 for Ovejería reservoir	2,744	1,084
Line enhancement of main wall stirrup at Ovejería reservoir	292	185
Emergency construction hydraulic barrier	3,573	11,021
Construction of water trap for ballast deposit - projected	743	-
Improvement to Huechun irrigation water funneling	-	457
Construction of plug for evacuation tower N°1	691	-
Slope improvements and protection	209	-
Acquisition of independent pump equipment	6	-
Improvement to tunnel 3 handling of Ovejería residue - projected	26	-
Drainage construction DL D2 to port - projected	499	-
El Teniente	**48,399**	**14,493**
Enhancement of molybdenum abatement plant from Carén reservoir tributary	-	4,926
Increase of recirculation capacity of mine drainage waters to processes	-	4,772
Uplift of geotechnical vulnerabilities related to Colón residue canal for Cachapoal bridge	-	4,276
Construction of 5th stage in Caren reservoir	39,941	-
Decontamination and conditioning of laboratory	133	143
Liquid waste sewage solution - Sewel	8,325	376
Ventanas	**1,395**	**384**
Silencer discharge 3 and 4	-	53
Overhaul interchange W23	246	307
Construction of new temporary storage facility (respel)	1,149	24

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