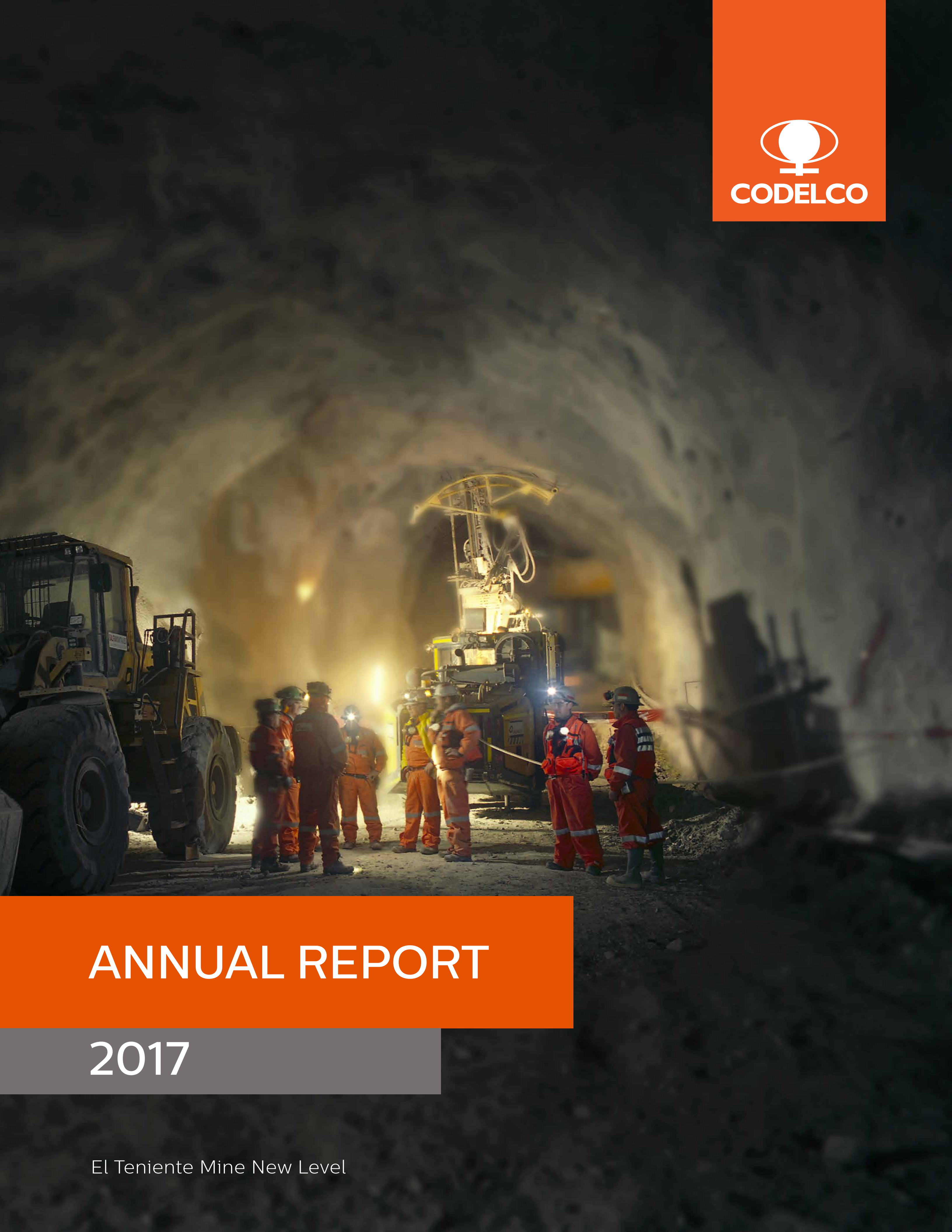
CODELCO



ANNUAL REPORT

2017

El Teniente Mine New Level

Contents

Message from the Chairman of the Board

Óscar Landerretche
Chairman of the Board

The future of Codelco is not only played out under the guidelines of integrity, best practices and transparency, but it is also defined in the essence of the business; that is, in exploring and extracting mining resources and in commercializing refined copper and its by-products. Therefore, the key objectives of our commitment to innovation and the structural projects we are currently developing are centered on Codelco's ongoing contribution of resources to Chile in the decades to come.

Óscar Landerretche
Chairman of the Board

The year 2017 was one of major challenges, growth and new opportunities for Codelco. During times and circumstances that were not always favorable, in which we were exposed to criticism, our company once again demonstrated its strength. Rather than enter into incessant public debate, paralyzing the progress we started in 2009 in terms of corporate governance, integrity and transparency, we were proactive in proposing and approving new reforms to continue driving forward best business practices within Chile's leading company.

In practice, all the improvements promoted by the new corporate governance law have not only translated into awards for our actions, but also clear and tangible progress in Codelco's way of doing business.

The first thing we did was to verify the progress achieved in the short time since the adoption of Law 20.392. in 2009. During the first period of the company's new corporate governance, which was installed in March 2010, changes were introduced that strengthened the corporate ethical pillars of the company. Among these included the communication channels for complaints, certification of the crime prevention model, compliance with the standards of the Financial Market Commission (former Superintendency of Securities and Insurance), the approval of the Securities Charter, the commencement of an auditing and control system for contractor companies, and the implementation of different information channels for the public.

During the current period, that is, the second corporate government of Codelco, we launched another significant list of reforms to move us forward in the same direction. In 2014, changes focused on the powers of the Board of Directors. To cite an example, we regulated the allocation and use of the board's resources, established a transparent and traceable management system and even recorded external requests submitted directors related to work requests, slowdowns, dismissals, meetings with suppliers and contracts awards. Moreover, we defined the rules to make transparent and systematize the relationship between Board members and senior management level executives of the company.

In 2015, emphasis was placed on updating and perfecting the corporate standard that regulates operations with those companies in which "related persons" work with a Codelco official. We also implemented a policy to limit direct contract awards and private tender processes to a minimum, when compatible with efficiency. We defined stringent rules aimed at restricting lobbying at Codelco. In addition, we introduced innovations that permitted approximately 2,000 people to declare their interests in the company (previously, only 70 declared), we regulated the hiring of Politically Exposed Persons (PEP) and businesses with former employees of the Corporation, all of which today require the express approval of the Board.

We also reformed the Legal Affairs Office and reinforced the operations of the Internal Auditing Unit, which ceased reporting to management and began reporting directly to the Board's Auditing Committee.

In 2016, we modified the Internal Comptroller Unit, emphasizing its exclusive dedication to risk control and management, with direct oversight of the Board of Directors. Furthermore, the policies and measures for management control and integrity are extended to all subsidiaries and associates of the Corporation.

As can be seen, the Board's priority to improve the different areas related to best practices, excellence, integrity and transparency was established long before the controversies began in 2017. Therefore, we continued along that line of action, without deviating from the road towards reforms established years ago.

During 2017, we approved a permanent audit program to review hiring processes through direct assignments as well as miscellaneous payments. We also established an even more stringent standard than the existing in matters of incompatibility and conflict of interest. For this, we reviewed position profiles to explicitly incorporate corresponding incompatibilities, in accordance with the nature of the role, in addition to regulating the performance of the training tasks during the working day. Likewise, we created a corporate ethics and integrity platform that allows all personnel to access the regulatory framework, support material and the interest declaration systems.

In line with the reforms to the purchasing system, we ordered the adoption of necessary measures to avoid deviations or deficiencies in the bidding information systems, enhancing Codelco's purchasing portal as the only platform to process bids. We also incorporated the guidelines for PEC (Persons Exposed to Codelco) and PEP (Politically Exposed Persons), which allows us to systematically identify such persons and safeguard compliance with current regulations.

Once again in 2017, the progress achieved in the aforementioned areas brought about awards and recognition in different rankings for transparency, reputation and good corporate governance, both in Chile and abroad. This year we were among the top ten Chilean companies with the highest corporate reputation in the Ranking Merco and were recognized by Merco Talento as the company in which young people preferred to work.

In like manner, we led the Natural Resources Governance Index, which assesses transparency and accountability in state oil, gas and mining sector companies at the global level. Thus, for the first time in history a Chilean company ranked first in this index, a monumental achievement, considering that only four years previously placed tenth in this same index.

Additionally, during 2017 we ranked first among 28 public companies on the Index of Corporate Transparency, a ranking which, through global and national corporate benchmarking, compiles the best information practices published on websites. Moreover, we distinguished ourselves at the top position in the category of companies in the productive sector.

For the second consecutive year, Codelco complied with all the requirements placed on public entities by the Council for Transparency, qualifying as an institution that guarantees the delivery of complete information to the public, within the defined deadlines and complying with the regulations of the Transparency Law.

With respect to public information, we officially launched the website www.codelcotransparente.cl, that provides relevant data on various aspects of public interest; for example, environmental, social, productive, economic or operational issues of all our work centers within different regions of Chile. The site was awarded by the Council for Transparency for disclosing important information to the public regarding our management, and for encouraging the use of open data in a way that is easy for everyone to understand.

In practice, all the improvements promoted by the new corporate governance law have not only translated into awards for our actions, but also clear and tangible progress in our way of doing business. For example, 58% or our tenders were public tenders in 2017, while 32.9% were private tender. The tender system allows, as a result of enhanced management, to invite a limited number of proponents to participate in private tenders. Therefore, this year, for the first time since 2010, Codelco was able to receive more public tenders than private tenders.

Another directive of the Board was to significantly reduce direct awards / assignments, since they are a constant source of questioning and may become a focus of arbitrary action. The process to reduce such practices was not easy, but it paid off. In 2017, we averaged 1.1% direct assignments, bringing this hiring mechanism down to historic levels.

These outstanding advances do not make Codelco a perfect company, but rather a company with high international standards, seeking to minimize to the lowest levels possible, the likelihood of undesired events and to implement tools to detect, investigate and penalize if the events so merit.

To stay on this correct path, we must continue to promote changes that will ensure an even more transparent future, with more integrity and better practices, starting by clarifying the regulatory framework that governs the company. Along these lines, we have also suggested modifications to Codelco's corporate governance law, especially in the separation of the political cycle from Board of Directors' appointments, in addition to implementing improvements to the laws that reinforce independence and powers of the competent auditing entities.

The future of Codelco, however, is not only played out under the guidelines of integrity, best practices and transparency, but it is also defined in the essence of the business; that is, in exploring and extracting mining resources and in commercializing refined copper and its by-products. Therefore, the key objectives of our commitment to innovation and the structural projects we are currently developing are centered on Codelco's ongoing contribution of resources to Chile in the forthcoming decades.

Chuquicamata Underground, El Teniente Mine New Level, Andean Transfer and other important projects, which will bring cutting-edge technology to the Chilean mining industry, need to be financed to face the abrupt drop in the copper ore grades that our company is currently undergoing. In this area, we have an immense investment challenge of 39 billion dollars over the next ten years and that, we estimate, will be financed through three channels: own resources generated by the Corporation, debt acquired with private financiers and contributions of the owner, through the capitalization program currently in progress.

On this matter we consider that, like all businesses, Codelco requires the periodic capitalization of the owner. Therefore, we believe it is imperative to conceive a financing law that guarantees certain levels of reinvestment, based on the price of copper and our performance, which would generate incentives to continue being more productive and competitive.

This is the road to the future of Codelco, Chile's primary company. If we support periodic capitalization for necessary modernization and if we advance on our commitment to best practices, this company, which has been a very good business for Chilean men and women, only then will be able to continue being the primary driver of development of our country in the decades to come.

Óscar Landerretche
Chairman of the Board

Message from the CEO

Nelson Pizarro
CEO

We have advanced on preparing Codelco to face the next 50 years. Between 2014 and 2017 we invested 12 billion dollars, placing us at the top of Chilean companies that made the most investments during that period and, most importantly, without increasing the levels of debt of the company.

Nelson Pizarro
CEO

Concluding 2017 by handing over 3 billion dollars to Chile is a reason for peace of mind and pride for everyone at Codelco. Peace of mind for the fulfilled duty to the country and pride given that these levels of surplus are not explained solely by an increase in the price of copper, but also by the discipline and austerity in terms of cost containment that we have been promoting over recent years.

When the cycle of low copper prices dealt us a blow in 2015, we understood that it was essential to promote a productivity and cost agenda that would allow us to place Chile's primary company in long-term competitive positions, as the only path to overcome the low price cycles and to capture the value of high price cycles.

It was not an easy road. We had to break old practices and install a new way of doing things, developing highly competitive services, managing acquisitions at low cost, promoting partnerships, improving asset management, applying innovation and technology, modernizing our working capital and demanding operational excellence.

In 2017, the payoff for these practices is in sight. Not only is our work commitment and responsibility portrayed by the 2017 surplus over the previous year, other indicators also reflect it. Our direct costs, to cite one example, were 8% lower this year than the average for the rest of the copper industry in Chile. Just four years ago, we reported costs that were 10% higher than those of our competitors.

The production figures also speak of sustained work in this area. Although ore grades have fallen 9% since 2013, we were able to maintain historical production levels. The numbers are encouraging: with 1 million 734 thousand tons of own copper, 2017 became the second highest production year in Codelco's history.

Another indicator that is a source of pride is in productivity, a figure that was below industry average for some time. Thanks to the combination of strategic factors related to governance, technology, assets and people, we achieved a 29% increase in this indicator since 2013, reaching 51.2 tons per worker in 2017, leaving room for further improvement.

There is no doubt that today we are better prepared to face volatile copper prices. And we are also more competent at facing the greater demand of this mineral that is predicted for 2018 and the years to come.

Maintaining the attained levels of production over a long-term period, to satisfy the growing global demand, will be possible thanks to the development of a broad investment portfolio. Our global policy in this area (i.e. containing costs without backing off on investment) was timely. We understood that structural projects were indispensable for the corporate future and the development of Chile.

Therefore, we did not stop investing, but rather, reformulated our strategy to materialize that portfolio. The change we implemented was to move from a simultaneous development plan for all projects to a sequential one, to guarantee better business cases and greater financial sustainability. This adjustment to the program is helping to create better management, ensure the solution of technical problems, allow the availability of resources and safeguard production levels, among other aspects.

As of December 2017, Chuquicamata Underground already reports total progress at 51.3%, mainly in the development of works pertaining to major mining contracts; Andina Transfer reached 48.6%, as scheduled; El Teniente Mine New Level has progressed to 44.6%, especially thanks to the knowledge developed in the control of the "rock burst" phenomenon. Such knowledge led to remote and automated execution for the development of underground works, driving the progress and construction of the ventilation tunnels of the mine while ensuring the safety of our workers. Meanwhile, on Andina Future Development we are conducting reviews to define the authorization of the feasibility study; and on Radomiro Tomic Sulfuros Phase II, we are in the process of optimizing its business case. The desalination plant for the North district is finally in the bidding process.

These are the ways in which we have progressed in preparing Codelco for the next 50 years. Between 2014 and 2017 we invested 12 billion dollars, the highest amount invested by any Chilean company during this period and, most importantly, without increasing the company's debt levels, which remains at around 14 billion dollars.

For the next 10 years, we have planned investments for an additional 39 billion dollars to finalize the structural projects, modernize the smelters and finance the mining development projects.

At Codelco, we are leaders in proven and probable copper reserves. This is why our focus is to make the most of these tremendous reserves, by automating and enhancing the infrastructure technology and changing the way mining is done. As we've previously mentioned: mining will be a good business for those who know how to transform themselves. It is imperative to make this a technological business, less expensive in economic terms and much friendlier to the environment and the communities surrounding the operations.

In addition, it is evident that the profound changes that our company will implement in its production model for structural projects will also require quick scientific and technological solutions, in areas such as robotics, communications, logistics, biotechnology and information technology.

We are prepared for that challenge. In 2017 we created Codelco Tech, a wholly-owned subsidiary of the Corporation, whose strategic mandate is to drive and foster research to create a minimum environmental impact mining, meeting the growing needs of mining and other industries which are currently facing ore grade reduction, deeper deposits and mineral impurities, scarcity of enabling resources such as water and energy, and a greater awareness of environmental conditions, which translates into more demanding regulations that are more expensive to meet.

Our conviction is that copper will cease to be a commodity and will advance by leaps and bounds to become a traceable commodity in productive, environmental and financial terms, a distinctive quality valued by different regulators, communities, end consumers and NGOs. This added-value copper will mark a new stage in the industry and will position us as producers capable of offering cathodes with auditable traceability certification.

With this copper, we want to impose on the market the Codelco Seal; that is, to be a company with sustainable, traceable and transparent processes and products, backed by an efficient, inclusive, open-dialogue and innovative organization; valued by its own staff and distinguished by its customers and stakeholders.

The structural projects have made it possible to step up our efforts along this transformative road that involves us all. Being part of this revolution that has required us to rethink our business model and our way of operating has been challenging and rewarding.

We are proud of what we have achieved and enthusiastic about the emerging future, especially given that it will bring about greater development and progress for Chile as a whole.

Nelson Pizarro
CEO

Board of Directors
as of March 2018

Óscar Landerretche Moreno
Chairman of the Board

Business Administration
Universidad de Chile
RUT 8.366.611-0

Dante Contreras Guajardo
Director

Business Administration
Universidad de Chile
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Laura Albornoz Pollmann
Director

Lawyer
Universidad de Chile
RUT 10.338.467-2

Blas Tomic Errázuriz
Director

Industrial Engineer
Universidad de Chile
RUT 5.390.891-8

Paul Schiodtz Obilinovich
Director

Mechanical Engineer
Universidad de Santiago
RUT 7.170.719-9

Juan Enrique Morales Jaramillo
Director

Mining Engineer
Universidad de Chile
RUT 5.078.923-3

Isidoro Palma Penco
Director

Business Administration
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Raimundo Espinoza Concha
Director

Electrical Technician Mining
Engineering Studies
Universidad Técnica de Antofagasta
RUT 6.512.182-4

Ghassan Dayoub Pseli
Director

Industrial Engineer
Universidad de Chile
RUT 14.695.762-5

Organization

as of March 2018

BOARD OF DIRECTORS

NELSON PIZARRO C.
CEO

NICOLAI BAKOVIC H.
Legal Counsel

CÉSAR CORREA P.
Chief Internal Auditor

ALEJANDRO RIVERA S.
Vice President, Administration & Finance

DANIEL SIERRA P.
Vice President of Human Resources

RODRIGO TORO U.
Vice President Commercial

GERHARD VON BORRIES H.
Vice President of Projects

PATRICIO CHÁVEZ I.
Vice President of Corporate Affairs & Sustainability

ÁLVARO ALIAGA J.
Vice President of North Operations

JOSÉ ROBLES B.
Vice President of Productivity & Costs

JOSÉ PESCE R.
Vice President Mining Resources & Development

OCTAVIO ARANEDA O.
Vice President of Central Operations

LINDOR QUIROGA B.
General Manager Radomiro Tomic Division

MAURICIO BARRAZA G.
General Manager Chuquicamata Division

JAIME RIVERA M.
General Manager Ministro Hales Division

RICARDO MONTOYA P.
General Manager Gabriela Mistral Division

CHRISTIAN TOUTIN N.
General Manager Salvador Division

ALEJANDRO CUADRA P.
General Manager Andina Division

JOSÉ SANHUEZA R.
General Manager Ventanas Division

ANDRÉ SOUGARRET L.
General Manager El Teniente Division

Senior Management

as of March 2018

Chief Executive Officer
Mining Engineer
Universidad de Chile
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Nelson Pizarro

Vice President
Administration & Finance
Industrial Engineer
RUT 7.332.747-4

Alejandro Rivera Stambuk

Vice President
North Operations
Mining Engineer
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Álvaro Aliaga Jobet

Vice President
Center – South Operations
Mining Engineer
RUT 8.088.228-9

Octavio Araneda Oses

Vice President Projects
Mining Engineer
RUT 6.372.610-9

Gerhard von Borries Harms

Vice President, Human Resources
BA Education MSc Management & Administration of Human Resources
RUT 7.334.294-5

Daniel Sierra Parra

Vice President Mining Resources & Development Management
Mining Engineer
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José Pesce Rosenthal

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José Robles Becerra

Vice President Corporate Affairs & Sustainability
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Patricio Chávez Inostroza

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Mining Engineer
RUT 9.182.846-4

Lindor Quiroga Bugueño

General Manager Chuquicamata Division
Mining Engineer
RUT 9.467.943-5

Mauricio Barraza Gallardo

General Manager Ministro Hales Division
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Jaime Rivera Machado

Ricardo Montoya Peredo

General Manager Gabriela Mistral Division
Mining Engineer
RUT 6.209.309-9

Christian Toutin Navarro

General Manager Salvador Division
Mining Engineer
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General Manager Andina Division
Mining Engineer
RUT 7.255.160-5

José Sanhueza Reyes

General Manager Ventanas Division
Metallurgical Engineer
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André Sougarret Larroquete

General Manager El Teniente Division
Mining Engineer
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César Correa Parker

Chief Internal Auditor
Business Administration
RUT 7.417.045-5

Nicolai Bakovic Hudig

General Counsel
Lawyer
RUT 9.856.858-1

Corporate profile

We are Codelco, the Corporación Nacional del Cobre de Chile, an autonomous company owned by all Chileans. Codelco is the world's leading copper producer and driver of Chile's development.

Codelco operates eight mining divisions: Radomiro Tomic, Chuquicamata, Ministro Hales, Gabriela Mistral, Salvador, Andina, El Teniente and the Ventanas smelter and refinery. Our Headquarters is located in Santiago where corporate strategy is coordinated, headed by a nine-member Board of Directors and the company's CEO.

Since our beginnings in 1971 to 2017, we have generated US$ 110 billion (in 2017 currency) to the Chilean state.
As of December 2017, our assets amount to US$ 36,356 million and a net worth of US$ 10,925 million.

Our core business is to explore, develop and exploit mineral resources and process them to produce refined copper and by-products for subsequent sale.

Overall sales reached **US$ 14,642 million**, while overseas sales accounted for approximately **16%** of Chilean exports in **2017**, with Asia as our principal market, followed by Europe and South America.

Our business pillars

Codelco's Charter of Values and Code of Business Conduct guide the company's decisions and the way it conducts its business.

We want to be recognized, in Chile and abroad, for performance and a way of doing business that reflects our business values:

- Respect for life and human dignity
- Responsibility and commitment
- Personal competence
- Teamwork
- Excellence at work
- Innovation
- Sustainable development

We seek to be more productive, more innovative and more sustainable to promote a new Chilean mining model that contributes to the development of the country and responds to the critical needs demanded by the 21st-century extractive industry.

We are advancing towards a process of organizational transformation which allows us to be more competitive, through innovative, sustainable mining and business practices of excellence.

Over the years and in all our management areas we have promoted best practices, high standards of efficiency, effectiveness, integrity and transparency, together with the proper use of resources. We have a genuine desire for transparency and have generated a dialogue with broad public exposure. This dialogue consists of actively disseminating information of interest through our channels of communication, on matters pertaining to management, progress and results of Chile's leading company. We seek to proactively maintain this communication updated, accessible and understandable.

Sustainability is another of our strategic priorities, which includes outmost concern for safety and occupational health, care for the environment, community management and efficiency in the use of natural resources, as well as the defense and development of markets. Our Master Sustainability Plan, established in 2016, has as its core purpose to develop a Codelco Seal, with sustainable and traceable processes and products, backed by an efficient, inclusive, communicative and innovative organization.

Leading presence

Codelco is the world's largest copper producer. We closed 2017 with a production of 1,842,075 metric tons of fine copper, including our stakes in El Abra and Anglo-American Sur. This figure is equivalent to 9% of the world's mine copper output and 33% at the national level.

Codelco is also the world's second largest molybdenum producer, with an output of 28,674 ton of fine molybdenum in 2017, which was equivalent to 46% of the national mined molybdenum production.

Our commercial portfolio

We produce and market the following refined and unrefined copper products, byproducts and semi-finished product:

- **Refined:** copper cathodes with 99.9% purity, which are obtained in our electrorefining and electrowinning processes.
- **Unrefined:** copper concentrates, roasted copper concentrates, anodes and blister (metallic material with a purity of about 99.5%, which is used as a raw material for the production of copper cathodes).
- **Byproducts:** molybdenum, our main by-product is a key input in the manufacture of special steels; sulfuric acid, which has the property of dissolving various metals and substances; gold, silver and rhenium.
- **Semi-finished:** copper wire.

Financial strength

Codelco has developed and maintains long-term relations with a stable and geographically diverse client base, who include some of the world's leading manufacturing companies.

We regularly access the national and international banking system and capital markets in order to finance investments and refinance liabilities.

We conduct operations in the Latin American, North American, Asian and European financial markets through bonds and bank credits. Our long track record has permitted us to develop a broad base and high-quality base of banks and investors.

Technology and innovation

The processes used in global mining over previous decades are no longer viable due to new environmental regulations, economic, community or human safety challenges. To spearhead 21st century mining we must do things differently, take on new perspectives and rethink new solutions to our biggest challenges. Therefore, technology and innovation are at the center of Codelco's business and are indispensable elements to ensure our future.

Internationalization

Our explorations in Chile and abroad are ongoing and seek to expand our mining base and ensure our long-term business. The internationalization of the company involves the search for exploration options in the richest copper regions in the world. We are opening the way to Chilean mining, giving our country the opportunity to export knowledge, to develop exploration and mining production of copper and other minerals.

The future

Several concomitant factors such as technical complexities, rising costs and greater environmental demands have convinced us of the need to rethink, adjust and optimize structural projects for the purpose of extending the life of the deposits, raise our standards and increase our productivity.

During 2017 we invested a total of US$ 3,146 million on structural projects and another development portfolio, exceeding the previous year's investment figure (US$ 2,738 million), thus continuing to place Codelco as the company that invests the most in Chile.

Foundation and legal framework

Codelco is a company owned by the Chilean state, whose purpose is to undertake mining, commercial and industrial activities. The Corporación Nacional del Cobre de Chile, Codelco, was founded under Decree Law N° 1.350 of 1976, when the company took over management of the large-scale mines that had been nationalized in 1971.

The company reports to the government through the Ministry of Mining and is governed by ordinary legislation unless otherwise stipulated of the aforementioned decree.

Law N° 20.392, published in the Official Gazette on November 14th 2009, modified Codelco's Organic Statutes as established under Decree Law N° 1.350 as well as regulation of the disposal of assets that do not form part of the mines currently being exploited (Law N° 19.137).

Corporate governance

Our current corporate governance model has its origin in Law N° 20.392, published in November 2009, and effective as of March 1st, 2010. This legal framework modified our organic statute to comply with the corporate governance guidelines for public companies of the Organization for Economic Cooperation and Development (OECD).

In accordance this model, Codelco's central administrative body is headed by a nine-member Board of Directors. Nelson Pizarro Contador, Mining Engineer and current CEO of Codelco reports to the Board.

The current Board of Directors, chaired by Óscar Landerretche Moreno, has fostered a management approach inspired by international standards of good corporate governance, installing broader and more demanding internal regulations regarding corporate transparency, conflict of interest management, trading in influence and business authorizations, among others.

In addition, the Board has adopted the following best corporate governance practices:

- Ensure the independence of the Internal Audit functions, establishing its direct dependence on the Board of Directors through the Auditing, Compensation and Ethics Committee.

- Equip the company with a Corporate Risk and Control Department, dedicated specifically to the adequate risk identification, assessment and analysis and monitoring of controls; this, in addition to ensuring an adequate environment of internal control and compliance.

- Develop a Sustainability Master Plan, which provides the roadmap of the model that will govern Codelco in terms of sustainability for the next 25 years. Several elements are involved under this concept and include occupational health and safety, people, environment, communities, strategic innovation, business and corporate governance.

- Create a Science, Technology and Innovation Committee which supports the Board of Directors through monitoring, evaluation and advising on projects and restructuring developed in those areas.

Composition of the Board

The Board is formed as follows:

- Three directors appointed by the President of the Republic of Chile

- Two representatives of the company's workers, selected by the President of Chile from a shortlists for each seat put forward, and by the Federation of Copper Workers, on one part, and, on the other part, jointly by the National Association of Copper Supervisors and the Federation of Copper Supervisors.

- Four directors selected by the President of Chile from a shortlist proposed for each seat drawn up by the Civil Service Board, with the approval of four-fifths of its members, renewed in pairs.

The Presidency of the Republic appoints, from among the nine directors, the Chairman of the Board. In turn, the Board appoints the company's CEO, who is responsible for implementing the Board's decisions and overseeing all the company's productive, administrative and financial activities.

The CEO has the powers delegated by the Board and remains in the position as long as he / she retains the confidence of the Board.

Board of Directors Committees

The Board of Directors has defined committees that analyze and review specific matters under their responsibility, to prepare proposals that, after being submitted and approved by the Board of Directors, generate the strategic guidelines that pilot the company's actions. These committees are propositional, as the Board remains the legally constituted decision-making body of the administration:

- Auditing, Compensation and Ethics Committee.
- Project and Investment Financing Committee.
- Management Committee.
- Corporate Governance and Sustainability Committee.
- Science, Technology and Innovation Committee.

In the Board's Code of Corporate Governance, the structure and functions of the committees are established; with the exception of the Auditing, Compensation and Ethics Committee, whose formation and functions are established in DL 1.350, granting the same powers and duties contemplated for the Directors Committee, as established in Article 50 bis of the Corporations Act.

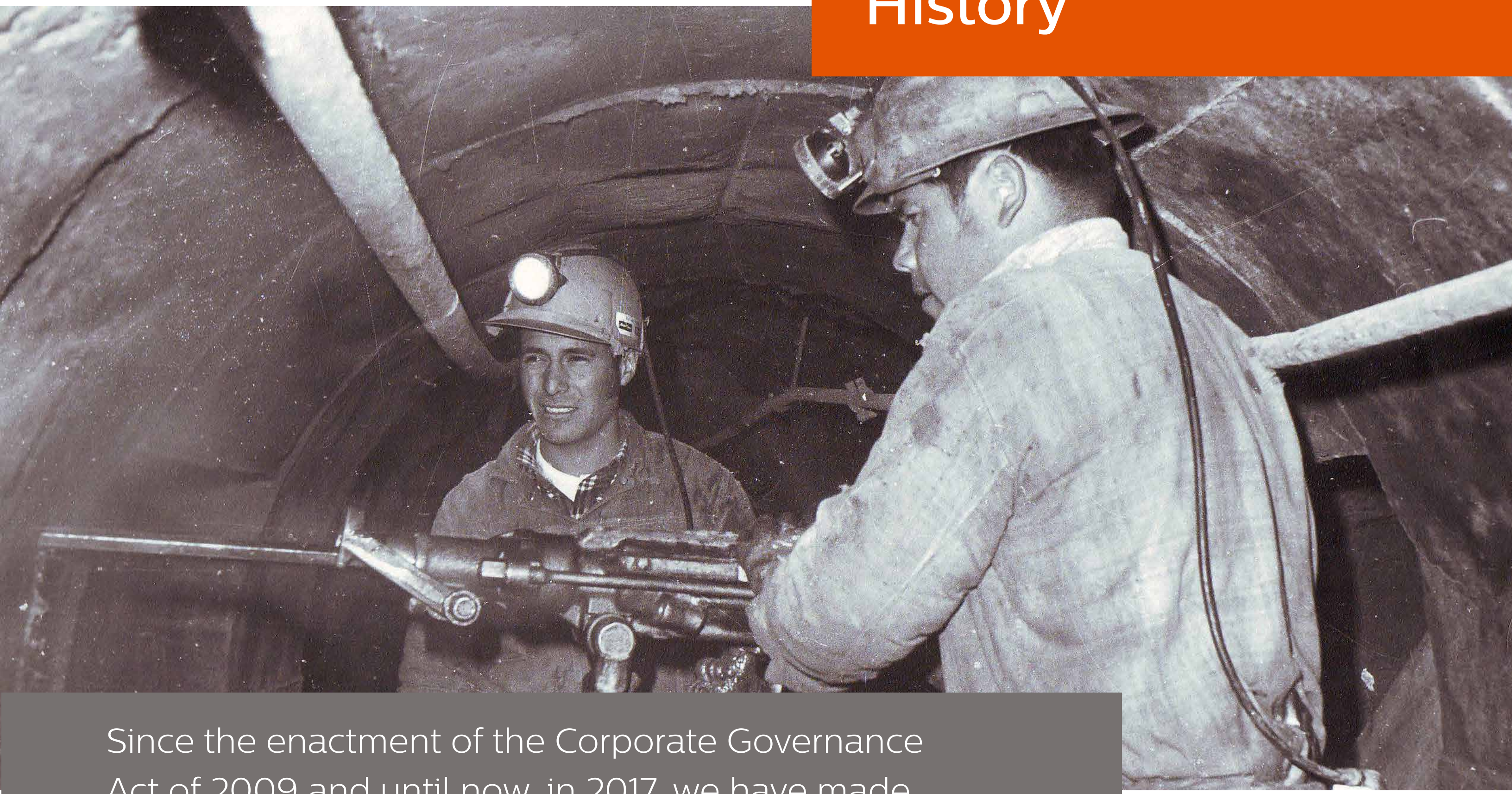
Budget and oversight

Codelco's annual budget is approved through a Supreme Decree issued jointly by the Mining and Finance Ministries. Oversight of the company is exercised by the Commission for the Financial Market (formerly the Superintendency of Securities and Insurance, SVS), the Chilean Copper Commission (Cochilco) and, indirectly through Cochilco, by the Comptroller General of the Republic.

Codelco is inscribed in Securities Register N° 785 of the Commission for the Financial Market and is subject to Securities Market Law. Therefore, Codelco is obliged to disclose the same information as openly-held corporations to said commission and the general public.

Company name:
Corporación Nacional
del Cobre de Chile
RUT: 61.704.000-K

History



Since the enactment of the Corporate Governance Act of 2009 and until now, in 2017, we have made progress in taking our company to the highest standards of management and control, for which various recommendations were followed, including those of international organizations such as the OECD.

In 1966, as part of a process of copper mining industry "Chileanization", the Copper Corporation was created out of the former Department of Copper.

The purpose of the Copper Corporation was to represent the Chilean state on the the boards of the new mixed companies working the El Teniente, Andina, Exótica, Chuquicamata and El Salvador deposits; while overseeing supervises its operative endeavors. These companies shared ownership of the mining properties. In 1970, the state controlled 51% of each of the mixed companies through the Copper Corporation; while undertakings "in the field" were responsibility of the old North American mining companies.

The scenario of the copper industry in Chile changed radically in July 1971, when Congress unanimously approved the Nationalization of the Copper Mining Industry project by enacting Law N° 17.450.

To finalize the nationalization process it was necessary to modify Article 10 of the Political Constitution of the State of Chile, to which a transitional provision was added stating "as required by the national interest and in exercise of the sovereign and inalienable right of the State to freely dispose of its natural resources and wealth, foreign companies that constitute the copper mining industry are hereby nationalized and thus declared incorporated into the full and exclusive domain of the Nation."

With nationalization, the goods and the facilities of the corporations became 100% the property of the Chilean state, who took direct charge of deposit exploitation. Those companies that were mixed private-public entities became subsidiaries of the Copper Corporation.

The new regulations empowered the Chilean government to make use of the organization, exploitation and management of the nationalized companies. They also determined that only exploitation rights could be transferred or constituted on mining concessions for deposits that were not in operation at that time, following prior authorization by law.

As a result of these powers, decrees law 1.349 and 1.350 were enacted, published on April 1st 1976. These decrees divided the Copper Corporation into two independent bodies: the Chilean Copper Commission (Cochilco), as a technical and advisory body; and the Corporación Nacional del Cobre de Chile (Codelco), as a State production enterprise that grouped the existing deposits into a single mining, industrial and commercial corporation, with legal status and its own assets.

Since its foundation, Codelco has managed to carry out the expansion plan and meet the production goals of each year, thanks to the experience and technical capacity of the Chilean engineers who were in charge of the company's management.

During the 1990s, the company achieved a governance pact and strategic alliance between management and workers. It was a mutual commitment that subscribed to a focus on productivity, cost reduction and the organizational shift oriented towards business; in addition to ensuring stable and quality working conditions for the company's workers.

As a result of the profound institutional debate at the Executive and Legislative levels, which culminated in a broad cross-cutting consensus in November 2009, changes were incorporated in our corporate governance, through Law N° 20.392, which modified Codelco Chile's organic statute (DL N° 1.350 of 1976) and the rules governing the disposal of claims currently being exploited (Law N° 19.137). The new guidelines modified, among other matters, the composition of the Board of Directors, entering into force on March 1st, 2010.

As a result of the profound institutional debate at the Executive and Legislative levels, which culminated in a broad cross-cutting consensus, in November 2009 changes were incorporated in our corporate governance through Law N° 20.392.

Among other measures taken, Codelco established a grievances line, we also launched the Corporate Governance Code; updated the Codelco Corporate Standard N° 18, which regulates the control, authorization and reporting under the regulations of the Commission for the Financial Market, for business with companies in which "related persons" work with a Codelco official. Moreover, we approved the Statement of Values, certified our crime prevention model under Law N° 20.393, we created the inspection and control system for contractor companies, defined rules to make the relationship between the Board members and the management transparent and systematic, we expanded the obligation to sign a "Declaration of Interests" to all involved with processing contracts with third parties (approximately 2,000 people); we regulated all future contracting with politically exposed persons, which in all cases requires the express authorization of the Board of Directors. We also approved the standard that controls eventual contracts with "people exposed to Codelco", that is, former employees of the company who, in all cases, require the express approval of the Board.

We also reformed the Legal Affairs Office to ensure the validity of the corporate standards throughout all divisions. The functions of the Internal Audit Unit were strengthened, which ceased reporting to management and began reporting directly to the Board's Auditing Committee.

Today at Codelco we possess a group of standards and processes that allow us to be more prepared for public demands of greater integrity and transparency. Furthermore, we have mapped out the future of Codelco, with the construction of structural projects that will extend the life of Chile's leading company for another 50 years.

Timeline

1904

El Teniente

The Braden Copper Co. from the United States, with cutting-edge technology, initiates ore extraction at El Teniente mine.

1915

Chuquicamata

The Chile Exploration Company, owned by the Guggenheim family of New York, launches Chuquicamata mine operations. United States engineers employ new open-pit mining methodology.

1959

Beginnings of Salvador

The Andes Copper Mining Co. from the United States discovers a new copper ore body in the Indio Muerto Mountain, in the Region of Atacama. Today, this is Codelco's Salvador Division.

1966

Chilenization

The Chilean State becomes the owner of 51% of the properties from Chuquicamata, El Teniente and Salvador, born under Law N° 16.425, has decisive influence on the production and commercialization of the mineral.

1971

Nationalization

Congress unanimously approved the nationalization of the copper mining industry. The State becomes the owner of the assets and facilities of foreign companies that exploited the large deposits at Chuquicamata, Exótica, Salvador, Andina and El Teniente. Concurrently, assumes its administration.

1976

Codelco

On April 1st, by decree of law N° 1.349 and N° 1.350, the Corporación de Cobre was divided into the Comisión Chilena del Cobre, a technical and advisory service agency; and Codelco, as a productive business.

1997

Chilean engineering

Codelco designs, builds and initiates operations at the Radomiro Tomic Division.

2005

Ventanas

Codelco creates the Ventanas Division, after acquiring the Las Ventanas smelter and refinery (until then owned by the Empresa Nacional de Minería.

2009

Corporate Governance Law

Our organic statute is modified to include the composition of the Board of Directors. The new guidelines enter into force on March 1st, 2010.

2010

First structural project

Operations begin at the Ministro Hales Division, our first completed structural project.

2013

New division

Gabriela Mistral becomes new division.

2014

Capitalization Law

Congress approves a historic capitalization plan for Codelco that provides a capital influx of up to US$ 3,000 million for the period through 2014-2018 there by allowing the promotion and materialization of an investment plan.

2015

Historical production

Codelco produces 1,891 million tons of fine copper and reduces direct costs (C1), moving from the third to the second lowest cost quartile in the industry.

2016

Facing diversity

Despite facing the worst crisis in the history of the company, with a sharp drop in the international price of copper, Codelco manages to generate a US$ 500 million surplus revenue for Chile.

2017

Sidestepping the crisis

Codelco delivered US$ 2,885 million in revenues to the State, which is almost six times last year's figure, thanks to the recovery in the price of copper and more focused management in the company's competitiveness and productivity.

Divisions

Radomiro Tomic
DIVISION

PRODUCTION
318,878
metric tons of fine copper

OWN STAFF
1,282
People
As of December 2017

Extraction method: Open pit mine
Operation: Since 1997
Location: Calama, Antofagasta Region
Products: Electrowon cathodes

Chuquicamata
DIVISION

PRODUCTION
330,910
metric tons of fine copper

OWN STAFF
5,664
People
As of December 2017

Extraction method: Open pit mine
Operation: Since 1915
Location: Calama, Antofagasta Region
Products: Electro-refined cathodes, electrowon cathodes and copper concentrate

Ministro Hales
DIVISION

PRODUCTION
215,086
metric tons of fine copper

OWN STAFF
770
People
As of December 2017

Extraction method: Open pit mine
Operation: Since 2010
Location: Calama, Antofagasta Region
Products: Calcine copper, copper concentrate and silver

Gabriela Mistral
DIVISION

PRODUCTION
122,737
metric tons of fine copper

OWN STAFF
556
People
As of December 2017

Extraction method: Open pit mine
Operation: Since 2008
Location: Sierra Gorda, Antofagasta Region
Products: Electro-refined cathodes

Andina
DIVISION

PRODUCTION
220,030
metric tons of fine copper

OWN STAFF
1,724
People
As of December 2017

Extraction method: Open pit and underground mine
Operation: Since 1970
Location: Los Andes, Valparaíso Region
Products: Copper concentrate

Salvador
DIVISION

PRODUCTION
61,942
metric tons of fine copper

OWN STAFF
1,672
People
As of December 2017

Extraction method: Open pit and underground mine
Operation: Since 1959
Location: Diego de Almagro, Atacama Region
Products: Electro-refined cathodes and electrowon cathodes

El Teniente
DIVISION

PRODUCTION
464,328
metric tons of fine copper

OWN STAFF
4,535
People
As of December 2017

Extraction method: Open pit and underground mine
Operation: Since 1905
Location: Machalí, General Libertador Bernardo O'Higgins Region
Products: Anodes and copper concentrate

Ventanas
DIVISION

OWN STAFF
937
People
As of December 2017

Extraction method: Smelting and refinery
Operation: Since 1964
Location: Puchuncaví, Valparaíso Region
Products: Copper cathodes

Key indicators 2013-2017

(Millions of US$)	2013	2014	2015	2016	2017
Sales	14,956	13,827	11,694	11,537	14,642
Consolidated pre-tax profit	3,889	3,033	-2,191	435 (1)	2,915
Codelco pre-tax profit	3,813	3,046	-1,357	500 (2)	2,885
Treasury payments	2,856	2,234	1,088	942	1,366
Investments	4,178	3,364	3,343	2,738	3,146
Total assets	33,355	35,257	33,305	33,403	36,356
Total liabilities	20,948	23,731	23,572	23,512	25,431
Equity	12,408	11,526	9,733	9,890	10,925
Fixed assets incorporation	4,437	3,800	4,261	3,014	3,411
Copper production (thousands of fine metric tons) (3)	**1,792**	**1,841**	**1,891**	**1,827**	**1,842**
Direct employment (As of December 31st 2017)					
Own personnel	19,242	19,073	19,117	18,605	18,562
Workers of operations and service contractors (*)	26,523	26,562	23,098	21,357	20,623
Workers, investment company contractors (*)	21,214	18,778	23,250	25,741	24,965
Copper price (c/lb) (LME cathodes grade A)	**332,1**	**311,3**	**249,2**	**220,6**	**279,7**

On the basis of the Consolidated Financial Statements and under the International Financial Reporting Standards (IFRS).

(1) As of December 31, 2016 and 2015, includes write-offs and impairments for US$ 157 million and US$ 3,217 million, respectively. Minority interests for US$ 58 and US$ 836 million, respectively

(2) As of December 31, 2016 and 2015, including write-offs and impairments for US$ 131 million and US$ 2,431 million, respectively.

(3) Includes Codelco's stake in El Abra and in Anglo American Sur.

(*) They provide services under a subcontracting scheme (Law N° 20.123). Codelco measures Contractor participation with the Full Time Equivalent (FTE) indicator.

EFFECTIVENESS AND EFFICIENCY IN MANAGEMENT

In 2017 copper prices bounced back after years of decline, which in 2016 resulted in the worst crisis experienced by Codelco and by much of the mining industry.

As with most of the mining industry, between 2014 and 2016 Codelco went through a profound crisis, the most extensive in our history. This translated into our company reporting consecutive quarters without surplus for the first time since copper had been nationalized in 1971.

There are several explanations and shared responsibilities for this. Between 2000 and 2013 our company had fallen 15 places in competitiveness within the world's mining industry, our deposits' grade began to fall dramatically, and just between 2011 and 2014 our direct costs increased by 29%.

Furthermore, copper prices dropped drastically: China, the world's main copper consumer curtailed its demand due to its weak economic growth. At the same time, we started facing new competitors worldwide, which increased copper supplies. Those two facts had an influence on the metal's sharp price drop: from an average of 311.3 US cents per pound in 2014 to 220.6 US c/lb. in 2016. That is, per each 100 dollars that we received in 2014, in 2016 we were earning only 71.

Going back in history, for over twenty years (1985-2006) our company had low direct costs (C1), 61.9 c/lb*, which positioned us in the first quartile of the industry, i.e., the most competitive worldwide. Nevertheless, the copper price boom, which gained force in 2007, increased our costs, reaching 156.5 c/lb* in 2012, placing us in the third quartile. Hence, the super copper cycle left a legacy of high production costs that eroded our company's and Chile's competitiveness within the world copper industry.

Another factor that explains our crisis is the historically low investment: during the 2005-2017 period, the company was capitalized and retained earnings equivalent to 12% of comparable net earnings, a figure far below the industry's average, which reaches a reinvestment rate nearing 40% of its net earnings. The financial austerity that resulted from a historically low capitalization, forced us to borrow to cover our most urgent investments.

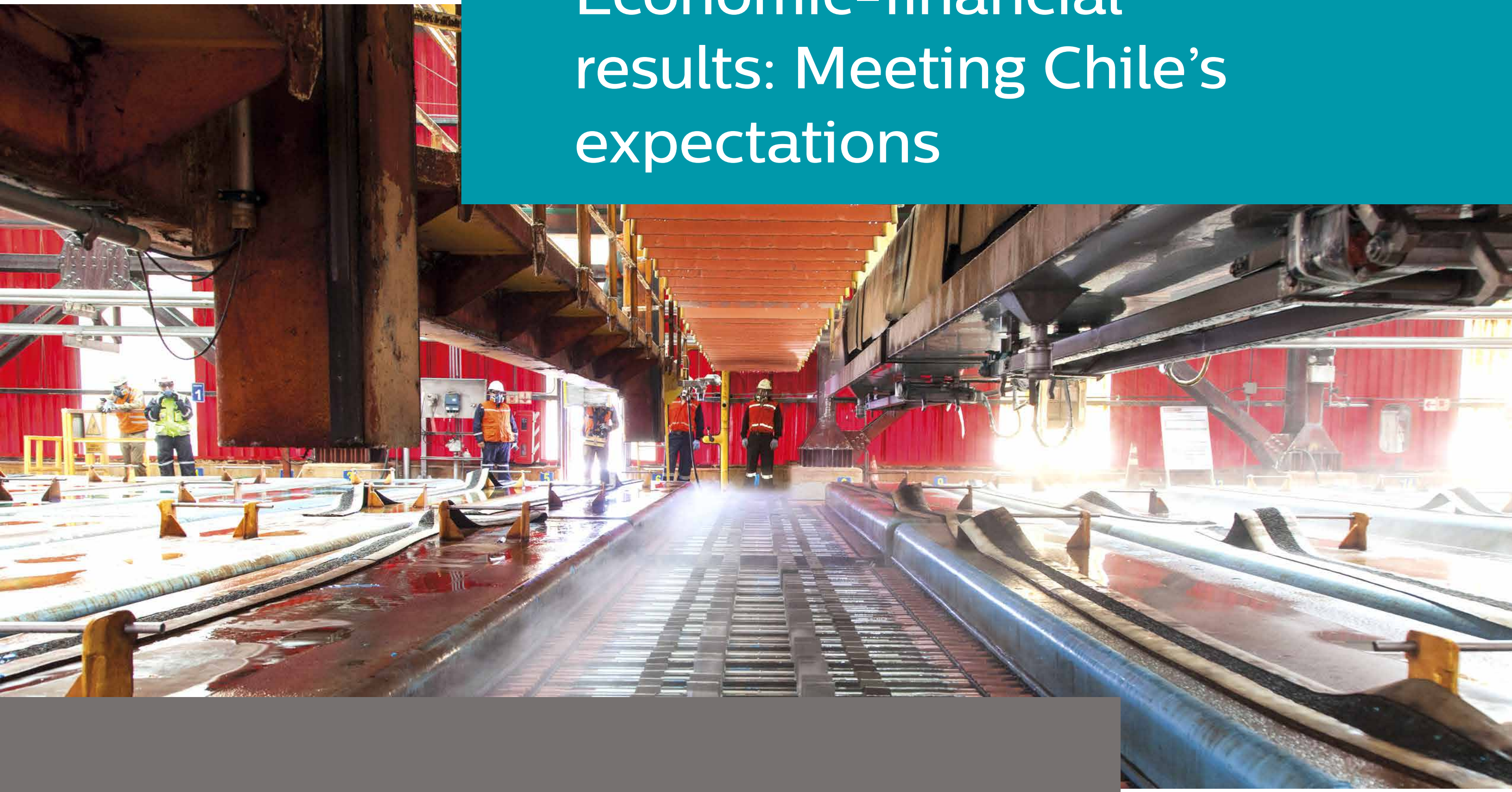
A last factor was low productivity. Our company slowly placed among operations with less productivity as compared to mine sites in Chile and abroad.

Within said context, it became urgent to start a transformation process involving all departments to ensure the company's future through an aggressive reduction of operational costs and an increase in productivity along with a structural projects portfolio, to which we applied an investment cost rationality to improve our competitiveness versus the sector's average and generate extra surplus for Chile.

Despite copper price increases during 2017, we kept our policy of austerity to ensure the company's competitiveness. Hence, a better management process and higher copper prices were the most relevant factors in achieving the goals of Chile's largest state-owned company.

*Currency 2017.

Economic-financial results: Meeting Chile's expectations



In 2017, we generated earnings of US$ 2,885 million which is almost six times the ones generated in 2016 thanks to price recovery and a management process that turned the crisis around. We fulfilled our mission with the country by maintaining our production rate, capitalizing, stabilizing our debt, and financing investments.

We delivered earnings and contributions to the State of Chile

In 2017, Codelco generated surplus representing US$ 2,885 million, earnings that compared to the US$ 500 million generated during the previous year show an increase of 477%, mainly due to copper and molybdenum price increases, both 27%, branch performance improvement, and better productivity and cost rates.

The surplus corresponds to results before income tax and Law N° 13.196 (Copper Discretional Law) that levies 10% on copper and copper by-product sales abroad.

By December 2017, the consolidated Ebitda (earnings before interests, taxes, and amortizations) reached US$ 5,661 million, 94% above 2016, when it was US$ 2,918 million.

Our comparable net earnings, calculated applying the tax frame for private companies, represented US$ 1,936 million in 2017, which is six times more than the previous year, when we achieved US$ 320 million (individual financial statements).

Copper and by-product prices

The London Metal Exchange's average copper price reached 279.7 c/lb. in 2017, 27% higher than 2016's average when it was quoted at 220.6 c/lb.

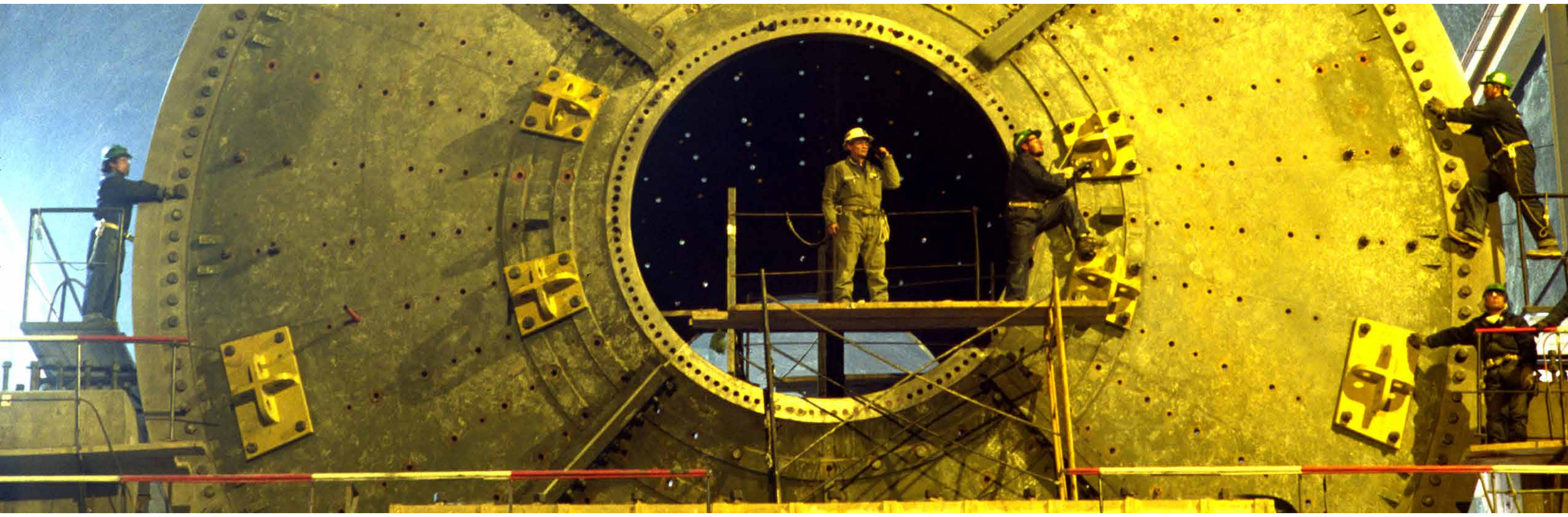
The price of our main by-product, molybdenum, increased 27% versus the previous year averaging US$ 18.1/kilo in 2017 versus the previous year's US$ 14.29 in Metals Week. Furthermore, gold quotes increased 0.7% and silver quotes dropped 0.2%.

Contributions to the State

During 2017, we delivered US$ 1,358 million to the State, as stated in the following table:

Payments to the State (US$ millions)	2017	2016
Income tax and Royalty	23	20
Law Nº 13.196	1,062	917
Dividends	273	0
TOTAL	**1,358**	**937**

Based on individual economic-financial statements. Does not include branch taxes.



Productivity and costs

We reached the 2017 goals outlined in our Productivity and Costs Agenda: US$ 358 million reduction of expenditures versus the baseline defined in the Business and Development Plan 2016 and increased productivity by 5.6%, from 2016's 48.5 mtf/person to 2017's 51,2 mtf/person.

The constant copper price fluctuations and significant production cost increases impeded the sustained development of the copper industry; hence, in 2016 we launched the Productivity and Costs Strategic Agenda 2020 with the aim of increasing productivity and reducing costs within the next five years.

Along with fulfilling our commitments, the 2020 Agenda has also meant a cultural transformation for the company, strongly oriented towards operational excellence, by dealing with continuous improvements for key business processes as well as small-scale internal activities during our daily management of operations. The implementation of our C+ management system, based on the lean methodology, has been critical for this mindset shift.

In 2017, the achieved progress for the strategic agenda allowed us to mitigate the impact on operating costs related to the peso appreciation against the dollar and the increase of relevant consumable prices, such as energy and fuel.

Our challenges 2018 - 2020

Our focus for this triennial will be to ensure the sustainability of attained achievements, elaborating on the initiatives of all Productivity and Costs Agenda guidelines to achieve an increment of 20% in productivity and pursue the same goals, as an aspiration, through the first cost quartile of 2020.

Strategic pillars

- Operational excellence lean management C+
- Development of pro-active maintenance
- Highly competitive third-party services,
- Low cost purchasing management
- Synergies and good practices
- Asset management
- Innovation and applied technology
- Working capital

Substantial increase of productivity

Productivity management implies doing more with the same or doing more with less. Among the ambitious goals we proposed ourselves during these times of crisis was to improve our productivity, which was below industry average, 43 metric tonnes of fines per crew (mtf/crw) in 2014. Between 2014 and 2017, thanks to a combination of strategic factors related to governance, technologies, assets, and people, we achieved an increase of 19% for this indicator, factorizing internal workers and the operation's contactors.

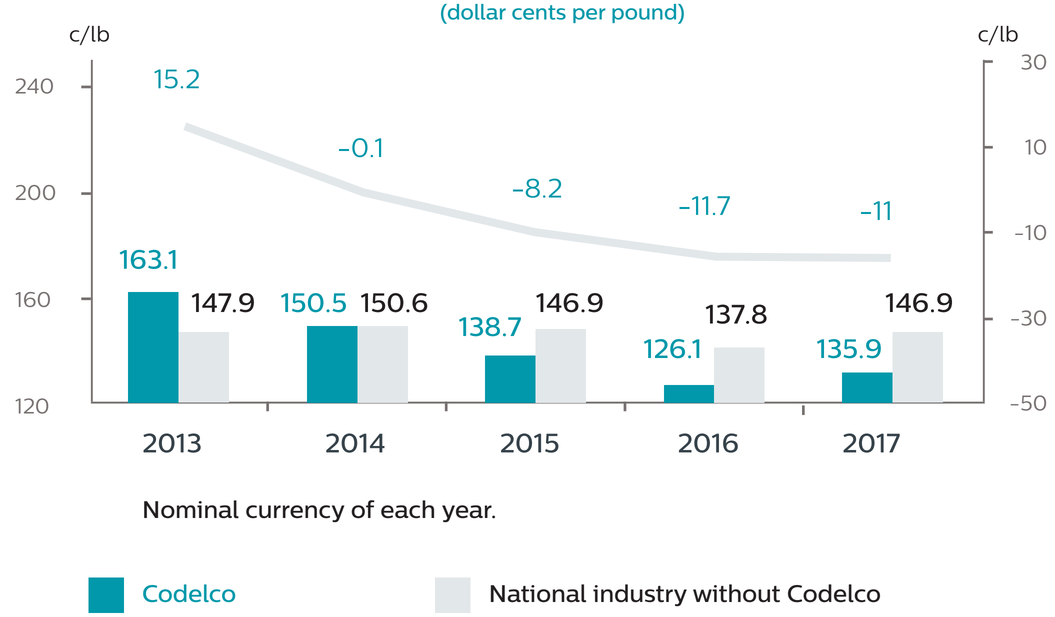
Year	Productivity (mtf/crw)*
2014	43.0
2015	46.6
2016	48.5
2017	**51.2**

*Internal personnel and operation and service contractors factorized to calculate productivity.

We understand that we must lower our costs to continue as the country's development engine for another 50 years

Within this context, we had a relevant achievement: in 2013 our direct costs were 10% above the competition's average, in 2017 they were 8% lower than the national industry's average.

Direct costs (C1): national industry versus Codelco
(dollar cents per pound)



Nominal currency of each year.

Costs

Our total costs and expenses experienced an increase of 6%, from 214.6 c/lb. in 2016 to 227.1 c/lb. in 2017. Meanwhile, our cathode net costs have increased 7% since 2004, from 204.1 c/lb. to 218.0 c/lb. during the same period.

On the other hand, our direct costs (C1) reached 135.9 c/lb in 2017, 8% above 2016's C1 (126.1 c/lb), mainly due to a decline of the currency exchange rate and higher consumable prices.

Unit costs (dollar cents per pound)	2017	2016	Var
Total overhead	227.1	214.6	6%
Net costs, cathodes (C3)	218.0	204.1	7%
Cash costs, direct (C1)	135.9	126.1	8%

C1 is the type of cost applied by the world mining industry to benchmark management among different companies.

Production

In 2017 we reached a production of 1,842,075 metric tonnes of fine copper (mtf) including our own deposits plus our share in Minera El Abra (49% ownership) and Anglo America Sur S.A. (20% ownership). This figure amounts to an increase of 15 thousand mtf (0.8%) versus 2016's production (1,827,267 mtf) mainly due to increased copper processing (1%) and recovery (0.8%) rates from our divisions.

Our Copper production reached 1,733,911 mtf in 2017, 1.5% above the figure recorded in 2016. Meanwhile, we produced 28,674 mtf of molybdenum in 2017, 6.4% below 2016's production rate, mainly due to a lower molybdenum contribution from the Chuquicamata Division resulting from lower grades.

Copper and molybdenum production 2016-2017

(metric tonnes fines)	Copper		Molybdenum	
	2017	2016	2017	2016
Chuquicamata	330,910	302,010	15,518	17,392
Radomiro Tomic	318,878	318,255	1,739	1,770
Gabriela Mistral	122,737	121,712	-	-
Ministro Hales	215,086	237,020	-	-
Salvador	61,942	59,796	854	902
Andina	220,030	193,341	4,365	3,894
El Teniente	464,328	475,339	6,199	6,683
Codelco	**1,733,911**	**1,707,474**	**28,674**	**30,641**
El Abra	38,417	48,957	-	-
Anglo American Sur	69,746	70,836	-	-
Total	**1,842,075**	**1,827,267**	**28,674**	**30,641**

Other by-products

Our sulfuric acid production totaled 2.9 million tonnes, 34% of which was traded and the remainder (66%) was primarily assigned to ore leaching operations.

Anode sludge production containing gold and silver precious metals reached 1,823 tonnes in 2017.

Other by-products 2016-2017						
(metric tonnes, fines)	Gold (Kg)		Silver (Kg)		Acid (tonnes)	
	2017	2016	2017	2016	2017	2016
Chuquicamata	986	1,138	267,319	194,936	759,049	914,566
Radomiro Tomic	-	-	-	-	-	-
Gabriela Mistral	-	-	-	-	-	-
Ministro Hales	-	-	126,948	264,675	257,955	254,454
Salvador	621	765	53,028	62,044	318,699	461,909
Andina	-	-	55,008	48,335	-	-
El Teniente	823	945	96,664	103,788	1,214,941	1,191,993
Ventanas	-	-	-	-	350,740	333,022
Codelco	**2,430**	**2,847**	**598,967**	**673,777**	**2,901,385**	**3,155,944**

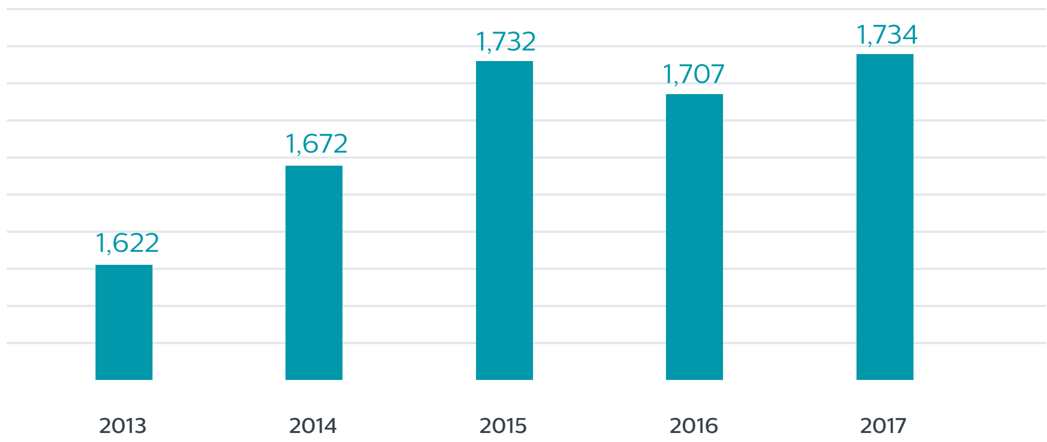
Record high production despite grade drop

Our production achievements are highly valuable if we consider that since 2013 to date, grade drops have reached 9%.

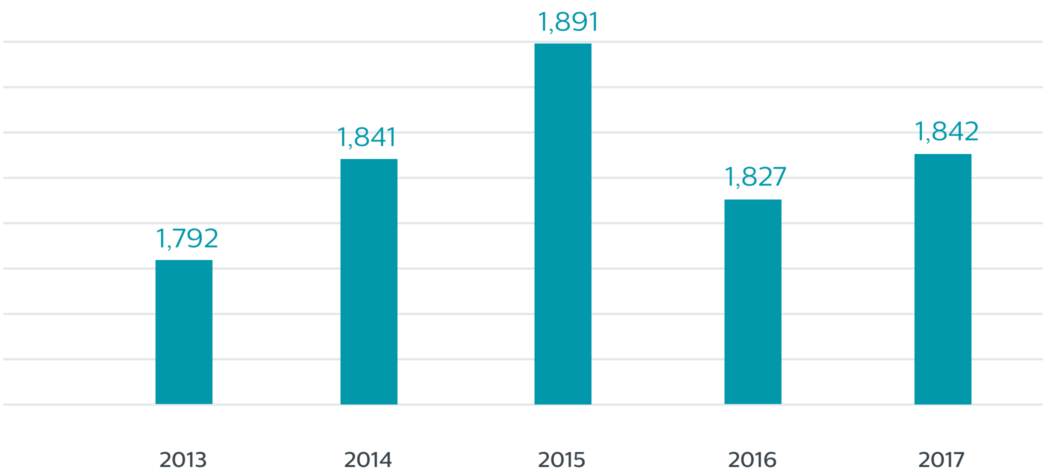
During the 2014-2017 period, we were able to sustain the highest copper production levels in Codelco's history, considering 1.7 million tonnes of own copper and 1.8 million tonnes when factorizing in our share of El Abra and Anglo American Sur.

We achieved a record production of 1,733,911 tonnes of own copper in 2017, the second highest figure in our 46-year history (being the first one in 2011, 1,735,243 tonnes of own copper).

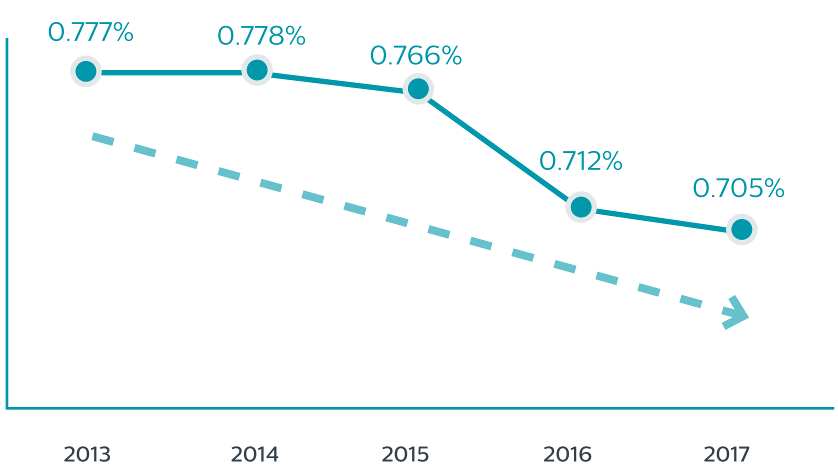
Codelco's internal production
(thousands of tonnes)



Total production
(includes Anglo-American and El Abra shares)
thousands of tonnes



Ore grade drop since 2013 (9%)



Financing

Our financial management during 2017 streamlined the debt maturity profile more efficiently, chronologically matching the flows expected by the investment plan and decompressing requirements during high investment demand periods.

Under said logic we performed financial operations for an added amount of US$ 3,350 million in 2017. During April and June, we refinanced two bilateral credits of US$ 300 million each, extending their maturity from 2018 to 2022.

In July we issued 10 and 30-year bonds for US$ 2,750 million which became the largest Chilean corporate emission in history. Demand for said bonds surpassed the supply by more than five times.

The bid attracted more than 360 investors: 57% from the United States, 23% from Europe, 13% from Asia and the Middle East, and 7% from Latin America. Bond emission was led by HSBC Securities (USA) Inc, JP Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith, and MUFG Securities Americas Inc.

Bond	Amount	Coupon	Yield
Codelco 2027 (10 years)	US$ 1,500 million	3.625%	3.839%
Codelco 2047 (30 years)	US$ 1,250 million	4.500%	4.674%

Simultaneous to the emission, we launched an unprecedented operation for the company which consisted of a bid to buy bonds in US dollars maturing between 2019 and 2025 reaching US$ 2,367 million.

In September and December, we advanced payment on two bilateral bank loans expected to mature in 2018 thus contributing to the decompression of the maturity profile for short-term debt. The total amount paid reached US$ 600 million.

Capitalization

Since 2014, the State has injected US$ 1,620 million in Codelco, approving earning withholdings for an additional US$ 200 million and allowed the transfer of resources applying the Copper Discretional Act which implied a special company capitalization of US$ 475 million in 2017.

In total, during the 2014-2017 period the resources amounted to US$ 2,295 million, which allowed us to maintain our level of debt during said years without mortgaging the investments required for the structural projects portfolio.

The approved capitalization of our company has the goal of sustainably financing our investment portfolio. Between 2014 and 2017, we hereby received US$ 2,295 million.

Risk rating

Our company is ranked by four financial rating companies: Moody´s and Standard & Poor's at international level, and Fitch Ratings and Feller-Rate, at local level. In October, due to our financial performance, specifically, and new copper price prospects and base metal market conditions, in general, the Moody's agency changed its rating of the company from A3 negative to A3 stable. Standard & Poor's did not change during 2017 continuing at A+ stable. Local ratings remained at AAA for Fitch Ratings y Feller-Rate, both with a stable outlook.

Financial management

The price of copper has a significant impact on the financial results of the industry's companies. To tackle its fluctuations, our main strategy aims at maintaining a competitive costs structure versus the industry.

Our company uses derivatives to ensure that shipments are sold at market prices current for the month as established by our price policy applicable to each product. Derivate operations do not include speculative operations.

To manage risks associated to exchange rates and interest rates we eventually considered the use of an exchange rate coverage to cover market variations having an impact on obligations in a currency other that the U.S. dollar. Meanwhile, to cover interest rates we considered the eventual use of contracts to set rates for existing obligations. Said actions do not represent speculative operations.

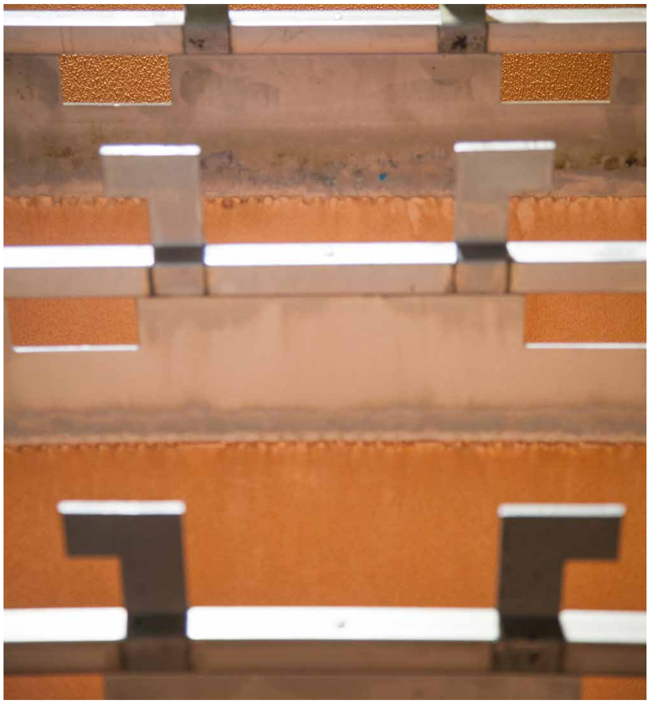
Insurance

At Codelco, we uphold insurance programs to cover assets, workers, and eventual losses from disruptions. At the same time, said insurance policies include risk terms that consider the current context of the insurance market and our company's own ability to absorb incident losses.

Incidents

In September 2017, insurance companies compensated our company US$ 17 million, figure corresponding to a climate event incident in April 2016 that involved the El Teniente and Andina divisions.

By December 31st 2017, we did not show material incidents in process of being liquidated.



International copper market

The strong recovery of the copper price during 2017 had a positive impact on the world's mining industry.
The year ended with an average 27% price increase compared to 2016.

The London Metal Exchange copper price averaged 279.8 dollar cents per pound (c/lb.) in 2017, equivalent to US$ 6,171 per tonne, which represented an increase versus 2016's 220.6 c/lb. average.

The price evolution during the year was positive with a minimum average price of 247.7 cents per pound (c/lb.) (5,461.7 US$/tonne) in May with a peak price of 329.0 c/lb. (7,253.7 US$/tonne) in December. From the beginning to the end of 2017, the copper price recorded an increase nearing 30%.

During 2017's first quarter the London Metal Exchange's (LME) copper price averaged 264.6 c/lb., representing an approximate increase of 25% versus 2016's same period.

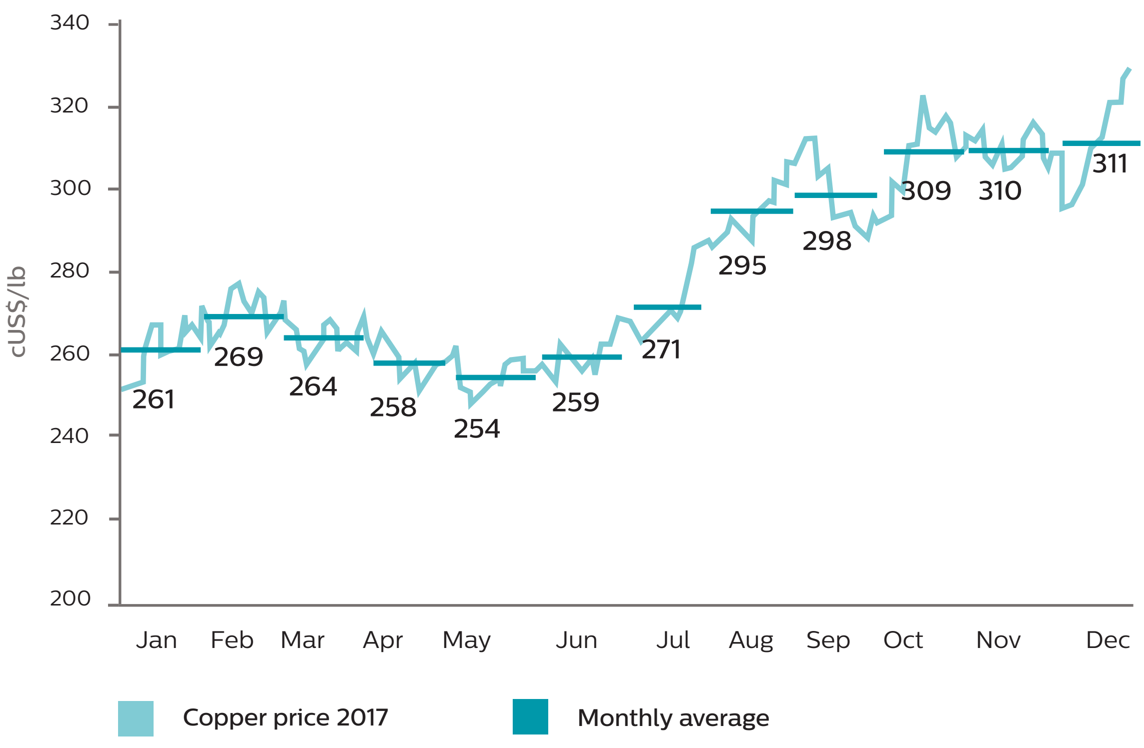
This variation was mainly the result of worker conflicts and export restrictions of Escondida (Chile) and Cerro Verde (Peru) along with Grasberg's (Indonesia) export issues which created production disruptions.

During the second quarter, the average price dropped to $257.1 c/lb due to less favorable growth information reported by China for their sectors heavy in copper consumption and high inventory levels at the time.

Nevertheless, during the third quarter the price had a positive evolution averaging 288.3 c/lb. and representing 12.1% versus the previous quarter. This variation was the result of the optimism generated by the estimation of China's consumption and positive results for said country's manufacturing sector.

The upward trend slowed down at the beginning of the fourth quarter, leveling prices off between October and November; however, the price rose again during the last month reaching 329 c/lb. on December 28th.

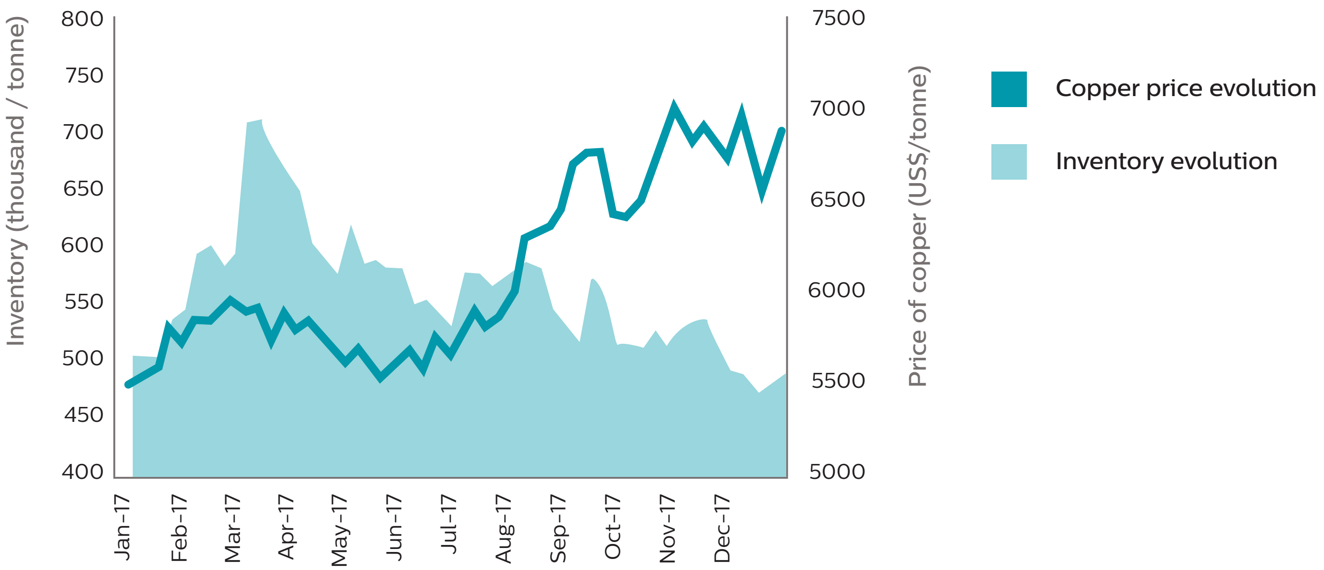
Copper price and monthly average 2017
(London Metal Exchange, LME)



Total copper inventories at LME, Comex, and SHFE official warehouses experienced an increase of reserves during the first four months of 2017 reaching a maximum of 715 thousand metric tonnes of fines (mtf) during March, which slowly showed a downward trend during the year closing with 487 thousand mtf of reserves by December 31st.

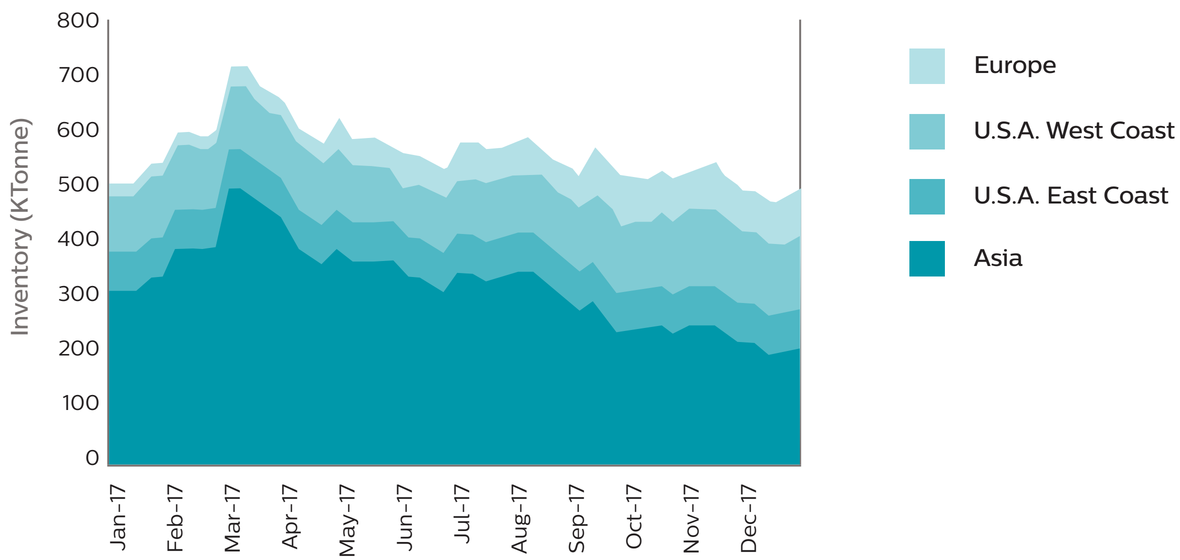
This influenced several market agents to invest in the aforementioned metal exchanges since the narrowness of the quote was accompanied by a sustained growth of the world's demand for refined copper which boosted the metal's price.

LME copper price (US$/tonne) and total inventory evolution (thousand/tonne)



Source: Bloomberg

Inventory evolution per region



Source: Bloomberg

Sales

Our total earnings reached US$ 14,642 million in 2017, representing a 27% increase versus 2016 for copper, molybdenum, and by-product sales, copper representing 93% and the remaining products 7%.

Copper (internal and third party) trading represented earnings of US$ 13,643 million which correspond to a total of 2.15 million metric tonnes of fine copper sold.

During 2017, trading of molybdenum and miscellaneous by-products (mainly metals and sulfuric acid) reached US$ 999 million, US$ 502 million representing molybdenum sales and US$ 497 million the remainder of products.

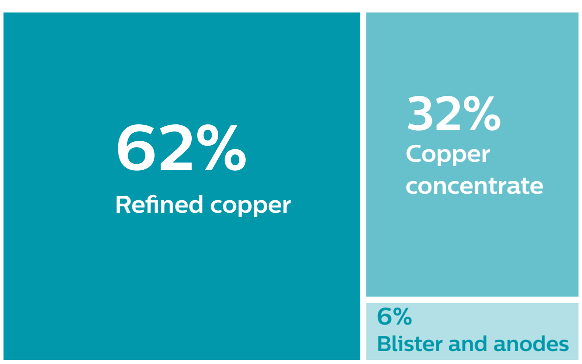
Products 2016 - 2017
(in US$ millions)

	2017	2016
Copper	13,643	10,534
Molybdenum	502	419
Other	497	583
TOTAL	**14,642**	**11,537**

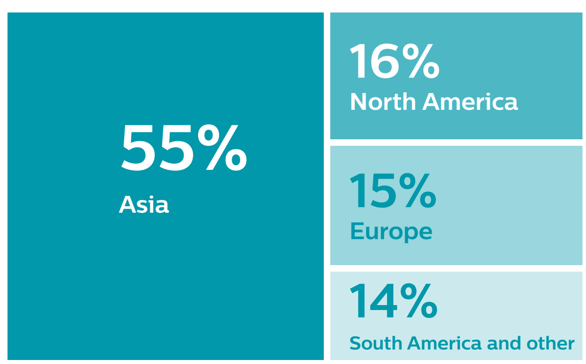
Distribution

Physical copper sales (own and from third parties) recorded a 5% drop versus the previous year, from 2.26 million to 2.15 million metric tonnes of fine copper during 2017. The distribution per product type is: 62% refined copper, 32% concentrate and 6% blister and anodes. The main market for our copper sales corresponded to Asia with 55%, followed by North America with 16%, Europe with 15%, South America and other markets with 14%.

Physical copper sales per product 2017



Physical copper sales per market 2017



Business operations with third parties

Our challenges for the supplies area have been geared towards transforming our way of relating with goods and services suppliers based on our strategic productivity and costs guidelines.

In 2017 we did business with 3,094 suppliers, representing 2,865 domestic suppliers and 229 foreign suppliers. To that effect we allocated US$ 4,602 million, figure that includes long-term energy and fuel supply contract commitments.

We launched a modernization plan to generate savings and make our company's goods and services supply task more efficient with a strong emphasis on process transparency and integrity.

We redesigned our processes to make them traceable, robust, more efficient and simpler, achieving a unique corporate process that ensures conformity of the information forwarded to suppliers and that any purchase or contract follows the same principles, controls, and requirements.

Consumption of goods and services 2013-2017
(US$ millions)

	Goods					Services					Total				
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
Operation	1,498	1,487	1,780	1,950	2,036	3,659	3,502	3,641	4,179	4,387	5,157	4,989	5,422	6,423	6,499
Investment	297	252	258	481	509	2,015	1,621	1,397	1,712	2,451	2,312	1,873	1,655	2,960	3,095
Total	**1,795**	**1,740**	**2,038**	**2,431**	**2,545**	**5,673**	**5,123**	**5,038**	**5,891**	**6,837**	**7,468**	**6,863**	**7,077**	**9,382**	**9,594**

We showed a marked competitiveness level and market openness which was evidenced by two key indicators: public tenders reached 58% of the total contracted amount in 2017 (versus 35% of the previous year); additionally, private tenders dropped from 55% in 2016 to 33% in 2017.

Direct allocations totaled 1.1% of the contracted total amount, which represents a significant drop from previous years and shows the company's clear business decision to open markets, make our requirements transparent, and decisively increase competitiveness.

Business per allocation type 2013 - 2017

		2017			2016			2015			2014			2013		
Type of allocation		Amount of business	Amount (thousands US$)	%	Amount of business	Amount (thousands US$)	%	Amount of business	Amount (thousands US$)	%	Amount of business	Amount (thousands US$)	%	Amount of business	Amount (thousands US$)	%
Public tender	Investment	198	464,645	10.1%	57	156,190	2.8%	13	6,901	0.1%	21	26,649	0.6%	135	136,122	1.9%
	Operation	26,728	2,204,004	47.9%	27,468	1,819,348	32.2%	30,624	2,085,489	30.0%	32,271	644,072	13.8%	29,701	2,370,355	33.2%
Total public tender		**26,926**	**2,668,649**	**58.0%**	**27,525**	**1,975,538**	**35.0%**	**30,637**	**2,092,390**	**30.1%**	**32,292**	**670,721**	**14.4%**	**29,836**	**2,506,477**	**35.1%**
Private tender	Investment	499	1,116,611	24.3%	638	2,380,429	42.1%	704	1,572,282	22.6%	706	1,249,180	26.8%	967	1,102,312	15.4%
	Operation	3,045	398,603	8.7%	2,966	706,954	12.5%	4,300	2,343,385	33.7%	3,904	1,958,185	42.0%	3,871	2,351,411	32.9%
Total private tender		**3,544**	**1,515,213**	**32.9%**	**3,604**	**3,087,383**	**54.6%**	**5,004**	**3,915,667**	**56.4%**	**4,610**	**3,207,364**	**68.7%**	**4,838**	**3,453,723**	**48.4%**
Direct award	Investment	52	8,711	0.2%	128	68,102	1.2%	231	326,332	4.7%	331	229,037	4.9%	512	375,030	5.3%
	Operation	197	41,397	0.9%	456	40,752	0.7%	1,094	104,434	1.5%	1,369	136,470	2.9%	1,435	298,395	4.2%
Total direct award		**249**	**50,108**	**1.1%**	**584**	**108,855**	**1.9%**	**1,325**	**430,766**	**6.2%**	**1,700**	**365,507**	**7.8%**	**1,947**	**673,425**	**9.4%**
Other awards	Investment	82	63,005	1.4%	62	211,645	3.7%	149	47,296	0.7%	129	144,756	3.1%	155	97,266	1.4%
	Operation	1,695	304,719	6.6%	1,281	267,474	4.7%	1,361	459,316	6.6%	1,441	278,744	6.0%	2,183	406,862	5.7%
Total other awards		**1,777**	**367,725**	**8.0%**	**1,343**	**479,119**	**8.5%**	**1,510**	**506,613**	**7.3%**	**1,570**	**423,500**	**9.1%**	**2,338**	**504,128**	**7.1%**
	Investment	831	1,652,972	35.9%	885	2,816,366	49.8%	1,097	1,952,810	28.1%	1,187	1,649,622	35.3%	1,769	1,710,730	24.0%
	Operation	31,665	2,948,723	64.1%	32,171	2,834,528	50.2%	37,379	4,992,624	71.9%	38,985	3,017,470	64.7%	37,190	5,427,023	76.0%
Total		**32,496**	**4,601,695**	**100.0%**	**33,056**	**5,650,894**	**100.0%**	**38,476**	**6,945,434**	**100.0%**	**40,172**	**4,667,092**	**100.0%**	**38,959**	**7,137,753**	**100.0%**

Significant management advances

- We improved third-party services through value capture methods, optimizing contracts and business transactions, and a service desk that, as a whole, increased our third-party services' effective work time by 20% and, consequently, a real increase of our contracts' performance.

- We applied a new asset procurement design geared towards maximizing the operational efficiency of low value and high consumption items and top business efficiency for those of higher cost that have an impact on our production processes´ returns.

- During the second half of 2017, we curtailed logistics costs by 6.2% thanks to a modification of the merchandise hauling process that included intermediate storage hubs. We renovated our cargo conveying system to operate with a 3LP model, unique in the industry that optimizes reception, loading, and shipping to destination operations. We started its implementation during mid-2017 and we have been able to eradicate the logistics chain bottlenecks by reducing the storage time of transit material, incorporating reception schedules and freight dimensioning and hauled volume optimizing systems.

Inventories

We reduced stored inventories by 16%, which meant almost US$ 90 million in total reductions. Thus, we reached a turning point for our inventory's historical trend and demonstrated that we can manage stock in line with our requirements and reduce stored material inventories.

Supplier relationships

Among our biggest challenges is to establish a new deal with suppliers and contractors; hence, in 2017 we developed a segmentation baseline for supplier company competencies to facilitate the pre-qualification process during tendering stages.

To that effect, we established standard tools and criteria to assess suppliers, measure financial aspects, and create a competency-based segmentation. We also applied a global benchmark to interpret quotes, manage supplier information, and code service items. Thus, we can compare the strengths of the different suppliers in domestic and international markets.

Systems and business operations

We consolidated our consumables and spares purchasing system into one digital platform.

Additionally, our business intelligence area focused on opening domestic and international markets and establishing formal tools to perform industrial testing, monitor cases, and share experiences and lessons learnt from successful initiatives.

Relationships with contractor companies

We implemented actions to establish rules, standardize, and control processes with the purpose of improving the productivity of services provided by our contractors. To that effect, the Managing department of Contractor Management and Control administers and oversees compliance of legal, norms, and procedures of contract stages governing relationships with said companies.

In Codelco we encourage working relationships of contractor companies with their base union and we excise a facilitating role, checking compliance of the framework agreement which has been fully incorporated into our tender terms and corresponding civil act contracts.

Human resources

According to our business challenges, productivity, governance, and transformation are the strategic pillars that guide our human resources management.

We attract talented people to work in our company and contribute to their training

Our company seeks to attract and recruit young professional talent from the technical field for the different specializations that we require and, additionally, contribute to their formation. During 2017 we participated in eight labor fairs at five universities; additionally, we incorporated over 1,000 students (29.7% women and 70.3% men) in professional internships at the different Codelco divisions.

Our graduate program includes an excellence profile and commitment with the nation

This program has been our tool to secure young professionals for specific areas in addition to having a training program designed towards productivity, sustainability, and future mining challenges. During the year we incorporated 68 young professionals (48.5% women) with leadership abilities, motivated towards excellence and committed to the country's progress.

Recruiting and selection

We generated 952 position assignment processes that provided 2,423 vacancies. We received a total of 103,369 applications, 87% corresponding to men and 13% to women.

The high amount of applications is coherent with Merco Talento's ranking of our company for the second year in a row which measures job quality, employer brand, and internal reputation.

Training

We trained 15,969 people and executed 625,675 training hours representing an investment exceeding US$ 14 million in 2017.

Training 2017	
Training index	1.6%
Average hours per person	34
Average investment per person (US$)	901
Total investment in training (millions, US$)	14

We evaluated our performance to reach high management standards

Our performance management is a process that consists of aligning an expected behavior from workers with the goal of consolidating a high-performance organization and a culture that rewards a job well done. The performance evaluation reached a total of 3,817 executives and professionals in 2017, representing a participation of 99.7% of our target labor force.

We have a mentoring program to convey knowledge and experience

Among the initiatives to leverage the business' sustainability is our mentoring program which, in essence, attempts to convey the experience and knowledge of renowned executives to professionals identified with development potential.

Among the year's advancements, we launched the pilot version of the mentoring program focused on female leadership. Specifically, 20 professionals with development potential were selected at our company's different work centers.

We implemented a succession program to secure the availability of high-performance professionals

We consider the succession system a strategic process to secure the availability of professionals capable of leading our company to levels of excellence during its business operations. Essentially, our intention is to attract, engage, and develop the present and future leadership potential required to fill company key positions to achieve sustainability for the business.

Three years after the succession system's implementation we can present the following:

- **337** key positions identified and qualified, representing 8% of our executive and professional staff.
- **581** executives and professionals in the succession baseline representing 14% of executives and professionals.
- **100%** of our work centers have a succession development committee.
- **88%** of key positions have potential successors identified and under training.
- **95%** of successors have a current training plan (the target for 2017 was 80%). This is an indicator of the company's exclusive training agreement.
- **82%** of successors have joined in visibility and development initiatives.
- **25%** of successors are participating in the Codelco mentoring program.
- **63%** of vacant key positions are covered by a successor (the target for 2017 was 55%, (as per the company's exclusive training agreement).

We consider gender diversity a strategic challenge

We are fully convinced that diverse teams add value to the business, increasing productivity and providing sustainability to the company. Hence, to be more competitive we must be capable of attracting and retaining the talent of men and women alike because we understand that talent is not found within a specific gender.

In 2017 we reached 9.5% of female participation for our internal staff versus 2016's 9%. This figure exceeds the industry's average. Additionally, we increased female participation to 25% in both, branch and related company boards, an important gain versus 2014 when it was 12%.

We also worked towards the consolidation of training programs to accelerate female participation in decision-making positions. By December 2017, women represented 18% the company's succession baseline.

During 2017 we also certified the Ministro Hales, and Radomiro Tomic divisions, and the Vice-presidency of Projects under the 3262 Chilean Standard, hence, 60% of work centers have been certified.

Electronic signature

We started the corporate implementation of the electronic signature Project for working documents. This tool allows us to check the authenticity of a document's author or electronic transaction. The working document format is managed through a DEC digital platform (certified electronic document) which is highly flexible, safe, and confidential.

Teleworking

In June and August 2017, we implemented at Headquarters the Information Technologies Management Department's teleworking pilot project in 4x1 weekly shifts (4 days working at home and 1 day at the office). Its implementation required the development of a joint induction program to create an understanding of this modality's basic terms and features, encouraging a coordinated effort and stressing the use of technological tools. Its implementation specifically focuses on contract and work safety aspects. This initiative has a positive impact on the conciliation of work, family, and personal life and life quality as such. In addition, we register an increase in productivity associated with better concentration in performing various functions.

Our stake in applying the principle of equality of women and men

In 2015 we defined gender diversity as a strategic challenge thus creating a framework governing of this area: the Department of Gender Diversity which was created with the objective of transversally reflecting this key pillar throughout the company facilitating the application of women and men equality during our daily tasks.

Since then, in 2017 we certified the work, family, and personal equality and conciliation management system under the 3262 Chilean Standard at Gabriela Mistral, being the only mining operation to obtain said seal. Headquarters, Ventanas, Radomiro Tomic, Ministro Hales, and the Vice-presidency of Projects followed suit. Meanwhile, Andina and El Teniente are under the certification process.

In 2016, we closed the year with the approval of the gender diversity and work, family, and personal life conciliation Policy which was achieved through a joint effort of the Federation of Copper Workers (FTC in Spanish) and management within the context of the round tables formed to develop Codelco's Strategic Pact which advances women and men equally.

At Codelco we have also worked to create the conditions to facilitate and encourage more women to enter into the mining industry, surpassing the national average for the sector's female staff. We believe that heightening women participation, especially in executive roles is an ethical business imperative.

Our federations and unions

During 2017, management and union leaderships consolidated the operating structure of the Strategic Pact for Chile. The operation of the 31 round tables at division and Headquarter level, three for technical meetings, and 28 for management issues, that jointly represent 23 result commitments, focused on training and development, occupational safety and health, gender diversity, productivity, costs, and production issues, among other.

Several labor issues were covered with the Federation of Copper Supervisors (Fesuc in Spanish) to achieve targets of mutual benefit and with the understanding that said participation is based on appreciation and contributions of people.

Strategic Pact for Chile

This pact, signed in November 2017 by management and the Federation of Copper Workers (FTC in Spanish), is part of a long tradition of labor dialog that has allowed us to build important agreements to face the obstacles and challenges that our company has encountered. The agreement recognizes the need to transform the manner in which we have developed mining by incorporating new technologies throughout the business' value chain, reshaping the organization, increasing productivity, and, above all, transforming our practices and processes to improve Codelco's competitiveness and sustainability.

Collective bargaining

The collective bargaining corporate strategy defined by management in 2017 has the goal of advancing collective bargaining processes with the unions to optimize productivity and control labor costs, in line with the results and profitability committed in structural and business and development plans.

During 2017, we held nine collective bargaining negotiations at five work centers. Of them, six were early negotiations in which 3,463 workers participated.

Collective bargaining 2017

Division	Union
Salvador	Supervisors' Union Role A
Radomiro Tomic	Professionals' Union
El Teniente	Supervisors' Union Role A
	San Lorenzo Union (South Pit)
	Union N° 7 (South Pit)
Ventanas	Union N° 1
	Shift Workers
Headquarters	Supervisors' Union Role A
	Workers' Union

Collective bargaining processes 2015 - 2017

From January 2015 to December 2017, 22 collective bargaining processes with 23 unions of our company were finalized: 3 with 1,85% real adjustment, 3 with 1% real adjustment, and 16 with 0% real adjustment; there were 17 strike days during the period (12 in 2015, 5 in 2016 and 0 in 2017). They were processes marked by a flowing dialog and both parties' understanding that the company's competitiveness be maintained in order to keep on providing surplus for the Nation.

Minimum services

Within the enactment of the Labor Reform framework (April 1st, 2017) during the year we reached an agreement for minimum services and emergency teams with the union leaders of four divisions (Radomiro Tomic, Ministro Hales, El Teniente y Ventanas).

At the same time, we developed an e-learning course available through the current labor law, to support labor relationships and union management in our company.

Unions

Historically, our company has shown a high degree of unionization. Union membership of our staff with indefinite contracts has stayed more or less within the same range. This reflects the value and relevance that workers assign to their union affiliation and representation.

Union membership
As of December 31st, 2017

Division	Internal staff with indefinite contract	
	Rol A	Rol B
Chuquicamata	89.7%	99.7%
Radomiro Tomic	81.9%	99.8%
Ministro Hales	94.5%	99.7%
Gabriela Mistral	72.0%	97.1%
Salvador	91.7%	99.8%
Andina	93.8%	93.5%
El Teniente	82.9%	99.9%
Ventanas	0.0%	100.0%
Headquarters	81.4%	96.9%
Projects	59.6%	0.0%
Codelco	**79.1%**	**99.1%**

Our labor indicators

Staff

Through December 31st, 2017, we showed an internal payroll of 18,562 people (indefinite plus temporary hires), which is 0.2% lower than our 2016 internal staff (18,605 people).

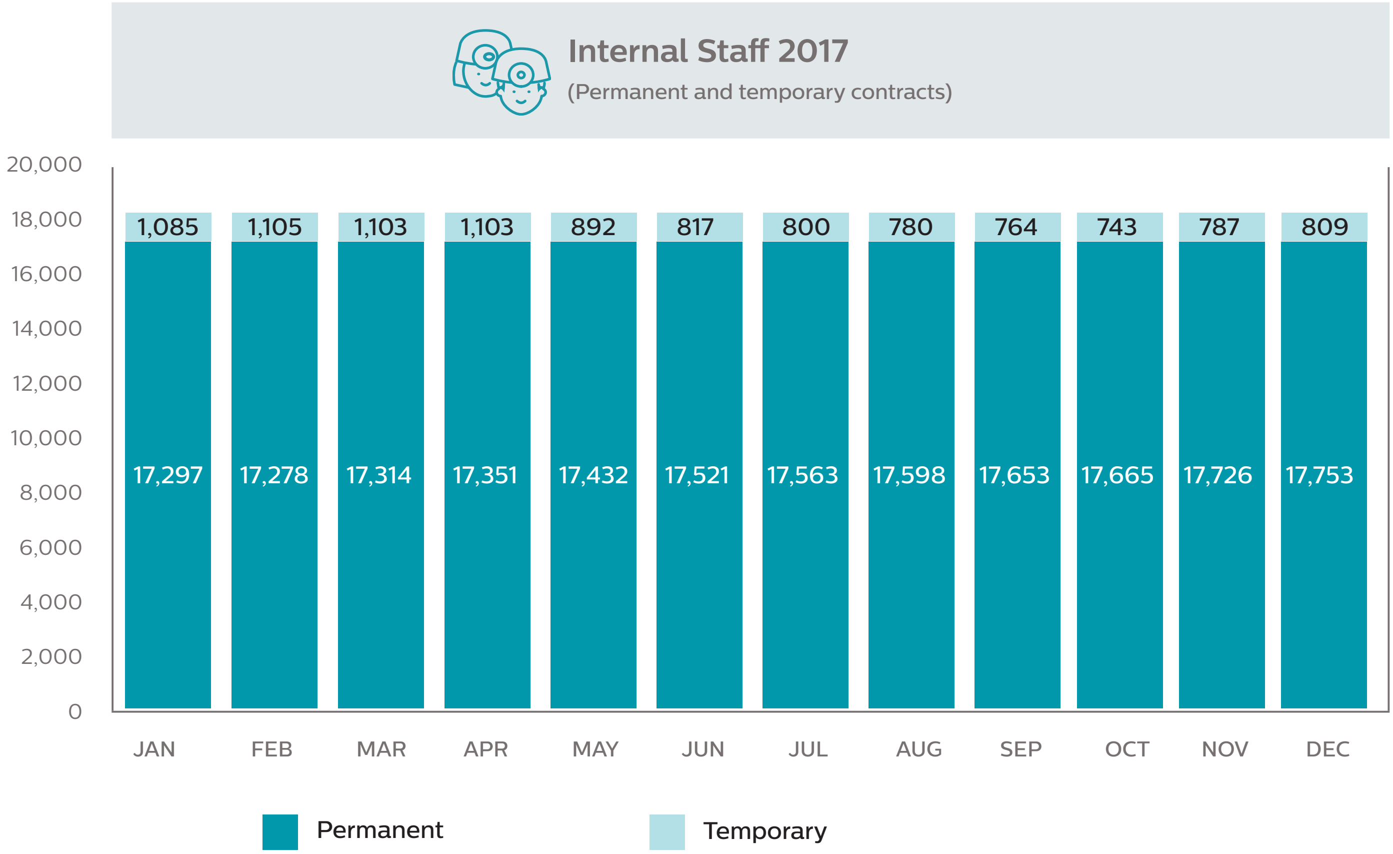
The staff annual average was 18,403 workers.

Company staff per entity

Codelco	Staff December		Variation
	2016	2017	%
Executives	220	229	4.1%
Professional supervisors	3,816	3,931	3.0%
Worker(s) administrative staff	13,507	13,593	0.6%
Permanent staff	**17,543**	**17,753**	1.2%
Temporary staff	1,062	809	-23.8%
Total internal staff	**18,605**	**18,562**	-0.2%

Own staff per division

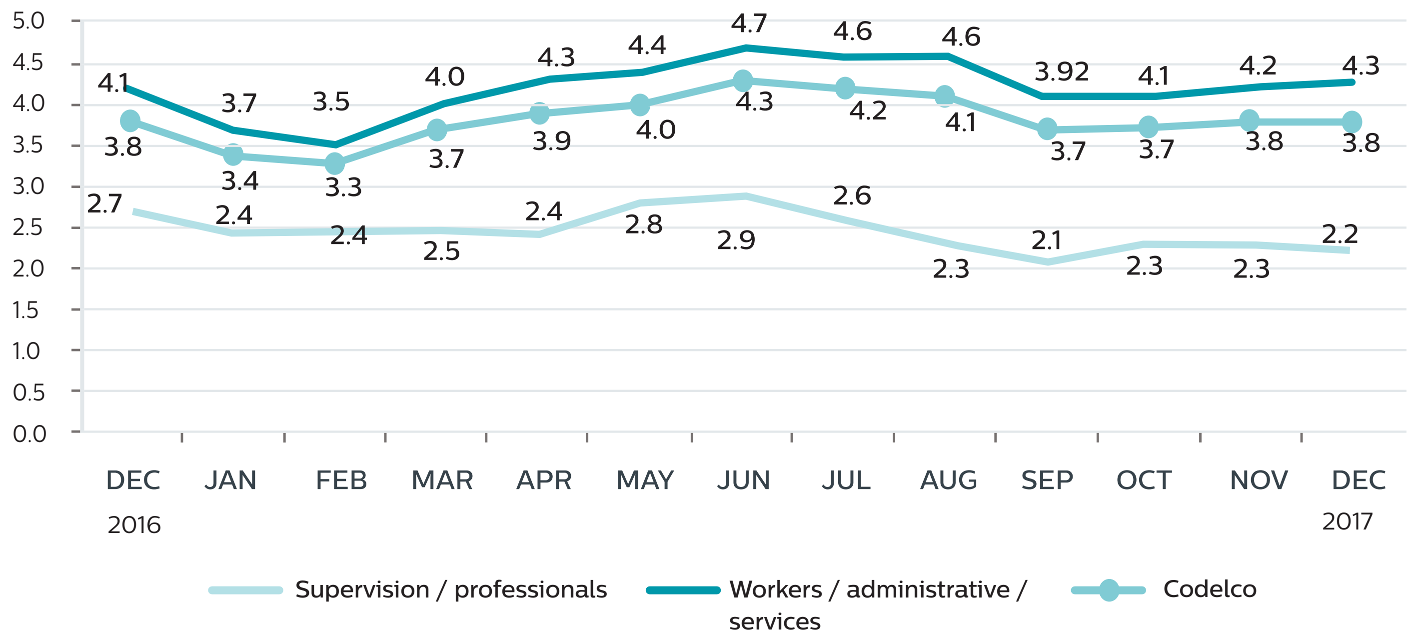
Division	Staff December		Variation
	2016	2017	%
Chuquicamata	5,921	5,664	-4.3%
Radomiro Tomic	1,228	1,282	4.4%
Ministro Hales	767	770	0.4%
Gabriela Mistral	553	556	0.5%
Salvador	1,643	1,672	1.8%
Andina	1,682	1,724	2.5%
El Teniente	4,524	4,535	0.2%
Ventanas	954	937	-1.8%
Headquarters	465	478	2.8%
Vice-presidency of Projects	840	911	8.5%
Internal Audit	28	33	17.9%
Codelco	**18,605**	**18,562**	**-0.2%**


Internal Staff 2017
(Permanent and temporary contracts)
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
1,085
1,105
1,103
1,103
892
817
800
780
764
743
787
809
17,297
17,278
17,314
17,351
17,432
17,521
17,563
17,598
17,653
17,665
17,726
17,753
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
Permanent
Temporary

Absenteeism

In 2017 our annual average for absenteeism reached 3.8%, maintaining the same index of the previous three years. Absenteeism, without considering pre and post-natal medical leaves, reached an annual average of 3,6%.

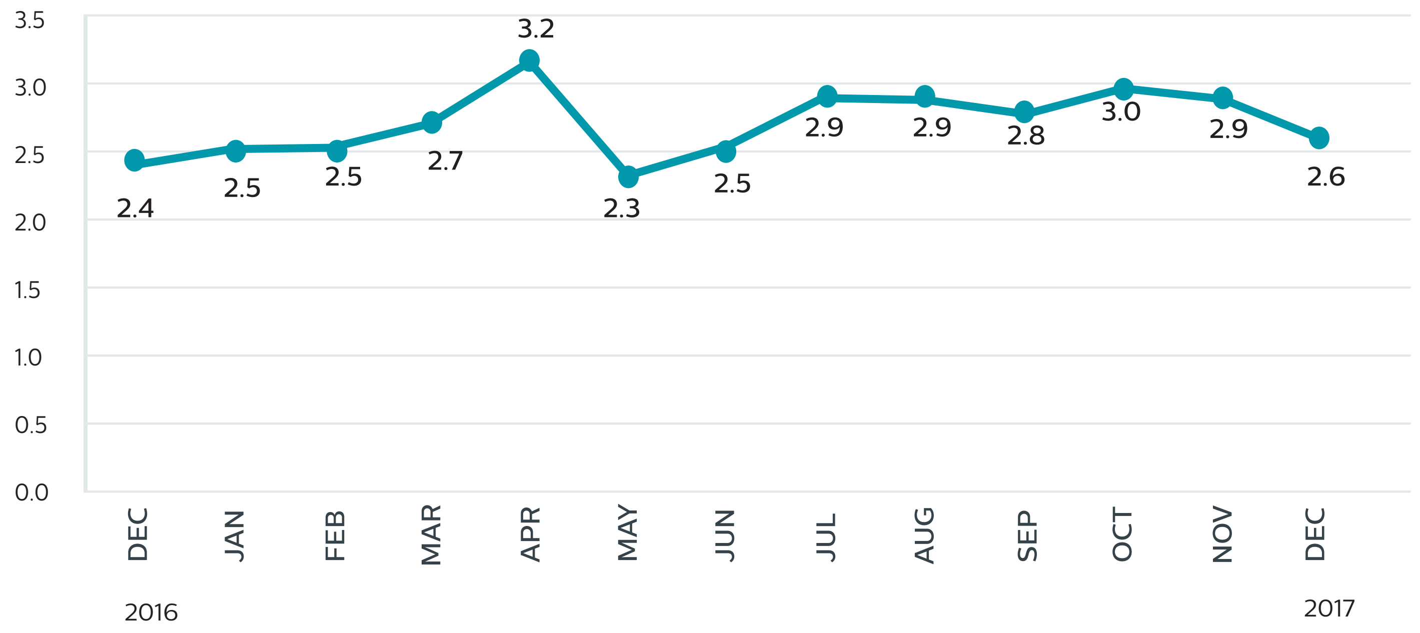
Monthly absenteeism / December 2016-2017



Overtime

Our annual overtime average reached 2.7 in 2017 versus 2.5 in 2016, which represents an 8% increase.

Overtime, monthly / December 2016-2017



Social responsibility and sustainable development

Diversity indicators for our company

During 2017, our Board was composed of eight men and one woman, all Chilean.

8 men 1 woman

Age range	People
Less than 30	0
30 - 40	1
41 - 50	2
51 - 60	2
61 - 70	2
Over 70	2
Total	**9**

Seniority	People
Less than 3 years	2
Between 3 and 6 years	6
Over 6 years and less than 9 years	0
Between 9 and 12 years	1
Over 12 years	0
Total	**9**

In 2017, there were 149 people in upper management, eight of them women. The following tables include nationality, age range, and seniority at the company's upper management during 2017.

Nationality	People
Chilean	148
Peruvian	1
Total	**149**

Age range	People
Less than 30	0
30 - 40	16
41 - 50	43
51 - 60	62
61 - 70	27
Over 70	1
Total	**149**

Seniority	People
Less than 3 years	60
Between 3 and 6 years	61
Over 6 years and less than 9 years	8
Between 9 and 12 years	7
Over 12 years	13
Total	**149**

Our internal staff with permanent contracts reached 17,753 people as of December 31st, 2017.

In terms of female participation, during 2017 1,595 women worked at Codelco, representing 9% of staff with permanent contracts. Said percentage increases to 9,5%, if we include staff with permanent plus temporary contracts which corresponds to 1,767 women.

The following tables include nationality, age range, and seniority of our company's internal staff as of December 31st, 2017.

Nationality	People
Chile	17,691
Germany	2
Argentina	6
Belgium	1
Bolivia	7
Brazil	1
Great Britain	1
Colombia	8
Cuba	2
Ecuador	7
Spain	9
France	2
Italy	1
Peru	11
Venezuela	4
Total	**17,753**

Age range	People
Less than 30	1,138
30 - 40	5,011
41 - 50	5,020
51 - 60	4,951
61 - 70	1,613
Over 70	20
Total	**17,753**

Seniority	People
Less than 3 years	2,246
Between 3 and 6 years	3,835
Over 6 years and less than 9 years	1,143
Between 9 and 12 years	2,888
Over 12 years	7,641
Total	**17,753**

Salary gap per gender

The following table represents the average gross salary, per position (responsibilities and roles performed) of our company's female executives versus male executives during 2017.

Position, responsibilities, or role	Female executive and female worker average gross salary versus male executives and male workers
Vice-President	No women
General Manager	No women
Manager	80.8%
Area manager	88.1%

Sustainability

Our Sustainability Master Plan answers to an ever demanding market and society and is the path we have established to foster Codelco's future, all of us being accountable for the company's technical, economic, environmental and social challenges.

The growth of Chile's copper industry, the country's own economic and social development, as well as global phenomena such as the establishment of more stringent environmental and social standards rightly raised the demands regarding extractive industries. Evidently, mining today is very different today from what it was 10 years ago.

Establishing our sustainable roadmap for the next twenty-five years

In 2015, our Board mandated management to start a master plan to advance towards sustainability to maintain a profitable business for the country, meet the requirements of a more demanding market, and respond to a society with higher expectations.

Over 100 people from the company, academia, and the industry strived for almost a year to perform a diagnosis, identify the industry's best practices, and develop a roadmap for the next 25 years.

In 2016, we launched the Sustainability Master Plan with key pillars to be developed with each of them having assigned targets for 2020, 2030, and 2040.

Additionally, we updated the Sustainability Corporate Policy, taking on critical identified challenges to enable the company's economic activity within its social and environmental surroundings.

During the first semester of 2017, we created teams to plan the achievement of 99 goals for 2020, starting with 159 initiatives and actions that cover six of the Master Plan's strategic pillars.

Although the goals and initiatives include all issues that constitute each specific pillar, key goals were identified for each for the year 2020, which are as follows:

Master Plan pillars	Key goals for 2020
Occupational safety and health	0 fatal accidents.
People	People management system with sustainable vision.
Environment	A 10% reduction of freshwater consumption per processed tonne.
Communities and territory	No community incidents with loss of production and reputation.
Strategic innovation	5% cathodes of traceable copper.
Corporate business and governance	Define all processes of our Business and Development Plan securing an average C1 cost in the industry's second quartile.

We also defined, implemented, followed up, and controlled said actions plans which allowed their insertion into the organization's performance goals and assess their progress for continuous improvement purposes. For 2017 we can highlight the following achievements, per area:

Occupational safety and health: we developed and initiated the implementation of a safety model and recorded 94% compliance of work safety and health and operational risk management systems in all our operations.

Human resources: we executed a sustainable organizational development model and managed a succession program.

Environment: we validated fresh water measurement methodologies per division and developed solid industrial waste valuation plans in every division.

Communities and territory: we developed and implemented a territorial development model. We collectively designed our community relationship strategy and incorporated social risk management into our liaising plans.

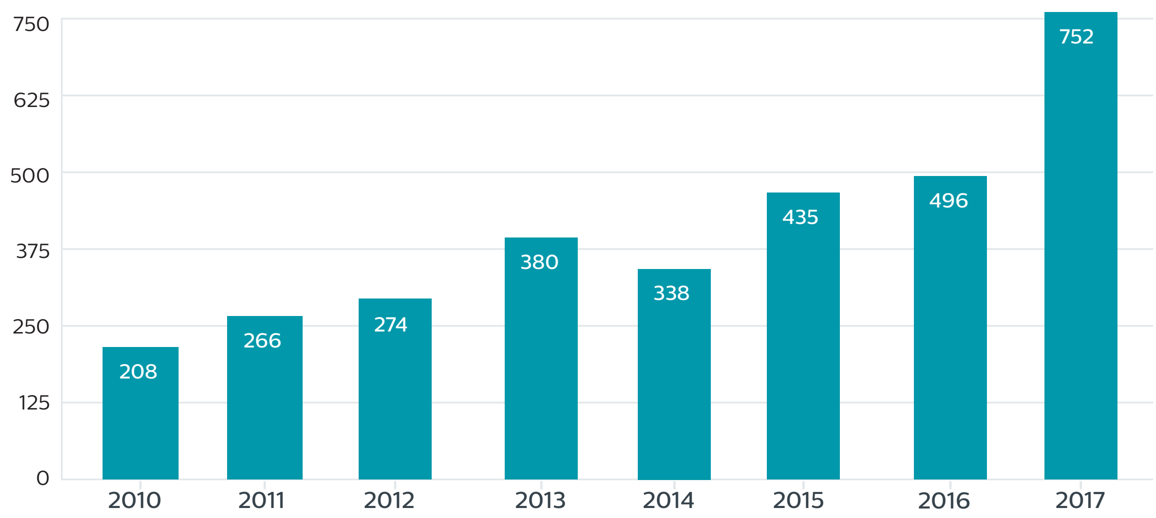
Strategic innovation: we made great progress by establishing the basis for an agreement with two companies of worldwide reputation, a car manufacturer and a cable and conductor manufacturer, to use Codelco's green seal copper, i.e., manufactured with transparent, and environmentally and socially sustainable processes. The Codelco strategic alliance with the car company was signed in January 2018.

Corporate business and governance: we bolstered the building up of our Business and Development Plan including all dimension of the business.

Investment

At Codelco we invested US$ 752 million in sustainability projects during 2017, US$ 89 million corresponding to occupational safety and health initiatives and US$ 663 million to environment investments.

Sustainability investment 2010-2017*
(US$ millions)



*amounts in nominal currency.

Environment investments

Our environment investments have steadily grown during this decade and have mainly been destined to innovation projects and improvements of fume extraction, slag treatment, and tailings management systems.

Between 2010 and 2017 our investments increased tenfold, from US$ 63 million in 2010 to US$ 663 million in 2017. The level of expenditure demonstrates our commitment to sustainability, maintaining the business' return levels, and responding to the growing market demands and higher society expectations for the mining business.

Occupational safety and health

The occupational safety and health of all personnel are strategic and non-negotiable pillars, therefore we have put into place specific programs for every work center and contractor.

Among the year's activities, we highlight the following:

- Executive leadership program, which achieved 95% compliance, includes liaising visits with workers at their areas; meetings with the Higher Council of Occupational Safety and Health to assess outcomes and generate pertinent improvements, and meetings with our contractors to train them on Codelco's safety standards and trade experiences to achieve better practices and safety indices.

- Behavior observation programs in all divisions and projects to detect and rectify hazardous or more critical conduct, introduce corrective actions, and minimize tendencies. During 2017, 100% of these activities were completed and they were attended by 13,652 company personnel trained and qualified as behavior observers.

Standards and procedures

We checked and updated several standards which are the tools that allow us to improve our safety management. Among the most noteworthy are the following:

- Instructions to report high potential risks to Sernageomin, document which has been sanctioned by said authority.

- During the first semester we developed and disseminated the "Rules that save your life", card that includes 21 rules for critical controls that all workers must apply in the field.

- We analyzed and updated 12 standards to control fatalities (seven were revised during 2017 and five during 2016). We collected experience and learning to avoid new fatal accidents in addition to technological developments, innovations, and automations implemented in our processes that represent high risks to people. We started the dissemination of standards throughout the company which will intensively continue during 2018. Our fatality control standards cover the following areas:

    - Energy isolation and block
    - Works in heights
    - Heavy equipment
    - Mobile light vehicles
    - Mechanical load hoisting
    - Explosives and blasting
    - Hazardous substance management
    - Portable and manual equipment and tools
    - Cast materials
    - Equipment safeguards and protection
    - Field control
    - Fire protection

Technical round tables

The technical round tables are corporate instances that have the goal of establishing rules and standardizing good safety practices throughout the company in addition to providing direct support to the operations and sites. One noteworthy case was the fire technical round table that in 2017 issued Codelco's Corporate Standard N° 40 on fires which had a positive impact during premium negotiations with insurers.

The round tables are established per work area and are the following:

- Electricians, fire and emergencies
- Tailings deposition
- Eradication of silicosis
- Underground mines, smelters, and refineries
- Fatigue and drowsiness
- Geotechnics
- Hygiene and safety joint committee
- Road management
- Hazardous substances
- Skeletal muscle

During 2018 structural, training, arsenic, and occupational noise exposure protocol areas will be incorporated.

Green Card

At Codelco no production goal is placed above people safety. Hence, over the past several years we have implemented a Green Card that allows workers to interrupt a task when all risk controls are not in place and restart the task only when they have been applied. During the year we employed the card 3,828 times which demonstrates that the card is part of the workers' prevention management activities within the self-care context.

Corrective actions

At Codelco we report and investigate high potential incidents to determine their basic causes and implement corrective actions. This process has become a transversal learning practice since reports are shared on a digital platform available to all divisions and projects. We analyzed 63 incidents that occurred during 2017 and generated 280 corrective actions.

Training

We standardized the occupational safety and health induction course throughout the company. Within the same scope we started a course to boost supervision leadership, covering 60% of said division and project staff.

During July and November, we held workshops with executives of our domestic and international contractors where we shared best safety practices susceptible to being standardized at Codelco.

Contractor rules

Additionally, we held semi-annual corporate audits (July and November of each year). In 2017, the result was 92% compliance of the occupational safety and health contractor rules (Resso) by contractors evaluated during the process.

Additionally, during our support activities for contractors we included the intervention of professionals from the managing organizations of Law 16.744 which were assigned with a specific task associated to the special regulation requirements such as checking compliance of legal issues and control standards for fatalities and occupational health; support for health and safety joint committees, emergency plan activities, among other.

Integration of joint committees

Without prejudice of the roles established by law, the joint committees participated with their own action programs that were relevant to the collection of worker concerns, suggestions, and contributions.

They also joined the corporate meeting of joint committees (Ecopar); divisional meetings (Edipar), and Vice-presidency of Projects meetings, which were also attended by company directors and executives.

Meanwhile, the joint committees' corporate technical round table held sessions in April and December, fine tuning high potential incident report actions (IAP in Spanish), reviewing task risk analysis (ART in Spanish), checking compliance of corrective actions in the field, and supporting the occupational medicine monitoring plan and dissemination of occupational hygiene issues among workers.

Accident rate

During 2017 we suffered two fatal accidents, one worker from the Andina division in January, and one worker from the Salvador Division in April.

In 2017, we recorded a global frequency rate (internal and contractor staff) of 0.87, figure 7% lower than the figure recorded the previous year (0.94) and the lowest in the company's history.

The overall severity rate (internal and contractor staff) reached an index of 145 which represented a 45% reduction versus 2016's rate (263).

Occupational health

Within the scope of occupational hygiene and health the focus was the preventive control of risk and occupational risk agents of internal and contractor staff. To that effect, during 2017 we executed a systematic program to close gaps in the field and check compliance of National Health Protocols in critical areas.

Additionally, we maintained environmental surveillance programs for occupational hygiene and ergonomics including quality and traceability follow-ups. We also improved radiological surveillance and protection programs.

In the meantime, the corporate technical round table to eradicate silicosis held technical workshops and inspections to check the implementation of the rule that saves lives N° 20 for exposures to dust with silica content. They also defined the basis to develop during 2018 a new Codelco standard to eliminate this work-related disease.

We created a corporate technical round table to manage hazardous substances and provide support and comply with current laws on the matter. We held a corporate training session for specialists and we checked the advancement of the project tailoring to SD 43, hazardous substance storage regulation.

Regarding the activities of the corporate round table for fatigue and drowsiness, an e-learning course was developed to optimize the criteria to define control actions. Instructions were issued for the use of fatigue and drowsiness technological monitoring systems. A report on the psychological evaluation of the rigorous psycho-sensory cognitive test was issued.

We issued procedures to improve the management of the company's onsite clinics in the medical and the administrative fields.

Meanwhile, the qualifying commission for professional diseases operated periodically within the context of the administration delegated by Law 16.744 (Satep, in Spanish), evaluating 290 cases.

We received 39 permanent disability resolutions. Workers were relocated, as applicable and as per Article 71 of Law N° 16.744. We developed corporate training sessions on psychosocial risks as instructed by the Superintendence of Social Security.

Occupational diseases and work accident sequels 2017												
Diagnosis	Delegated management					Mutual Health and Safety Association						
	Chuquicamata	Salvador	Andina	El Teniente	Total	Ministro Hales	Gabriela Mistral	Radomiro Tomic	Ventanas	Headquarters	Projects	Total
Silicosis	0	1	1	3	**5**	0	0	0	0	0	0	**0**
Hearing Impairment	6	1	1	14	**22**	0	0	0	0	0	0	**0**
Musculoskeletal	0	0	7	2	**9**	0	0	0	0	0	0	**0**
Other diseases	0	0	0	0	**0**	0	0	0	0	0	0	**0**
Total occupational diseases	**6**	**2**	**9**	**19**	**36**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Work accident sequels.	0	0	0	3	**3**	0	0	0	0	0	0	**0**

Environment performance

Smelter emissions

We recorded important advances in 2017 regarding the strategic definitions of development for smelters and refineries during the technical-economic planning stage to supply concentrate and calcine through the management control system, investment analysis, and exchange of best practices.

Since stack capture and limitation of emissions to comply with SD 28 became effective for the Ventanas Division on December 12th, 2016, the first 2017 relevant milestone was the full compliance of emissions and capture of sulfur and arsenic, even exceeding the new regulation's requirements.

Meanwhile, the remaining three smelters that must comply with said regulation as of December 12th, 2018, showed significant progress for their engineering, acquisition, and construction stages of their corresponding investment projects, which are explained next:

Chuquicamata Division

We will build two new dual absorption and dual contact plants. We are also refurbishing the existing gas cleaning plants. We finished early works at the beginning of the year that included the massive earthworks required to prepare the platform where the new plants will be based. Additionally, we completed the project's detail engineering and 90% of purchase orders for equipment and suppliers were issued.

We finalized the investment to improve the smelter's flash furnace and the detail engineering for the raffinate gas treatment project.

Salvador Division

We finalized the start-up of the first construction stage of the integral improvement project to capture and process gases, which consisted of applying modifications to increase operational and safety conditions with a 91% capture rate (sulfur and arsenic). During 2018 a second stage will be developed to cover tasks required to comply with the 95% capture standard (sulfur and arsenic).

During the year early works for the black smoke treatment project were approved as well.

El Teniente Division

We advanced as planned for the execution of the gas cleaning plant and slag treatment plant projects. Additionally, we finalized the feasibility study and started the execution of the smoke opacity reduction project for the anode furnaces.

Compliance of emission standards

We are investing **nearly US$ 2,000 million** in our smelters to comply with SD 28 which we began executing in 2013 and will be completed in 2018, to comply with the environmental requirement that increases gas capture to more than 95%.

Our compliance as of December 2017

Ventanas
Progress: 100%
Investment: US$ 105 million

Chuquicamata
Progress: 47%
Investment: US$ 919 million

El Teniente
Progress: 43%
Investment: US$ 558 million

Salvador
Progress: 76%
Investment: US$ 395 million

Liquid Industrial Waste (LIW)

During 2017 we reported on a monthly basis to the environmental authorities our nine discharges under monitoring programs, all in compliance with limit allowances (four in Andina, three in Salvador, one in Ventanas, and one in El Teniente). The Radomiro Tomic, Chuquicamata, Ministro Hales, and Gabriela Mistral mines do not discharge LIW into water streams.

Solid Industrial Waste (SIW)

At Codelco, all waste generated by our operations is sent to approved destinations such as recycling or reuse plants, energy recovery plants (use of SIW to produce Non-Conventional Renewable Energy), safe disposal or landfill areas, or is sent to treatment companies.

During 2017 we developed SIW valuation plans and a validation and improvement process to classify hazardous waste in every division.

Water and energy are strategic supplies within the master plan

In 2017 we started an international tender process to select a world class consortium to build, operate, maintain, and finance a seawater supply project for the North District. The project includes a first stage for the supply of an annual average flow rate of up to 630 liters per second (l/s) with a potential expansion of up to 1,670 l/s. We expect the launching of this first stage for the second semester of 2021.

Regarding energy sustainability, during 2017 we incorporated energy efficiency to our production and cost agenda. To that effect, we defined an energy efficiency indicator in each initiative marked as a potential impact on this matter and we considered the application of a measuring and energy savings verification method to make them auditable.

Within our master plan we included energy efficiency as an environmental pillar. In 2017 we reincorporated an energy performance indicator in the divisional performance agreements to encourage its management. Additionally, we launched an information platform for mobile equipment that one of our suppliers of this consumable made available.

Regarding energy and fuel, this year we reached an agreement that allows for modification of some of the electricity supply contracts for the northern divisions through which we will have an available supply based on renewable energies for 22.5% of our company's total consumption. The result of these negotiations implies important savings compared the current electricity supply terms and, consequently, will have an impact on our C1 costs. On the matter of liquid fuels, we awarded a mid-range Liquefied Natural Gas (LNG) contract for the northern district operations, thus reducing supply cost for said fuel.

Environmental assessment of projects

During 2017 we filed six Environmental Impact Statements (EIS) with the Environmental Impact Assessment System (EIAS), two of which were approved.

Every project filed with the system during 2017 considers a processing period not exceeding seven months; three of them imply structural project modifications to Chuquicamata Underground, Radomiro Tomic Phase II Sulfides, and El Teniente Mine New Level projects.

We also developed the Environmental Impact Assessment (EIA) for the Suitability project of Andina mine works to continue with current operations, which was approved for processing on January 11th, 2018. Additionally, we decided to file the Inca Pit project with the EIA system which has the goal of providing operational continuity to the current Salvador Division facilities.

We fully comply with the Mine Site Closure Law

At Codelco we fully comply with Law N° 20.551 that governs the closure of mining sites and facilities. We have eight current and officially approved closure plans. In 2017 we established securities in the amount of UF 27,324,262 in favor of the State of Chile.

We advanced along with the industry in sustainable management of tailings dams.

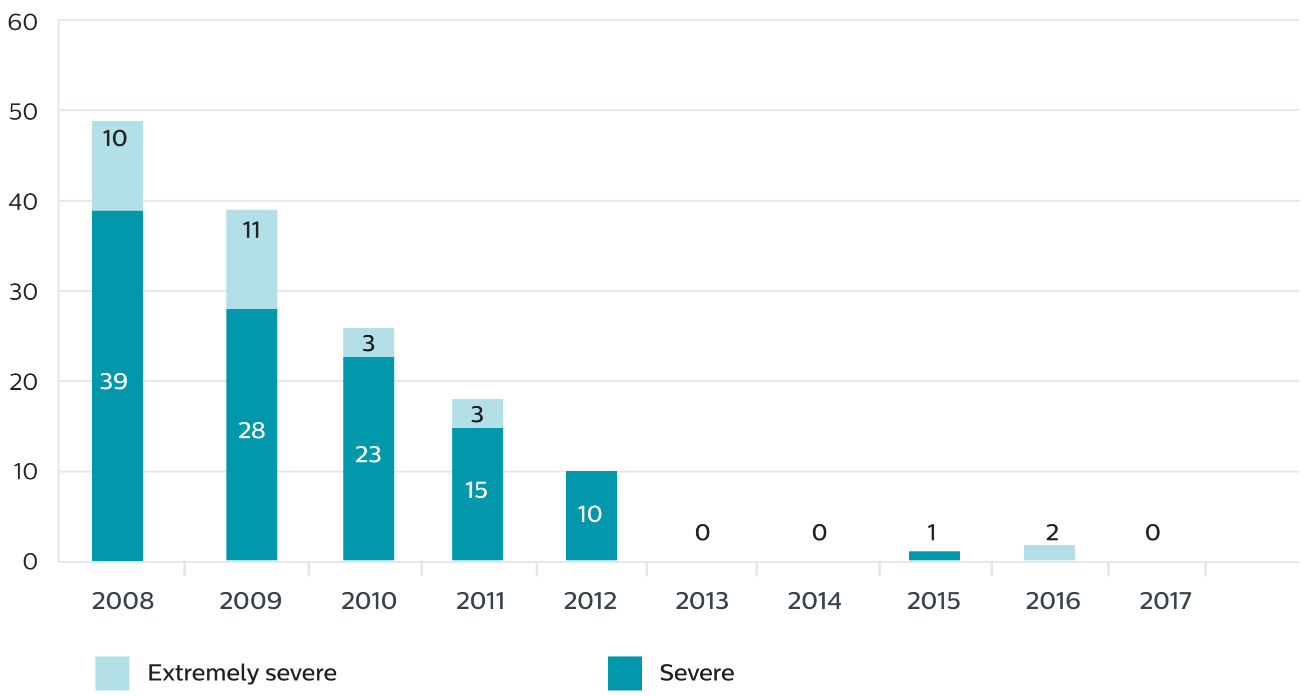
Since its onset in December 2016, our company has participated in the Dam Program project along with other mining companies (BHP and Antofagasta Minerals), authorities (Sernageomin; General Directorate of Waters; Superintendence of Environment, Ministry of Mining, and Ministry of Economy, Development, and Tourism; government organizations, CORFO, and FIE), and domestic and international consulting and advising companies, all coordinated by the Chile Foundation, which acts as manager.

The initiative is projected to operate until 2021 with the objective of developing a monitoring system for the physical and chemical stability of tailings utilizing the best available technology and developing innovative mechanisms for the measurement of key parameters and variables. Hence, the communities and authorities will be able to access quality, reliable, and prompt information in real time from mining companies, which strengthens operational management, reduces perceptions of risks, and improves communication among parties when facing potential emergencies.

We did not have incidents with environmental consequences or severe damages during the year

We have a new Codelco Corporate Standard N° 38 to manage operational incidents with environmental impact which entered into effect in November 2017 which adjusts and incorporates new prevention and control actions. It also increases the requirements for the criteria to identify and categorize each incident. It is a tool directly related to improving management in order to generate learning to avoid environmental, community and company impacts. In 2017 we had no operational incidents with environmentally severe or extremely severe consequences.

Operational incidents with severe or extremely severe environmental consequences



Community development

Our Sustainability Master Plan establishes community development as a strategic management area being that one objective is to improve the quality of life of the communities that surround our operations. Hence, the focus of our social projects is contributing to satisfy their long-term needs and priorities for development, projects that encourage positive social and economic changes.

The Codelco N° 39 Corporate Standard for community investment established that community project contributions must be performed through agreements. It also establishes four pillars of investments which are: human capital, socio-environmental commitments, land development, and indigenous peoples. Hence, we signed agreements with legal entities (public or private) to award all contributions and community investments.

Presently, we have 131 current agreements in all our work centers which have 100% of their AML Update certifications (validation certificate for individuals or companies politically exposed that Codelco uses as means of validation) and sworn statements, as established by Law 20.393.

Community agreements

Division	N° current agreements
North District	91
Chuquicamata	4
Radomiro Tomic	1
Ministro Hales	1
Salvador	4
Andina	19
Ventanas	3
El Teniente	8
	131

Note: We reported North District's community agreements and investments (covering Chuquicamata, Radomiro Tomic, Ministro Hales, and Gabriela Mistral); and, in a separate document, historical agreements of said divisions (Gabriela Mistral does not have agreements).

Division	Investment	Paid	Reported	To be reported
North District	7,190,562,981	3,832,490,229	2,563,506,545	1,268,983,684
Chuquicamata	4,111,383,882	4,073,383,882	3,886,415,156	186,968,726
Radomiro Tomic	1,177,500,000	563,320,000	72,141,261	491,178,739
Ministro Hales	349,790,000	349,790,000	174,895,000	174,895,000
Salvador	212,415,000	88,363,917	56,316,667	32,047,250
Andina	864,292,834	579,176,484	453,054,930	126,121,554
Ventanas	120,144,616	70,086,770	42,661,572	27,425,198
El Teniente	623,422,662	487,699,040	455,906,050	31,792,990
Total*	**14,649,511,975**	**10,044,310,322**	**7,704,897,181**	**2,339,413,141**

*Chilean pesos.

Codelco's community investment strategic pillars				
	Human capital	Socio-environmental commitments	Land development	Indigenous people
North District	30	6	40	15
Chuquicamata	2	-	1	1
Radomiro Tomic	-	1	-	-
Ministro Hales	-	-	-	1
Salvador	4	-	-	-
Andina	4	-	15	-
Ventanas	1	-	2	-
El Teniente	2	1	5	-
Total	**43**	**8**	**63**	**17**

Social Investment Fund

This fund is one of our resource allocation tools that allows us to co-finance the community projects of our divisions, the corporate center, and social organizations. These initiatives are geared towards the civilian population within our areas of influence and at each of our operations.

The investment areas are related to sustainability, infrastructure, productive development, and education. Each one of these pillars has as a main objective the development of projects that seek solutions for socio-environmental impacts generated by our operations, encourage citizen participation, and improve people's quality of life.

Projects awarded during 2017 were as follows:

Division	Social Investment Fund Project (FIS in Spanish)	Total amount of project (in pesos)	FIS amount co-financing (in pesos)
Andina	Fish farming open to the community	$105,000,000	$63,000,000
Salvador	Recovery of the San Pedro fisherman's village, Chañaral	$112,150,000	$63,000,000
Total			$126,000,000

Sence credit

During 2017 we held 142 courses at all our divisions for an approximate amount of 2,089 million pesos of Sence credit. The resources were distributed among the Intermediary Technical Training Organizations (OTIC in Spanish) specialized on the topics as established by Law N° 19.518. Programs were as follows:

- **Talent Streaming Program:** five training courses for maintenance staff and operators.
- **Juntos Program:** 62 training courses for vulnerable groups from the communities surrounding our operations.
- **Contractor agreement:** 67 courses.
- **Traditional institutions:** eight courses associated to collaboration work with Senda (National Service for the Prevention and Rehabilitation of Drug and Alcohol Consumption) and Prodemu (Foundation for the Promotion and Development of Women).

Sence credit 2017

Program	N° of courses and certifications	Amount in pesos
Contractors	67	$ 973,500,000
Talent Streaming Program	5	$ 225,964,000
Juntos Program	62	$ 764,500,948
Traditional institutions	8	$ 125,500,000
Total	142	$ 2,089,464,948

Social risk assessment

According to our Sustainability Corporate Policy one of our community and land development and management model's key pillars is the social risk analysis and assessment.

By identifying threats and vulnerabilities associated to our operations and / or projects, we generated a registry of said risks.

Given that our challenge consists of controlling the social risks that have an impact on our communities, we lean towards establishing strategies and tools that allow us to detect their reservation to jointly implement solution formulas and install a management system for the matter. During 2017 we generated guidelines to identify, assess, and control the divisions' social risks with the support of the University of Queensland.

Relevant community projects 2017

North District

Loa River Boardwalk Project

New boardwalks, a coffee shop, exhibitions halls, and a modern and impressive walkway are part of the Rio de Calama Boardwalk Park project that aims to elevate the city's urban standards and improve its inhabitant's quality of life.

In 2017 we fulfilled the financial delivery commitment for the main works. This project included the opinion of the Loa community expressed through a collective citizen consultation held in 2012.

Associated amount: $3,754,399,308 pesos.

Sustainable energies

This year we continued with the installation of solar heaters in five neighborhood associations of Calama's northeast area; Nueva Oasis Norte, Renacer de Quetena, Francisco Segovia, Gladys Marín, and Independencia-2. Additionally, fifty citizens of the Tucnar Huasi neighborhood were certified on the use and maintenance of said devices.

The North District's non-conventional renewable energy program has benefitted more than 365 Loa families and has generated annual savings averaging between $ 160,000 and $ 180,000 pesos per family, mainly through the reduction of propane gas consumption.

Associated amount: $263,360,000 pesos.

Salvador Division

Improvement of public areas

This project materialized within the community management round table context developed along with El Salvador's social organizations and allowed us to contribute to improve the quality of life of the local inhabitants. We are achieving this through a recreational and cultural activity program, using community areas that have been recovered and improved by the community and the Salvador Division.

Thanks to the alliance established with leaders of the teacher-parent associations of School N° 1 and pre-school Remanso de El Salvador, were able to recover and re-inaugurate the Turquesas plaza and install a playground for children and lighting at the Renacer plaza.

Associated amount: $32,000,000 pesos.

Revitalization of San Pedro fisherman's village

This is one of the projects awarded with the 2017 Social Investment Fund. Along with Chañaral's fishermen's STI union we began the execution of this initiative with the goal of improving the quality of life in the village of San Pedro.

The works started with the development of a business plan to reinforce the artisan fishing activity and a training plan that allowed the development of competencies and skills to increase business activity and the organization's sustainability.

Products generated by the village will also be boosted and the exterior and facilities of infrastructures will be improved including a sales area and a product processing room.

Associated amount: $112,215,000 pesos.

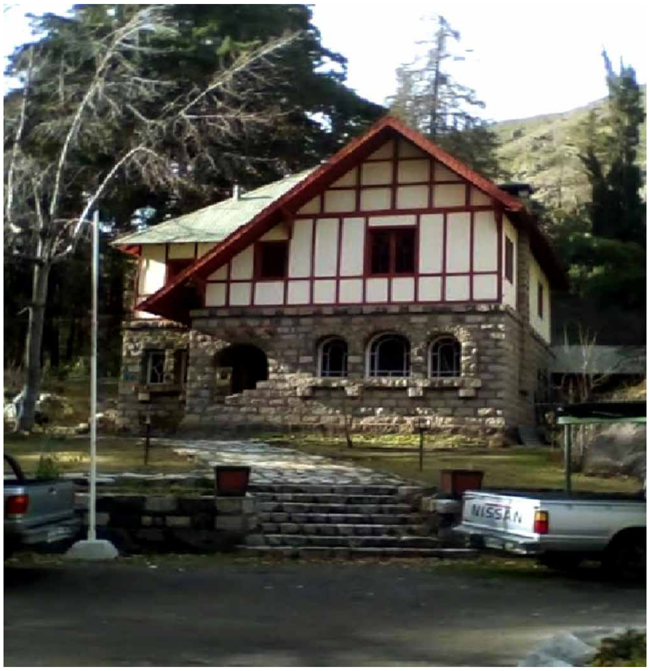
Andina Division

Fish farming center at Blanco river

This Social Investment Fund 2017 aims at supporting the care and maintenance of facilities, restoration and improvement of housing as a contribution to the historical patrimony recovery of the Aconcagua valley. The intention is to generate a tourist attraction hub in partnership with the Rio Blanco Entrepreneuring Group to highlight product and services attributes not only for recurring visitors but also to those who wish to become acquainted with the history of copper and the Andina Division.

This fish farming center has been operating since 1905 and its origin was the result of German naturalist Federico Albert's idea, whose goal was to create Chile's first fish farm. Subsequently, the land became part of the Andina Division, always maintaining present the initial agreement of keeping the area as a preservation and fish farming study area.

Associated amount: $105,000,000 pesos.



Enabling of well water supply at the Santa Matilde ranch

We gave the Santa Matilde community usufruct entitlement of well 48B, property of the Andina Division and we set up a facility to pump and supply water. The resource is supplied to the rural drinking water committees of Santa Matilde (1,200 inhabitants) and Huechún (280 inhabitants).

Associated amount: $107,900,000 pesos.

El Teniente Division

Improvement and promotion of neighborhood areas in Chacayes

El Teniente Division, along with the Chacayes community, developed this project to improve and promote this locality. The initiative included the support of and presence at the different activities organized by *Chacayinos*; for example the traditional charquicán gastronomic event, a meeting place for tourism entrepreneurs of different communities, or tree planting sessions. A neighborhood association headquarter was also set up. It allows the community and its social organizations to gather in a common and adequate area to generate and carry out collective initiatives.

Associated amount: $17,000,000 pesos.

Inclusive business at Coya

One of Coya's critical problems is the need to create more job opportunities. To that effect, the El Teniente Division developed an inclusive business program that resulted in contracts with local entrepreneurs to perform tasks at the company's different areas. The approach was a frame contract through a tendering process in which Coya entrepreneurs were awarded minor works. Three companies from the area participated in the agreement by absorbing local labor.

Associated amount: $149,000,838 pesos.

Ventanas Division

Working together to develop Los Maitenes

This agreement is mainly focused on enabling and improving the existing community infrastructure at Los Maitenes. Under this vision, an infrastructure was installed to reinforce the operation of the locality's rural drinking water system and be able to cut water supply in specific sectors without affecting the entire community.

The rural medical station was also expanded and improved which had the positive result of a better assessment area and a new waiting room. Lastly, the community's historical social headquarter, currently managed by the José Fernández sports club, was rebuilt.

Associated amount: $18,000,000 pesos.

School children symphony orchestra Ventanas

This musical project is aimed at the development of creative skills, access to cultural assets, and social integration of the orchestra members. The Ventanas Division agreement includes the municipalities of Puchuncaví and Quinteros and the Puchuncaví-Quintero Development Corporation.

Classes and rehearsals are held at La Greda school. It is worth mentioning that the program is not only how to learn to play an instrument, but also includes a psychosocial monitoring program that collaborates with the orchestra members' performance at school.

Currently, the initiative is comprised of nearly 60 boys and girls, youngsters from public of the different localities of both towns. They have performed on several stages with the most noteworthy being the Enviromine-Srmining 2017 international seminar and the launching of the gender campaign at our Headquarters.

Associated amount: $80,000,000 pesos.

Employment program at Calama's North District

At our North District's operations and projects, we identified that local employment and entrepreneurship is a key challenge in the area and a future promoter of the mining activity.

In our Sustainability Master Plan and land development definitions and tools, we have determined to contribute a solution that aims at encouraging contractors to hire local labor.

Through the Chile Foundation Talent Streaming program we initiated works to connect labor requirements with the North District's availability of local workers that meet or may meet the requested requirements.

The program includes courses to qualify and certify competencies, allowing workers to apply for jobs at contractor companies, through labor mediation, as a selected labor supply to perform the requested tasks.

The program is forecasted for five years and it is expected to place 600 local workers in contractor companies. Considering the fact that they will spend at least 80% of their income in the district, a potential contribution to the economy is estimated over 90 million dollars for said period.

It is an initiative of the associated work of relevant stakeholders such as the authorities, workers, contractors, Codelco, supported by professional and reputable institutions.

Market development

At Codelco we have a development and market access strategy to protect and boost copper and molybdenum demand. We have an area specifically in charge of generating the most optimal options to market our current and future products. We also want to ensure the compliance of domestic and international standards for our business portfolio.

A large portion of the tasks are performed through our participation in the International Copper Association, ICA, and the International Molybdenum Association, IMOA, which are the largest associations of the world mining industry. The main activities that we hold along with these associations during the year are reported next.

International Copper Association, ICA

We continue participating as a leading actor in this international association which has the mission of gathering the copper world industry, protecting markets, and positively contributing to the society's sustainable development goals. Copper is fundamental and crucial in the transition towards clean energy during the XXI century. Its strategic plan is focused on developing programs with high impact on copper consumption. The total budget approved by the executive committee totaled US$ 47 million in 2017, and it is estimated that it will have an impact on the demand of between 250 thousand and 400 thousand additional tonnes of copper per year.

During 2017, the ICA was focused on potentiating programs with the highest impact on copper production and consumption such as the strengthening of the public affairs department. The objective is for the industry to maintain its operating license along with securing fair access to their products' markets. The global strategy area was reactivated and will be focused on improving the connection of programs at global level and recommending strategic pillars for copper development. At the same time, support for new initiatives to be developed in India was achieved which will allow positioning copper in this strongly developing market.

In addition, we confirm the United Nation's commitment with sustainable development, embodied in the Global United for Energy (U4E) alliance. The programs developed during 2017 are in line with this initiative to transform markets worldwide through enhancing energy efficiency. This alliance includes more than US$ 56 million in leveraged funds for worldwide projects.

Regarding market access, the goal of the association's initiatives is to be proactive with trends and standard changes that currently are complex and dynamic. In that sense, the agenda included initiatives for minerals in conflict zones, classification of potentially hazardous products, inventory life cycle, and responsible sourcing of projects. These projects are aligned with consumer requirements in what regards to observing high sustainability standards.

International Molybdenum Association, IMOA

Formed by 52 members, IMOA promotes the use of molybdenum and studies its impact on health and the environment. With a budget nearing US$ 3 million, the association prioritized programs to boost the development of markets and advocate the regulatory aspects of molybdenum in addition to communications and market intelligence.

Regarding the regulatory aspects, this association focused its efforts on presenting to the pertinent authorities, scientific evidence that rebuts assertions on the toxicity of certain products that contain molybdenum. In 2017, IMOA finished a report, validated by the International Agency for the Research on Cancer, which allowed the generation of solid scientific arguments for concerns on molybdenum components as substances potentially harmful to health.

Copper market trends

Currently end consumers are increasingly more empowered and concerned about the environmental, social, and community impacts of the products they acquire. Consumers are communicating these new requirements and demands that increasingly influence their purchasing decisions throughout the consumer chain. Hence, it becomes essential to adopt sustainable practices that are traceable and in agreement with international standards.

Within this context, during 2017 we promoted the creation of a responsible sourcing initiative within the copper value chain which we expect to intensify in the short, mid, and long range.

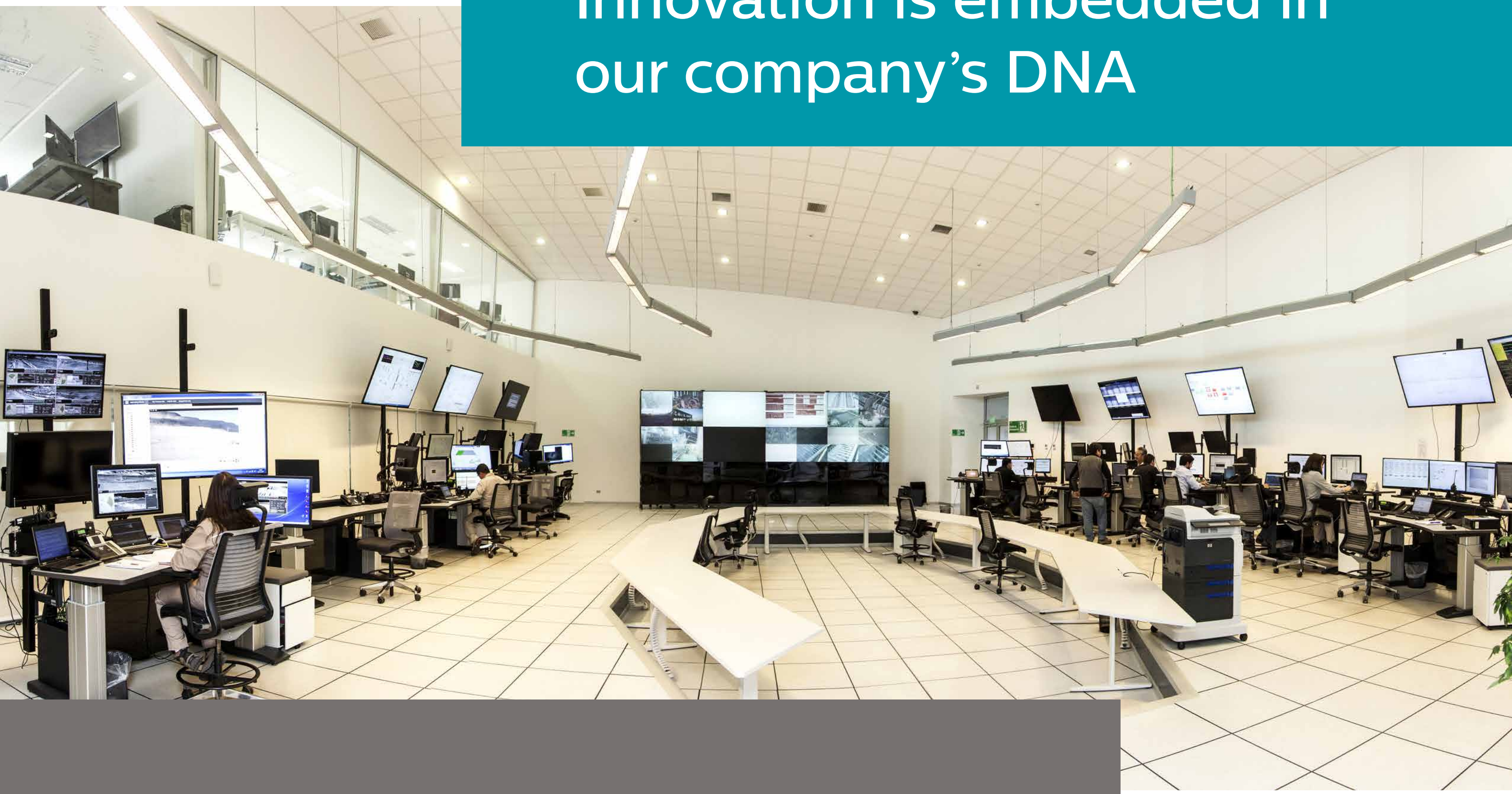
It is estimated that electricity, non-conventional renewable energies (ERNC in Spanish), and electro mobility will be the areas with the most positive impact on worldwide copper consumption.

- Internal combustion engines use 23 kilograms of copper while hybrid-HEV electric vehicles require 40 kilograms of the metal, hybrid-PHEV vehicles 60 kilograms, and battery-BEV electric vehicles 83 kilograms of copper. On this basis, it is estimated that the world's copper demand for electro mobility will increase from 185 thousand tonnes in 2017 to 1.74 million tonnes in 2027.

- It is expected that the energy supply sector will lead in those areas that previously were limited to fuels, such as the automobile industry, heating and refrigeration systems, which will require large amounts of copper for the production, distribution, and transmission of electrical energy.

- Worldwide sources of renewable energy for the generation of electricity will become an important contribution to global sustainability in which copper will be required. These technologies will represent a capacity nearing 30% of the total electricity generated by 2020.

Innovation is embedded in our company's DNA



Our pledge for innovation is in line with the strong technological transformations that aim to directly increase productivity, improve safety, and sustainability.

Innovation is central to our business to foster sustainable competitive advantages in the long term. The corporate area of innovation closed the year with a value contribution to the company in excess of US$ 100 million.

In 2017, we consolidated the innovation management system and, with the support of our technological branch, Codelco Tech, we were able to leverage and create the basis for a more sustainable and safe mining industry.

We have an innovations department that reports directly to general management regarding our operations. Said department has an innovations portfolio specific for the needs of each division. This activity is supported by and receives feedback from a corporate team.

Value contribution and investment

The contribution of innovation projects to Codelco's Ebitda was estimated in excess of US$ 100 million in 2017.

Additionally, we invested US$ 59 million in innovation and technology, 70% of which corresponds to incremental innovation projects, 14% to disruptive innovations, and 16% to digital transformation.

We are on our way towards digitalization of the mining industry.

In 2017, we restructured our Innovation Management Department transforming it into the Corporate Innovation Management Department, a more dynamic strategy focused on generating value for our projects and facilitating that our challenges are fully, methodically, and systematically covered. Additionally, we incorporated the automation and robotics area to maximize the value of innovations associated to digital transformation.

Our corporate and divisional innovation team focuses on the following activities:

- Understand and capture the people and company's needs to align our vision with the strategy of innovation.
- Permanently interact with the innovation ecosystem, leveraging resources and third-party competencies.
- Guarantee and maintain safety, environment, community, and people commitments.
- Protect intellectual property, adapting the new open innovation model while maintaining risk and investment protection considerations.

Our strategic innovation pillars

We are looking to influence our productive processes with these action pillars:

- A disruptive innovation that secures business, environmental, and social sustainability through technological breakthroughs that generate competitive advantages.

- An incremental innovation that focuses on maintaining state-of-the-art divisions through technology adaptations, culture of change, and a strong project framework.

- A digital transformation that captures the global evolution of digitalization, automation, robotics, data processing to have an impact on production.

We created Codelco Tech to further strategic innovation

We are facing big mining challenges such as the management of more complex deposits with higher operating costs, along with environmental and community requirements that demand ever more efficient and environmentally-friendly processes. Innovation and technology are key to this transformation of the mining business.

In response, in 2016 we created Codelco Tech integrating and reinforcing the experience, knowledge and skills of three of our branches: IM2, BioSigma, and CodelcoLab, within an evolution process that leads us towards an open innovation model that incorporates and promotes contributions and solutions from suppliers, universities, research centers, and other entities.

The strategic mandate of our technological branch is to lead and drive research to create a mining industry with minimal environmental impact that meets the growing requirements of the mining industry and other industries as well.

During the year we continued to position Codelco Tech as a global innovation center in charge of developing technological solutions under the market pull methodology, i.e., from the challenges defined by the Corporation. Among the several branch scopes and activities, the following are considered:

- Articulate and link Codelco's challenges with the domestic and international innovation ecosystem.
- Execute innovation and technological projects that are in the early stages of a state-of-the-art development.
- Protect and consolidate the acquired knowledge.

With the aforementioned, Codelco Tech will create value through the development of knowledge and technologies that shall be captured and made profitable based on innovation business models that sustainably contribute to the Corporation.

Among the most notable projects of 2017 are the following:

- **Focalized explosive charges:** we received the first units to specifically guide an explosion's energy to fracture and break boulders. Said charges are used in underground mining. We are developing engineering projects to expand the design to a larger scale and study new applications.
- **Operation of the integrated information center:** we started the operation of this center at Headquarters to perform an analysis of an extensive amount of process data (data analytics) and develop algorithms to predict undesired conditions which are key to making management decisions. As an example, data analytics was performed at El Teniente division's SAG plant.
- **Hackatton Exploration Challenge 2017:** Codelco Tech, along with several universities and companies, held this event associated with exploration data analysis to develop algorithms that contribute to the probability of finding geological resources.

We showed relevant progress in innovation projects

In 2017, we consolidated our corporate and divisional innovation project portfolio carrying out more than 38 initiatives, of which we highlight the following:

Mining

Development of semi-autonomous LHD and autonomous trucks: we started to develop the commissioning of semi-autonomous LHD tests (loading equipment used in the underground mining industry) at the Esmeralda mine, El Teniente Division, to then proceed to their application and implementation stage. Additionally, we started a tender process to test autonomous trucks at the same mine.

Ore processing

Integral system to detect and remove uncrushable material: we performed the engineering stage to install this system at the El Teniente Division (Colón area) and we expect to begin testing during 2018.

Smelting and refining

We performed the profile engineering at the Potrerillos smelter and finished the first phase of the intellectual property analysis for the **Bath Smelting fusion ovens with high pressure nozzles** technology (they actually only operate at low pressure) to reinforce the Teniente converters. Within this project we made progress with the development of its fundamental studies.

Bath smelting oven instruments and controls: we made progress in planning, hiring, and starting all work fronts for the instruments and expert control project for said fusion ovens.

Reinforced process of continuous conversion: this project was approved at the end of 2017 and we expect to perform the basic studies to sustain the technology's validation test in 2018 and its operation the following year.

Digital transformation

Integral operation center room (CIO in Spanish) at El Teniente Division: This project will allow the operation and monitoring of divisional plant processes from Rancagua. This integral operation management model allows for the capture of large data quantities which facilitates a follow-up in addition to the collaborative and targeted planning of the business' critical aspects.

Remote Operation Center Room (COR in Spanish) at Ministro Hales Division: beginning in October we started improvement works for the Roaster thanks to a temperature range control system, thus increasing concentrate throughput by 36.7 tonne/day during the January – September period.

Open innovation

We participated in the Demoday technology fair and the Open Innovation Platform along with the Chile Foundation, instances where we interacted with main suppliers of technologies for ore conveyor belt systems. The objective was to search applications that would solve the challenges presented by conveyor belt failure and belt tear detection.

We established alliances with several providers to validate technologies. We explored new technological options and studies worldwide regarding new products with the objective of increasing our company's product mix. These are the cases of copper foil and lithium, vital components to produce car, smartphone, laptop and tool batteries. The expectation is that its demand and price will considerably increase during the following years.

Contests

During 2017, we launched once again the Piensa Cobre scholarship, a disruptive thesis contest for the mining industry aimed at graduate students, who offered their skills and creativity to service Chile's largest productive sector. The event focused on encouraging student participation to have an impact on the mining industry and related areas providing new, innovative, and meaningful solutions for the sector's challenges.

Our strategy for intellectual property

Intellectual property has been fundamental in supporting the value proposal posed by R+D projects and initiatives and to generate a favorable environment for innovation and collaboration.

This strategy positioned us as an industry icon by filing and maintaining a significant portfolio of invention patents, trademarks, and technological contracts that allow safeguarding our investment and business position, reinforcing our corporate identity, and the adoption of process technologies.

Currently, we have adopted the open innovation model that leads towards the incorporation and promotion of contributions and solutions from suppliers, universities, research centers, and other entities. Hence, we are able to leverage our external resources to develop solutions that serve our company and the rest of the industry through proper management of intellectual property.

Requested and granted patents 1975-2017

We have performed a systematic management of intellectual assets throughout our business trajectory, which has positioned us as a leader in the development of technologies for the mining-metallurgy industry. Since 1975 we have filed 270 invention patent applications in Chile, 67 of them being granted. In 2017 we filed eight invention patents.

Total patents filed in Chile	270
Total patents granted in Chile	167
Applications filed during 2017	8
Applications granted during 2017	2

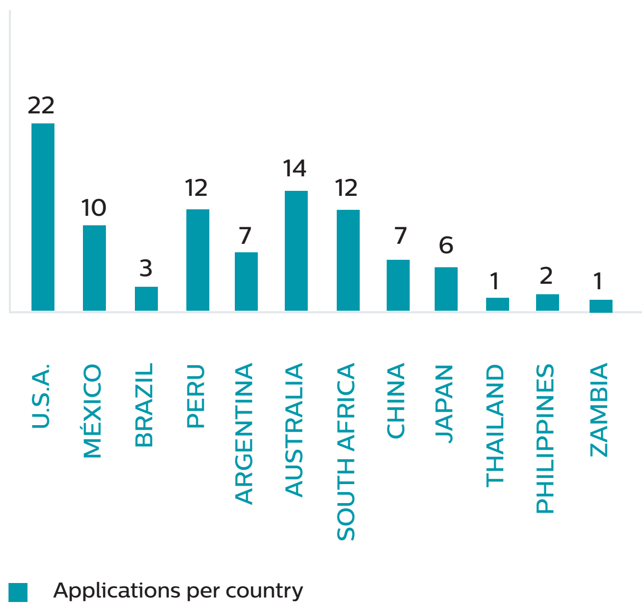
Commercial brands of Codelco and its branches

We protect our commercial brands to safeguard denominations and symbols indicative of our business activities. Currently we have, directly or through our branches, registered a total of 254 brands in Chile and abroad.

Brand	Domestic	Abroad
Codelco	53	76
Branches	125	-

Invention patents abroad

Our activity requires our participation in projects and initiatives with companies and entities of the world; this implies that the protection of our intellectual assets is a global management activity. To date, we have filed 97 invention patent applications in 12 countries.



TRANSPARENCY, INTEGRITY, AND GOOD CORPORATE GOVERNANCE

In line with cultural changes that now require auditable management systems, at Codelco we have included transparency in our core values, due to its importance and benefits for our company's reputation, and made it a priority for our business.

Codelco is committed to being a world-class company on all fronts, due to our work at the national and international level, our importance for Chile's development and global reputation, our financial and fiscal relevance, our position in the copper market, and our overall influence.

Under this premise, the Board and Senior Management are committed to firmly advancing along the path of excellence and giving the highest priority to improving its transparency and integrity.

We believe that **"doing things right"** does not only imply proper strategic planning, sound quality assurance, and good mine planning, nor does it mean merely cutting operational costs and increasing productivity. It is not enough to simply plan efficient and profitable investment agendas or to meet deadlines and budgets; it is not enough to simply implement technologies and adopt high socio-environmental management standards. While these are all extremely important, they do not suffice without one essential element. Namely, to make Codelco a world-class company means corporate governance of excellence, ethical management of our resources, and building and promoting a corporate culture based on transparency, equal opportunities, and best practices.

Our Board and Management aim to create a tremendous change in terms of operations, culture, the institution and its human resources, with a focus on transparency, equal opportunities, and good corporate governance; because these are the best tools an owner can have to ensure efficient management.

Codelco is owned by all Chileans. The management style and how we communicate, explain, control, audit and evaluate those actions should off assurance. The guarantee that the decisions we make consistently put the country's best interest first, and that the management processes do not deviate or change because of interests or objectives different from those of the nation. The company will only be able to achieve sustainable growth if we can sustain the citizens' trust in this regard.

At Codelco, we must show, both inside and outside the organization, that **we strive for a modern, professional and auditable management.** Within the company, we must show that we are committed to raising our standards of good corporate governance, integrity, management control and transparency.

For that reason, we shall continue to implement policies and best practices that inspire us to act with professional and ethical precision at all times and at all levels within the corporation. Simultaneously, we shall continue taking substantial strides towards a more accessible culture in the management of our external reporting procedures. It is not enough for the companies to merely state their good intentions; nowadays, citizens demand specific actions and measurable results.

Therefore, we are working to promote and generate a culture of greater control and transparency, and this drives us to publish and divulge data, indicators, documents and files of public interest in a proactive, voluntary, up-to-date, accessible and understandable manner. However, it is essential to understand that there are legal and commercial restrictions that protect the confidentiality of some contracts. Therefore, our commitment to transparency is limited only by commercial privacy factors and respect for the personal privacy of our employees.

We are natural leaders. Therefore, the standards to which we must strive exceed the legal requirements that govern other Chilean companies. Our company shall auto-prescribe standards that reflect the country that all citizens wish to build. Currently, the people in Chile and around world are demanding greater transparency, integrity and best practices from companies, the State, institutions, and private entities. At Codelco, we are uniquely positioned between company and State, between public and private, between productive and social. A company with a vocation for leadership placed at this intersection shall anticipate these trends and assist in shaping them.

There is no turning back from the path we have taken during the past few years. We are driving a significant transformation. However, in such a process which encompasses the entire entity, from a functional perspective to personal accountability, there are three specific areas that we would like to highlight as they involve long-term changes in our approach: 1) sound corporate governance, transparency, and integrity standards; 2) integral management and risk control system; and 3) new process for tenders, acquisition, and contract management.

New standards

We reinforced existing measures and implemented new standards of good corporate governance, transparency, and integrity.

Since Congress' approval in 2009 of the Codelco Corporate Governance Act, which granted management the tools to implement world-class policies and standards on internal control and anti-corruption, we have started a decisive path towards best practices. Some highlights of our progress are as follows:

2009: We set up a hotline to process an average of 280 anonymous claims a year under the supervision of the Board's Audit Committee.

2010: We approved and implemented the Corporate Governance Code.

2010: We approved the regular business policy with counterparts.

2011-2015: We updated and improved Codelco's Corporate Standard 18 (NCC 18) that regulates control, authorization, and reporting under the Superintendence of Securities and Insurance (SVS) of operations with companies that employ family members of Codelco personnel.

2011: We adopted the Corporate Governance Practices and Standards Report process prescribed by the SVS (NGC 385).

2011: We issued and approved our Values Charter.

2012: We certified our crime prevention model under Act 20.393, regarding criminal liability of organizations, prevention of bribery and corruption, financing of terrorism, and drug trafficking.

2012: We created and approved the contractor oversight and monitoring system.

2014: We regulated the allocation and use of resources for management operations.

2014: We set out a transparent and traceable management system for external job applications, demotions, releases, supplier contracts and contract awards.

2014: We defined the rules to make the relationship between the Board members and the company's management more transparent and systematic.

2014: We implemented a policy to minimize direct awards and private tenders, so as to gain greater efficiency.

2015: We extended the "declaration of financial interests" obligation to all people dealing with third party contracts (approximately 2,000 people).

2015: We set out new and stricter standards to limit lobbying in Codelco and to prohibit receiving expensive corporate gifts.

2015: We regulated all future contracts with politically exposed persons (PEP), which shall always require specific Board approval.

2015: We approved the standard to control future contracts with "Codelco exposed persons" (PEC), referring to former Codelco employees, and which shall always require specific Board approval.

2015: We revamped Codelco's Legal Department, centralizing its management to ensure the validity of corporate standards in every territorial division.

2015: We drastically improved the operations of Codelco's Internal Auditing Unit, which now falls under the Board's Audit Committee and operates independently from management.

2015: We set out a policy of full compliance with the modern standards of corporate transparency, enforceable in the public and private fields.

2016: We redesigned Codelco's Internal Comptroller unit, replacing it with two new areas, namely Accounting and Financial Control Management and Corporate Risk and Control Management.

2016: We assigned the task of directly overseeing corporate risk control and management to the Board's Audit Committee.

2016: We extended control management and integrity policies to every subsidiary of the corporation on a mandatory basis.

Ethics and integrity

In 2017 our Board defined that relationships or conflicts of interest shall continue to be declared up to second degree relations but the obligation to abstain from participating in decision taking shall be extended to the third degree of consanguinity or affinity.

Furthermore, we created an ethics and integrity corporate system that gives all employees access to the standards, support material, and declaration systems.

We decided on an e-learning training program regarding conflicts of interest directed towards employees in charge of the primary online controls. This is to improve the miscellaneous payment processing application in order to detect possible conflicts of interest early on and to confirm that every person in Codelco required to disclose their interests do so in due course, as well as yearly updates.

Business Code of Conduct and Hotline

The Code of Conduct is our guide to implementing our company's Values Charter daily, as it enables us to execute the strategy within the scope of sound business practices, working in a committed manner to raise transparency, integrity and accountability standards. The current Code of Conduct is being reviewed, and we hope to publish an updated version in 2018.

Our Hotline has been operating since August 2009, and it allows for the personal or anonymous reporting of events on non-compliance of the Business Code of Conduct, or the law, policies, procedures or any other standard applicable to our employees, their relationship with contractors and/or third parties.

We received three hundred and fifty-eight (358) claims during 2017, a 28% increase over 2016 (279 reports).

The investigation of three hundred and sixty-five (365) claims was completed during the year (90 for 2016 and 275 for 2017). Another ninety-four (94) are still under investigation. Twenty-seven (27) of the closed cases were penalized.

New supply processes

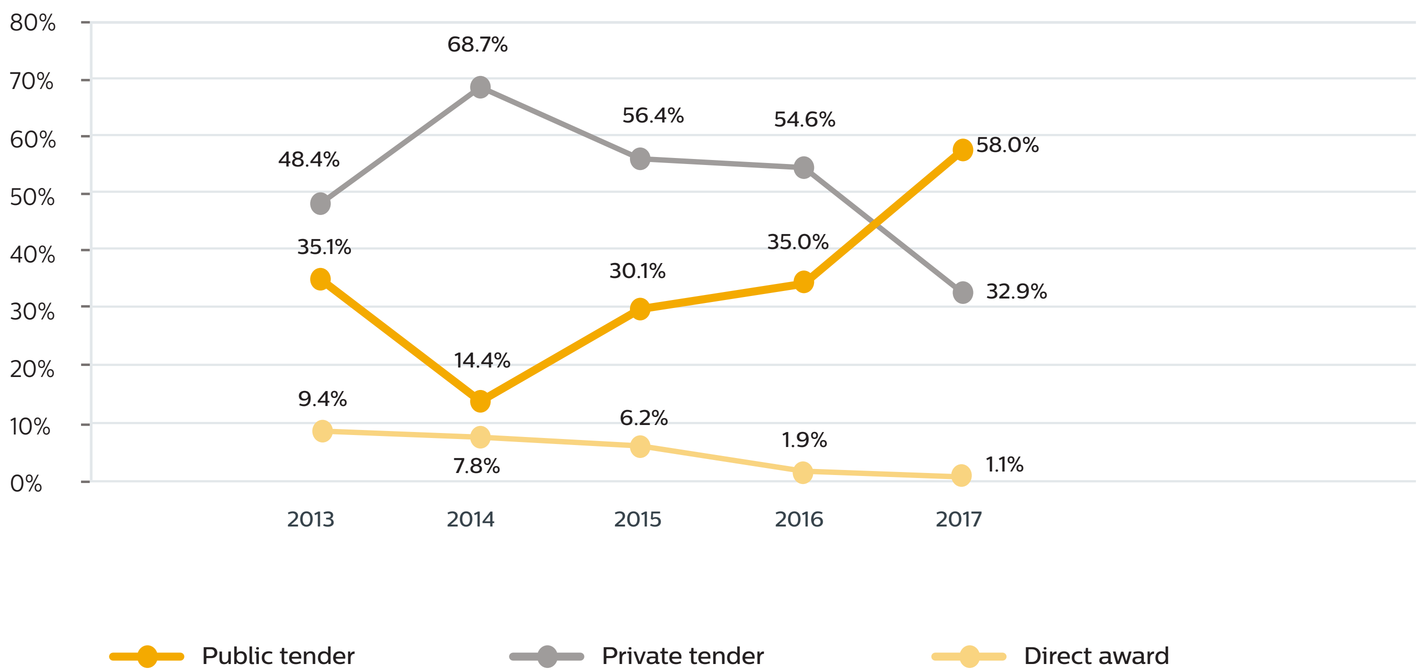
We strengthened the supply chain

Codelco aims to ensure the efficient and proper management of its resources on an ongoing basis, putting the company's interests first, as well as efficiency, especially where the acquisition of goods and services is concerned.

We are guided by four key principles in the redesign of our processes: **efficiency, strength, traceability, and simplicity.** Based on these, we have designed supply chain practices and processes to guarantee that our tenders and contracts increasingly meet the standards of symmetric information, competitiveness, transparency, and integrity of action and compliance with commercial agreements.

Following the four key principles, this year we considerably increased competitive and public processes and reduced direct awards to the lowest levels in the history of the corporation. We opened markets in less competitive areas and simultaneously renewed the supply chain design.

Evolution of public tenders versus private tenders



Note: Transactions with subsidiaries and related entities not included.

We included risk management in strategic areas

In order to design an end-to-end process that is strong, efficient, traceable and straightforward, where the risks for which controls have been designed are evaluated, preventing or eliminating every manual process that could pose vulnerability, in 2017 we achieved the following:

- **In March, we implemented an ongoing audit program for direct award contracts and sole suppliers**
- **We reviewed the pertinent incompatibilities between employees and supplier companies.** During the recruitment and selection process, we specifically check incompatibilities that could affect the functions by nature; we regulate the work training during working hours (workers subject to daily wages shall have authorization from their direct supervisor and use working hour compensation systems). We gave instructions for implementing an Intranet system for every employee to have access to the restrictions and incompatibilities prescribed according to their employment contract.
- **We strengthened the systems for contract execution control and miscellaneous payments.** To this end, we reinforced induction and training programs for administrators of these types of contracts and strengthened controls in the minor purchases area –known as miscellaneous– which may not exceed 0.5% of the company's total yearly expenditure.

Transparency and corporate reputation ranking

Our company is recognized in transparency and corporate reputation rankings.

While we at Codelco have driven actions to improve transparency and reputation since the new corporate governance was implemented, in 2013 we were still in debt regarding this matter. That year, we ranked 23rd with 87.5% compliance with the Transparency Act measured by the Transparency Board, and 10th place in the Natural Resources Governance Index, which evaluates public sector companies in over eighty (80) countries. In 2017, we achieved 100% compliance with the Transparency Act and first place in the Governance Index.

Since 2015 and under the mandate from the Board, management has strived to achieve 100% compliance in every ranking and existing transparency rating system. With this objective in mind, our webpage contains more information than that required by the Transparency Act. We published the competencies of our senior management, we made the lobby policy explicit –that the company may not contribute to political campaigns– and we made it possible to contact the Board. For investor services, we added calendars of past and future events and published the Shareholders' meetings minutes. Regarding sustainability, we made our commitment to human rights explicit, we joined the Global Pact, we worked on an inclusion and diversity policy and published the gap in executive positions related to the salary differences between men and women.

Where are we today?		
ranking/indicator	2014	2016 -2017
Corporate Transparency Index **(Business Intelligence)**	3rd place	1st place
Public Information Access Act **(Transparency Board)**	83%	100%
Natural Resource Governance Index **(Natural Resource Governance Institute)**	10th place (2013)	1st place (2017)

We have a proactive public information and accountability strategy

Our company is an ongoing news topic in Chile and abroad. During 2017, we had considerable coverage regarding different areas of our management in the main written, radio, television and Internet media. Around 40% of the media publications responded to the positive results during the year.

We also had to address differences with the Office of the Comptroller General of the Republic, a subject that was widely covered by the media. In 2017, 23% of the total of the media releases regarding our company was related to this controversy.

Compared to the previous year, media exposure was more favorable to the company this year, with 75.4% positive press, versus 70.6% in 2016. Negative press decreased to 24.6% in 2017, compared to 29.4% the year before. We also saw an increase in radio and television coverage, from 9% in 2016 to 13% in 2017. Furthermore, our presence in social media increased 38% over that of 2016.

We have had official accounts on social media since 2009, and are pioneers in digital communications strategies.

Our followers increased in all social media platforms during 2017:

- Our **Facebook followers** increased by **37%**, reaching **250,223.**
- Our **@Codelco Chile Twitter** increased by 20%, reaching **201,556 followers.**
- We grew 28% in the second Twitter account, @CodelcoCorp, reaching **96,766 followers.**
- **213,371 people follow us** on **LinkedIn**. We are the Chilean company with most followers in this network, with a 12% growth in 2017.
- Our official **Instagram** account reached **16,365 followers; 89%** more than in 2016.

Moreover, we regularly sent relevant company information to our stakeholders, especially government, members of congress, NGOs, finance professors and economic analysts.

Our website **www.codelco.com** had **2,764,292** sessions, and **6,062,212 views** in 2017. We used all our electronic communication channels in the inquiries and grievances section to interact with the community. One of these is comunica.cl, which received **21,118 e-mails** in 2017 (equivalent to over 53 e-mails daily); this was higher than the year before. The majority of inquiries were related to suppliers, employment, and recruitment areas.

We launched Transparent Codelco

In August 2016, we started publishing relevant information of interest to the public. In doing so, Codelco Transparente (Transparent Codelco) helps bolster transparency values and access to information, public accountability, civic participation and corporate innovation, allowing us to report on Codelco's environmental, social, productive, economic, business or operational issues.

This page can be accessed through the link **www.codelcotransparente.cl**, which provides information of interest about the Andina Division on water consumption and air emissions; what we do with the liquid industrial waste, solid waste, slag and tailings, as well as our human resource management. The Ventanas Division was added in March 2017, and other six divisions plus corporate were added in December 2017.

Board of Directors' Report

Chairman of the Board is Óscar Landerretche, consider Chairman of the Directors' committee, Blas Tomic Errázuriz, stated that, pursuant to article 50 bis of Act 18.046 on Limited Liability Companies, Codelco's Board of Directors -the Audit, Compensation and Ethics Committee- shall submit the annual report of all activities executed, the annual management report and expenses incurred during 2017, including those of consultants, to the regular shareholders' meeting. To that effect, he proposed the following text for the Board's approval:

Annual Board of Directors' Report

The 2017 Board of Directors' Committee included Gerardo Jofré Miranda, Juan Enrique Morales Jaramillo, Isidoro Palma Penco, and Blas Tomic Errázuriz. In May 2017, the Board of Directors was renewed due to the end of the presidency period of Gerardo Jofré Miranda and Blas Tomic Errázuriz; appointing Blas Tomic Errázuriz for another period and Paul Schiodtz Obilinovich as the new director.

During 2017, the Committee worked to its duties and exercise the powers conferred by executive order Act 1.350 of 1976 and Act 18.046 on Limited Liability Companies that, inter alia, involved the review reports submitted by the external auditors, quarterly financial statements, remuneration systems, and the salary and benefits plans for managers and main executives, over and above the information on operations as stated in Title XVI of Act 18.046. It should be noted that the Committee analyzed these transactions, corroborating that the operations meet the market conditions.

The main matters and activities reviewed by the Board of Directors during the 2017 financial year are detailed below.

2017 Audits:

Regular Session, January 25th: the Internal Auditing unit was asked to develop an ongoing auditing program on contracts, conflicts of interest declarations, and miscellaneous payments.

The Board Committee evaluated and recommended approval of the current risk management and control model, requesting regular follow-up by the risks area.

Regular Session, February 27th: meeting with the General Auditor regarding the audit results, specifically to analyze and approve the activities of the 2017 internal audit plan.

Cognizance of Internal Audit agreements and the Cochilco audit follow-up.

In-depth analysis of procedures for purchases and contracts of more than US$ 100 million, as well as changes to contracts over 40% submitted by the Corporate Procurement Management, recommending approval to the Board.

The Board Committee evaluated and approved the renegotiation criteria for the Chuquicamata Underground Project contracts. The Committee President, Blas Tomic, submitted the 2016 Board Committee's report, which was discussed, approved and authorized for publication in the company's annual report.

Regular Session, March 23th: review of the external auditors' report.

Discussion of Codelco's consolidated financial statements and external auditors' reports. After a Q&A session with the presenters, the Committee declared its review of the financial statements, its notes, income statements, and relevant events, as well as the external auditors' report.

After an exhaustive study of the different proposals, the Committee proposed to the Board the external auditors for the 2017-2019 period, the newspaper for 2017 publications and risks rating agencies for the same period.

Regular Session, April 20th: meeting with the General Auditor regarding the audit results, specifically to analyze and approve the activities of the internal audit plan and deficiencies detected.

In-depth analysis of procedures for purchases and contracts of more than US$ 100 million, as well as changes to contracts over 40% submitted by the Corporate Procurement Management, recommending approval to the Board.

Cognizance of Internal Audit agreements and the Cochilco audit follow-up.

Regular Session, May 18th: submission and analysis of the external auditors' work plan, the review report as of March 31th, and first quarter financial statements.

In-depth analysis of procedures for purchases and contracts of more than US$ 100 million, as well as changes to contracts over 40% submitted by the Corporate Procurement Management, recommending approval to the Board. Furthermore, a change to power supply contracts was approved.

Regular Session, June 22th: oversight of the report issuance process for Internal Auditing and IT security system.

The strategy for negotiations with PVSA and Kairos was submitted for the Board Committee's analysis and determination. After a Q&A session with the presenters, the Committee approved recommendation of the strategies submitted to the Board. In-depth analysis of procedures for purchases and contracts of more than US$ 100 million, as well as changes to contracts over 40% submitted by the Corporate Procurement Management, recommending approval to the Board.

Regular Session, July 20th: meeting with the General Auditor regarding the audit results, specifically to analyze and approve the activities of the internal audit plan and deficiencies detected.

The public pre-qualification implementation process was submitted for the Board Committee's analysis and information.

In-depth analysis of procedures for purchases and contracts of more than US$ 100 million, as well as changes to contracts over 40% submitted by the Corporate Procurement Management, recommending approval to the Board.

Cognizance of Internal Audit agreements and the Cochilco audit follow-up.

- **Regular Session, August 24th:** the 2018 budget for Internal Audits was analyzed and approved. Submission of the report regarding contracts questioned by the Office of the Comptroller General of the Republic.

The new Accounting and Financial Control Management was submitted for the Board Committee's analysis and information.

In-depth analysis of procedures for purchases and contracts of more than US$ 100 million, as well as changes to contracts over 40% submitted by the Corporate Procurement Management, recommending approval to the Board.

Discussion of Codelco's consolidated financial statements and external auditors' reports. After a Q&A session with the presenters, the Committee declared its review of the financial statements, its notes, income statements, and relevant events, as well as the external auditors' report.

- **Regular Session, September 26th:** In-depth analysis of procedures for purchases and contracts of more than US$ 100 million, as well as changes to contracts over 40% submitted by the Corporate Procurement Management, recommending approval to the Board.

A proposal to obtain certification of the internal audit function was submitted for the Committee's analysis and determination. After a Q&A session with the presenters, the Board approved recommendation of the certification process of the internal audit function, in order to develop the procedure.

- **Regular Session, October 19th:** meeting with the General Auditor regarding the audit results, specifically to analyze and approve the activities of the internal audit plan and deficiencies detected. Furthermore, results from Deloitte's audit were informed, as well as the report of the Salvador Division contracts review; requesting management to take the pertinent actions and proceed according to the guidelines given.

Cognizance of Internal Audit agreements and the Cochilco audit follow-up.

- **Regular Session, October 26th:** In-depth analysis of procedures for purchases and contracts of more than US$ 100 million, as well as changes to contracts over 40% submitted by the Corporate Procurement Management, recommending approval to the Board.

- **Regular Session, November 16th:** In-depth analysis of procedures for purchases and contracts of more than US$ 100 million, as well as changes to contracts over 40% submitted by the Corporate Procurement Management, recommending approval to the Board.

Discussion of Codelco's consolidated financial statements and external auditors' reports. After a Q&A session with the presenters, the Board declared its review of the financial statements, its notes, income statements, and relevant events, as well as the external auditors' report.

Furthermore, results of the Hospital del Cobre audit were reported; requesting management to take the appropriate actions and proceed according to the guidelines given.

Regular Session, December 19th: the 2018-2021 Internal Audit Plan and the Internal Audit Certification Plan were approved.

The results of the Carén compliance report were submitted; requesting management to take the appropriate actions and proceed according to the guidelines given.

In-depth analysis of procedures for purchases and contracts of more than US$ 100 million, as well as changes to contracts over 40% submitted by the Corporate Procurement Management, recommending approval to the Board.

2017 Related parties and related persons

Throughout the 2017 fiscal year and during each regular session, the Board of Directors reviewed all transactions with related parties, with Codelco exposed persons (PEC), and with politically exposed persons (PEP), as well as transactions where a company's director, manager or executive could have potential conflicts of interest; recommending approval of the submitted contracts, confirming that each of them met market conditions.

Regular Session, March 23rd: presentation by the Administration and Finance Management; and the Board Committee reviewed and issued a pronouncement on the transformation of the supply processes involving tenders and procurement.

Regular Session, April 20th: review of the status of the statements on the company's assets and liabilities and recoverability of Molyb credit.

A report with the analysis and approvals performed in each session was drafted, and a copy of said report was sent to the Board for its information.

2017 Compensation

The Board Committee reviewed and monitored the remuneration systems and salary and benefits plans (performance agreements) for the Executive President, as well as the division General Managers, VPs, and other second-level executives. The Committee also reviewed the company's human capital and compensation policies.

In particular:

- **Regular Session, January 26th:** performance evaluation of the 2016 CEO; unanimous approval of the evaluation and pertinent bonus.

- **Regular Session, January 25th:** presentation by the Administration and Finance Management; the Board of Directors reviewed the results, indicators, and critical focus of the 2016 performance agreement.

  Disclosure and approval of the update of the benefits manual for the company's executives and the recognition benefit for performance.

- **Regular Session, February 27th:** presentation by the Administration and Finance Management; the Committee recommended approval of the 2017 annual bonus proposal for executives.

  After an in-depth analysis, the 2017 performance agreement proposal was approved as recommended by the Vice-Presidency of Administration and Finance; management was asked to take into account the opinions and considerations of the Committee.

- **Regular Session, July 20th:** the Company's retention action plan was revealed and analyzed in depth.

- **Regular Session, September 26th:** retirement incentives were presented for information purposes. The Committee gave some guidelines and asked management to take into account the considerations raised.

- **Regular Session, December 26th:** review and approval of the remunerations system and salary and benefits plans for Codelco managers, leading executives and employees.

2017 Ethics

The Board Committee became familiar with the company's Code of Conduct and Business Ethics, especially regarding the practices to prevent or address situations involving conflicts of interest, transparency, corruption, and fraud. Moreover, it committed to ensuring compliance with the standards on legal liability of organizations.

During every 2017 regular session, the Committee mainly studied, analyzed and became familiar with the management report on contracts with related, subsidiary, and co-related companies, as well as the report on direct awards. Additionally:

- **Regular Session, January 25th:** review of the report on PEP and PEC company classification submitted by the Corporate Supply Management.

- **Regular Session, March 23rd:** management's proposal to keep ICR as certifying company according to Act 20.393 was analyzed and recommended to the Board.

- **Regular Session, May 18th:** discussion and approval of the PEP and PEC contracts approval process.

- **Regular Session, August 24th:** approved change of contracts for PEP consulting services and hotline services. Additionally, the scope of application of the Foreign Corrupt Practices Act to Codelco was submitted for analysis and consideration of the Committee.

- **Regular Session, October 26th:** analysis of management's proposal to tender internal compliance and control consulting services according to Chilean standards and the standards applicable in the United States, England, and Canada.

- **Regular Session, December 19th:** proposal to create a management system for Codelco's bylaws. Approval to update the PEP and PEC risks matrix.

2017 Board Committee consulting expenses

The Board Committee does not have an operating expenses budget.

BUILDING A COMPANY FOR THE FUTURE

The Company's outlook and potential contribution to Chile primarily depend on our capacity to renew its source of value: the mineral deposits we mine.

Our geological resource base, contained in some of the world's largest mega-deposits, is approximately 400 million tonnes of refined copper, allows the company to ensure its future by regularly including these resources in our business plans.

We know it is extremely important to organize a system to increase our mineral base from different sources. Hence, we have defined a development strategy that involves technical and investment initiatives to carry out this crucial task to ensure the future of Chile's most important company.

A key initiative is our Capex portfolio, specifically planning and executing of structural projects required to extend life of operating mines. The key projects in this structural portfolio are Chuquicamata Underground Mine, New Mine Level at El Teniente Division and the New Transport System at Andina Division; all these projects are currently in progress. Other structural projects, i.e., Rajo Inca Mine, Andina Future Development and Radomiro Tomic Sulphides Phase II are in the study phase; and the North District Desalination Plant is in the tender phase.

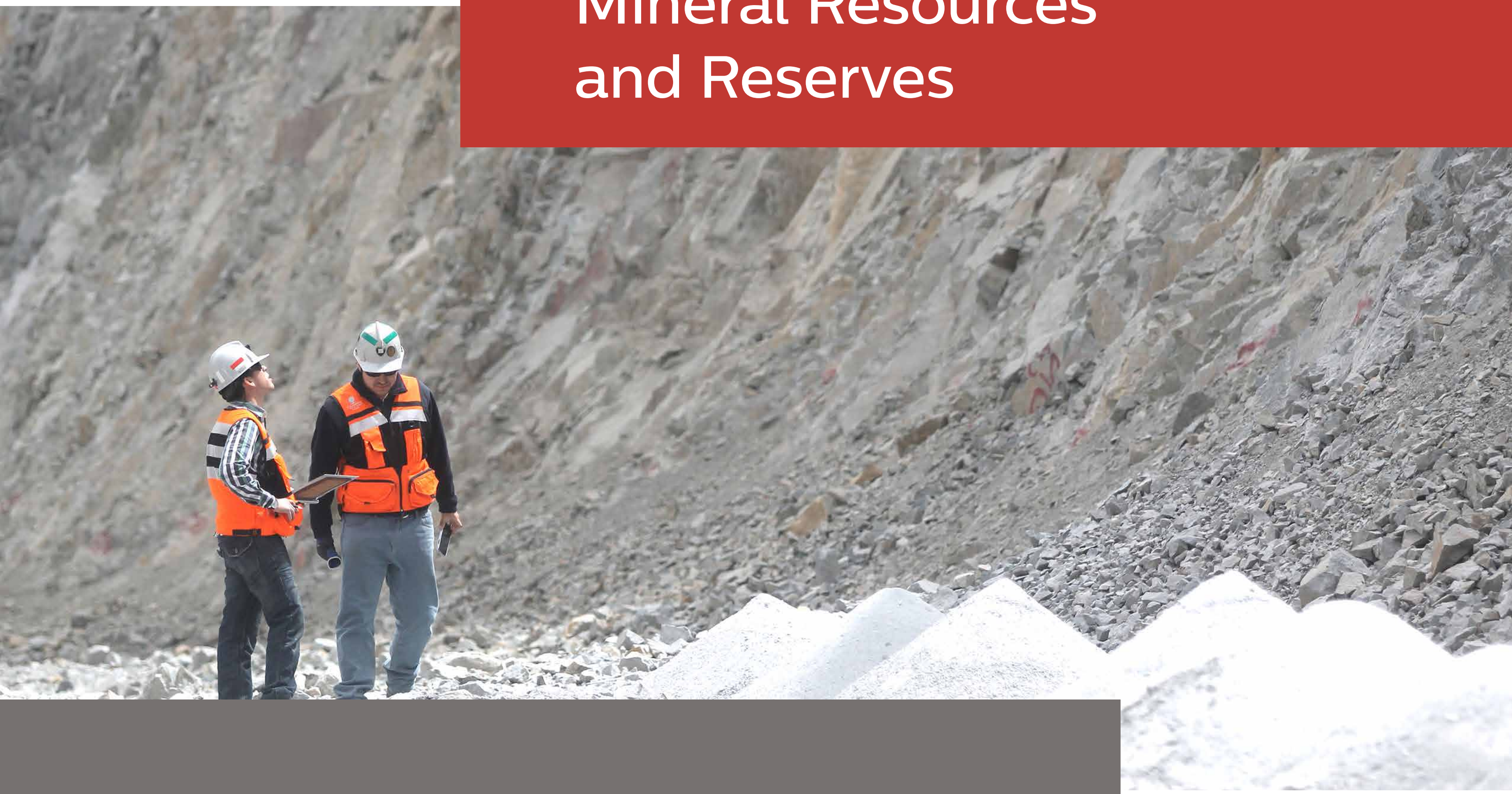
Mineral exploration is another strategic initiative we systematically conduct to discover new ore deposits and contribute to our inventory of mineral resources. Since 1991, we have increased brownfield and greenfield (mainly in the Andean mountains) exploration management. This has been a successful strategic decision, contributing 74 million tonnes of refined copper content to the company's resources and reserves in the period 1991-2017, and we have invested US$ 925 million (in 2017 currency) in this initiative.

We are currently conducting exploration activities in several countries, such as Brazil and Ecuador, as part of a globalization process of the Company's operations and business. In Ecuador, the Llurimagua project is the most advanced mine prospect under our exploration agreement with Enami EP, the Andean country's state-owned mining company.

After developing large-scale mining and engineering projects for 46 years in Chile, we are now in a position to globalize our production capacity. For this purpose our Company has been conducting exploration and prospecting activities around Latin America and the world, taking into account different types of operating models, such as associations with other companies.

We want to continue the task Chileans have entrusted us with: to provide Chile with all the production and technological capabilities our Company has accumulated throughout the years.

Mineral Resources and Reserves



More than 100 million tonnes of refined copper is Codelco's mineral resource base, this will ensure some of our mega-deposits are in operation for another 100 years.

At Codelco we report the inventory of our mining assets, differentiating between mineral resources and reserves, based on applicable standards. We also report the geological resources that indicate the potential of the ore deposits identified to date.

Geological resources result from the exploration process and are estimated by geoscientific modelling. These resources are classified into measured, indicated and inferred categories. When these geological resources have a reasonable prospect for eventual economic extraction, they are called mineral resources.

The classification of our mining assets is based on the Company's standards. We do an understandable and auditable follow-up of the classification process and a quality control of the geological modelling and the estimation process.

Geological Resource Inventory

Division	Measured Geological Resources			Indicated Geological Resources			Inferred Geological Resources			Total Geological Resources		
	Mineral Mt	Grade CuT %	Refined Cu Mt	Mineral Mt	Grade CuT %	Refined Cu Mt	Mineral Mt	Grade CuT %	Refined Cu Mt	Mineral Mt	Grade CuT %	Refined Cu Mt
Radomiro Tomic	1,349	0.49	6.6	1,688	0.43	7.3	4,335	0.37	16.1	7,372	0.41	30.0
Chuquicamata	2,914	0.63	18.4	1,843	0.50	9.2	9,895	0.37	36.5	14,652	0.44	64.1
Ministro Hales	192	1.06	2.0	393	0.87	3.4	1,490	0.68	10.1	2,075	0.75	15.5
Gabriela Mistral	328	0.34	1.1	80	0.29	0.2	509	0.33	1.7	917	0.33	3.1
Salvador	636	0.48	3.0	617	0.38	2.4	2,311	0.41	9.4	3,564	0.42	14.8
Andina	2,886	0.73	21.2	2,548	0.66	16.8	16,837	0.59	99.6	22,271	0.62	137.6
El Teniente	2,898	0.82	23.9	2,647	0.56	14.8	9,379	0.49	45.6	14,923	0.56	84.3
Exploration / Business & Subsidiaries	149	0.26	0.4	170	0.27	0.5	2,716	0.35	9.6	3,035	0.34	10.5
Remnant Materials	116	0.57	0.7	231	0.55	1.3	5,038	0.36	17.9	5,386	0.37	19.9
Total	**11,469**	**0.67**	**77.3**	**10,261**	**0.55**	**55.8**	**52,511**	**0.47**	**246.6**	**74,196**	**0.51**	**379.8**

Mt: Millions of tonnes.

CuT%: Total copper percentage.

The 2017 geological resources inventory remained unchanged for refined copper thanks to the exploration campaigns, offsetting the consumption of operations during the year.

Mineral Resources

Every year we prepare our Business and Development Plan, which contains a short, medium and long-term business outlook.

This outlook is based on a long-term strategic plan that is based on economically viable mineral resources, and it considers geological, metallurgical, geomechanical, economic, financial, environmental, community and other technical-economic factors, and their different levels of confidence.

Our corporate inventory of mineral resources consolidates the data from all our divisions, based on estimates of the open-pit shell size and the mineral volumes recoverable from underground mines.

In order to update and improve the mineral resource classification, we conducted drilling campaigns that provided additional data and enabled us to clearly define the different engineering phases of operations and divisional projects. This involves a series of specific activities included in the corporate strategic agenda and each activity has a schedule, plan and budget.

Resources in remnant material deposits consist of: broken ore, remnants from underground mining and stockpiles from surface mining and which are piled in duly identified areas. Remnant materials also include tailings and leach tail.

Mineral Resource Inventory (I)

Division	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Mineral Resources		
	Mineral Mt	Grade CuT %	Refined Cu Mt	Mineral Mt	Grade CuT %	Refined Cu Mt	Mineral Mt	Grade CuT %	Refined Cu Mt	Mineral Mt	Grade CuT %	Refined Cu Mt
Radomiro Tomic	1,205	0.49	6.0	1,245	0.45	5.6	1,170	0.44	5.2	3,619	0.46	16.8
Chuquicamata	848	0.85	7.2	378	0.73	2.8	645	0.50	3.2	1,871	0.70	13.2
Ministro Hales	132	1.11	1.5	80	0.91	0.7	840	0.86	7.2	1,052	0.89	9.4
Gabriela Mistral	318	0.35	1.1	62	0.31	0.2	8	0.26	0.0	388	0.34	1.3
Salvador	284	0.60	1.7	101	0.49	0.5	192	0.44	0.9	577	0.53	3.1
Andina	1,197	0.83	9.9	873	0.78	6.8	1,830	0.80	14.7	3,899	0.81	31.4
El Teniente	1,447	0.97	14.1	676	0.81	5.5	1,768	0.74	13.1	3,891	0.84	32.6
Total	**5,432**	**0.76**	**41.4**	**3,416**	**0.65**	**22.2**	**6,452**	**0.69**	**44.2**	**15,299**	**0.70**	**107.7**

Mt: Millions of tonnes. CuT%: Total copper percentage.

Note: Our reporting is in accordance with the Chilean Code to report on exploration results, mineral resources and ore reserves (CH 20.235).

Remnant Material Inventory (II)			
Division	Remnant Mineral Resources		
	Mineral Mt	Grade CuT %	Refined Cu Mt
Radomiro Tomic	19	0.41	0.1
Chuquicamata	124	0.46	0.6
Ministro Hales	11	0.59	0.1
Salvador	214	0.66	1.4
Andina	287	0.71	2.0
El Teniente	544	0.51	2.8
Total	**1,198**	**0.58**	**6.9**

Division	Total Mineral Resources		
	Mineral Mt	Grade CuT %	Refined Cu Mt
Radomiro Tomic	3,638	0.46	16.8
Chuquicamata	1,995	0.69	13.7
Ministro Hales	1,063	0.89	9.5
Gabriela Mistral	388	0.34	1.3
Salvador	791	0.56	4.5
Andina	4,187	0.80	33.5
El Teniente	4,435	0.80	35.4
Total	**16,497**	**0.70**	**114.7**

Mineral Resources contributed by Subsidiaries			
Subsidiary (Ownership Interest)	Subsidiary Mineral Resources		
	Mineral Mt	Grade CuT %	Refined Cu Mt
Anglo American Sur (20%)	1,732	0.63	11.0
Inca de Oro (33,84%)	153	0.41	0.6
El Abra (49%)	1,283	0.44	5.6
Subsidiaries Subtotal	3,168	0.54	17.2
Subtotal divisiones	16,497	0.70	114.7
Codelco Total	**19,665**	**0.67**	**131.9**

Note: Codelco's stake in other companies includes the following deposits: Los Bronces, El Soldado, El Abra and Inca de Oro. Mineral resources include mineral reserves.

Source: Anglo American Sur, Freeport McMoran and Panaust (Annual Report 2016).

Mt: Millions of tonnes. CuT%: Total copper percentage.

Mineral reserves make up 56% of our mineral resources

Mineral resources have decreased by 5.1 million tonnes of refined copper compared to 2016. This is mainly due to annual consumption and to updating Division Andina's resource inventory because the open-pit mine design had to be adjusted to avoid any effect on glaciers. This reduction is partially offset by new sectors that will be mined at El Teniente Division.

This inventory includes 16.3 million tonnes of refined copper from our stake in Anglo American Sur, Inca de Oro and El Abra mines, totalling 131 million tonnes of refined copper.

Mineral Reserves

Our mineral reserves were determined in accordance with the Chilean code of the Commission for the Qualification of Competencies in Mineral Resources and Reserves, created under Law Nº. 20.235.

Mineral reserves are the result of long-term mine planning, that only considers the measured and indicated resources of projects that have already carried out their pre-feasibility or feasibility studies. The inferred resources in the economic shell of surface and underground mines are considered waste rock.

Codelco's 2017 mineral reserves are published in the public reports of resources and reserves reported by each Division.

Mineral reserves have not undergone significant variation. Consumption during 2017 explains a decline of approximately 2 million tonnes of refined copper; this is offset by increased reserves at Salvador Division, after its growth project completed its pre-feasibility study.

Mineral Reserves Inventory

Division	Proven Mineral Reserves			Probable Mineral Reserves			Total Mineral Reserves		
	Mineral Mt	Grade CuT %	Refined Cu Mt	Mineral Mt	Grade CuT %	Refined Cu Mt	Mineral Mt	Grade CuT %	Refined Cu Mt
Radomiro Tomic	738	0.50	3.7	1,305	0.47	6.2	2,043	0.48	9.9
Chuquicamata	860	0.84	7.2	476	0.52	2.5	1,336	0.72	9.7
Ministro Hales	142	1.06	1.5	52	0.91	0.5	194	1.02	2.0
Gabriela Mistral	281	0.36	1.0	71	0.30	0.2	351	0.34	1.2
Salvador	25	0.52	0.1	505	0.65	3.3	530	0.64	3.4
Andina	246	0.75	1.8	921	0.70	6.5	1,167	0.71	8.3
El Teniente	744	0.99	7.4	563	0.67	3.8	1,307	0.86	11.2
Total	**3,037**	**0.75**	**22.8**	**3,891**	**0.59**	**22.9**	**6,928**	**0.66**	**45.7**

Note: Variable cut-off grade of the mine plan.

Mt: Millions of tonnes.

CuT%: Total copper percentage.

Mineral Reserves contributed by Subsidiaries

Subsidiary (Ownership Interest)	Mineral Reserves from Subsidiaries		
	Mineral Mt	Grade CuT %	Refined Cu Mt
Anglo American Sur (20%)	330	0.53	1.7
El Abra (49%)	211	0.45	0.9
Subsidiaries Subtotal	542	0.50	2.7
Codelco Total	**7,470**	**0.65**	**48.3**

Source: 2016 Annual Reports: Anglo American Sur and Freeport McMoran.

Mt: Millions of tonnes.

CuT%: Total copper percentage.

The mineral reserve inventory includes 2.7 million tonnes of refined copper from Codelco's stake in SCM El Abra and Anglo American Sur. Codelco's mineral reserves totalled 48 million tonnes of refined copper.

Competent Person

The following competent persons sign off on public reports on mineral resources and reserves that constitute the database used to prepare the Company's resources and reserve inventory. These competent persons are registered and authorized in the Register of the Commission for the Qualification of Competencies in Mineral Resources and Reserves.

In accordance with best practices, the geo-mineral-metallurgical data contained in our divisional inventories is systematically audited and reviewed by independent auditors.

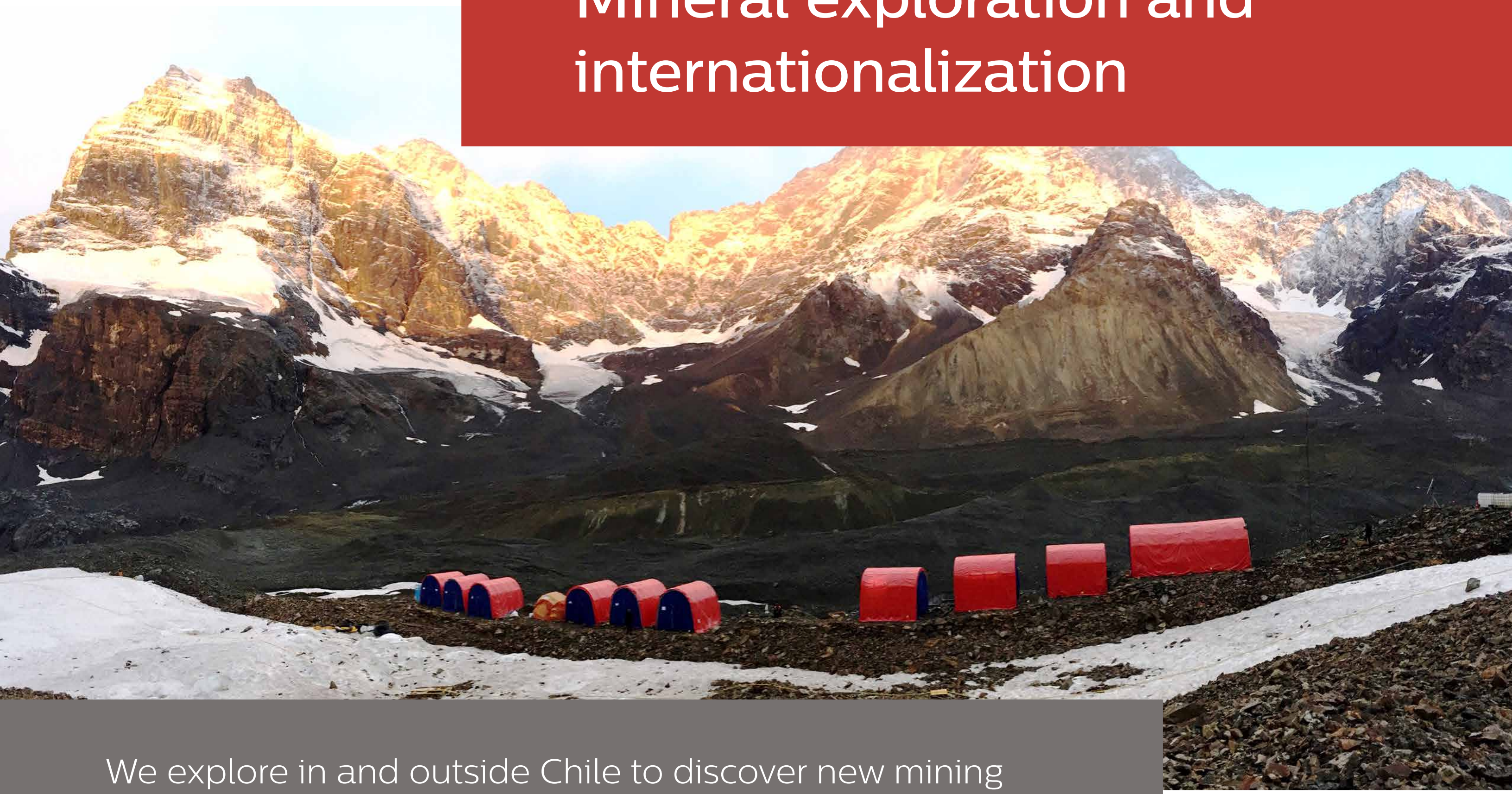
Chilean Law. 20.235 regulates competent persons and creates the Commission for the Qualification of Competencies in Mineral Resources and Reserves.

Every year the mineral reserve and resource statements issued by each Division are signed off by Codelco's competent persons; however, one or more independent competent persons.

Register Nº.	Competent Person	Organization
0093	Manuel Mansilla Orellana	Mineral Resource Department
0099	Patricio Zúñiga Rojas	
0084	Felipe Celhay Schoelermann	El Teniente Division
0198	Daniel Bustamante Valdés	
0254	Michel Galeb Nicolás	Andina Division
0239	Víctor Sandoval Zepeda	
0318	Rodrigo Molina Paredes	Salvador Division
0017	Juan Pablo González Toledo	Geomine SA
0203	Claudio Nicolás Vargas	Gabriela Mistral Division
0098	Rafael Valenzuela Briceño	
0200	Alejandro Dagnino Espinoza	Ministro Hales Division
0197	Victorino Moyano Escobar	
0192	Raúl Cancino González	Radomiro Tomic Division
0206	Sebastián de la Fuente Alfaro	
0257	Renato Valdés Romo	Chuquicamata Division
0252	Juan Carlos Peña Pérez	

Note: Competent persons are certified in January 2018.

Mineral exploration and internationalization



We explore in and outside Chile to discover new mining districts and ensure our long-term business. We are developing a new exploration stage to position Codelco among the top global companies. Our international activities will also be key to expand Chilean mining.

Investment

The global budget for non-ferrous metals exploration in 2017 totalled US$ 7.95 billion, distributed among 1,535 companies. This means a 14% increased over 2016, but significantly lower than the record US$ 20.53 billion allocated to global spending in 2012.

Chile invested US$ 603 million in 2017 and for the third consecutive year continues to rank fourth in global exploration budgets and first in Latin America, followed by Peru and Mexico.

In 2017, we invested US$ 62 million in mineral exploration, up 57% from the previous year, hence our activities are picking up again, after the budget adjustment plan implanted during the previous years.

Exploration in Chile

In 2017 we continued to focus on exploration activities in Chile in our operating districts (brownfields) in order to incorporate mineral resources and thereby optimize or expand divisional plans.

Regional exploration activities (greenfields), conducted outside the Company's operating districts, include the creation and follow-up of prospects and targets within the main area of the copper porphyry deposits. We primarily focus these activities on the segments located north of Collahuasi and between Chuquicamata and El Salvador, conducting geophysical data surveys, geochemical sampling and exploration drilling. In 2017 we conducted studies that helped us to expand to new prospecting areas.

District and Regional Exploration in Chile 2017

	Anomalies*	Prospects**	Targets***	Advanced Exploration****	Total
Areas under study	59	24	10	4	97
Areas drilled	Studies without drilling	4	8	3	15
Metres drilled		5,069	17,345	33,399	55,813

* Anomalies: areas with specific geological characteristics.
** Prospects: areas of preliminary geological-mining interest.
*** Targets: geological targets of mineral interest.
**** Advanced exploration: final stage of exploration project.

In 2017 our greenfield exploration activities identified 10 new targets, of which eight are within the mining districts of our divisions and two in regional areas.

Advanced exploration results include the Lagarto project in the Gabriela Mistral mining district, and the Jarosita project located about five kilometres east of Radomiro Tomic Division.

We also identified potential exploration prospects in the Extravío Cluster in El Teniente Division; in Andina and Gabriela Mistral Divisions and other prospects close to El Salvador.

In regional exploration, we identified prospects and anomalies in the area between Chuquicamata and El Abra; around Codelco's Mocha deposit and El Salvador deposit, as well as some prospects located between Spence and Cerro Colorado.

Overseas exploration

We have developed our overseas exploration activities in Ecuador, it forms part of the Andean Metallotect where porphyry copper deposits are located; and in Brazil, in the metallotect identified as the Brazilian tectonic shield, where large IOCG deposits are found (massive iron oxide, copper and gold ore deposits).

We are also monitoring exploration activities to identify business opportunities in other regions globally recognised as having favorable geological characteristics, such as Australia, Canada, the United States, Mongolia, Eastern Europe and Turkey.

Brazil

Together with our Codelco do Brazil subsidiary we continue to assess our own prospect portfolio and prospects explored under partnerships. For this purpose, we primarily focused on the Carajás mining district, in the state of Pará, where the world's largest mining companies are also engaged in exploration activities or have mining interests.

In 2017 we expanded our search for new exploration target areas outside the traditional Carajás district. As a result, we discovered an important mining property in the states of Ceará, Bahía, Pernambuco, Tocantins and Goiás. In these exploration areas we identified high potential blocks, which we will continue to explore in 2018 through land geophysical surveys and exploration drilling.

Ecuador

We continue to undertake exploration activities in this Andean country under the agreement Codelco signed in 2011 with the state-owned Enami EP (Empresa Nacional Minera del Ecuador). We are also conducting our own exploration activities through Exploration Mineras Andinas Ecuador, Emsaec S.A., a wholly owned subsidiary of Codelco.

We maintain the Mina Real (or Nanguipa) prospect and the Llurimagua project active under the agreement with Enami EP.

Mina Real Prospect: we began the environmental permit process for this project, located in the Zamora Chinchipe province in southern Ecuador, which will allow us to start drilling towards the end of 2018.

Llurimagua Project: this project, located in the Imbabura province, 80 kilometres northeast of Quito, is the most important in the Codelco-Enami EP portfolio. In 2017, we drilled 44,000 metres, which in addition to the two previous years totalled 70,000 metres. The geological evidence confirms the presence of a porphyry copper deposit, similar to Codelco's deposits in Chile.

Furthermore, the Ecuadorian government announced in March 2016 it would grant new mining concessions. Through our subsidiary Emsaec we applied for mining rights to 54 areas, approximately 208,000 hectares, located in very promising and practically unexplored regions. To date, we have been granted 57,000 hectares.

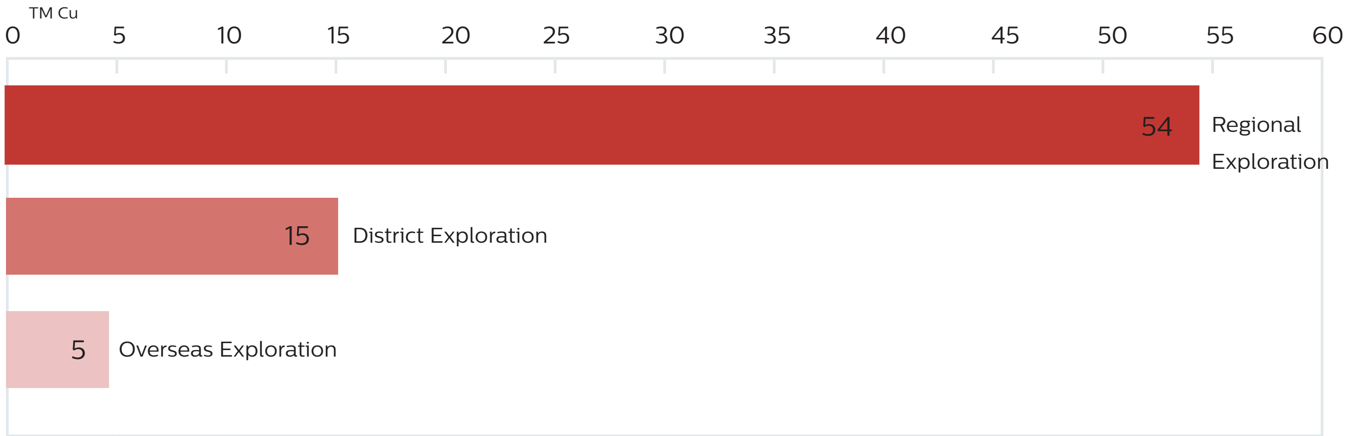
Exploration Contribution

In the period 1991-2017, our mineral exploration activities have contributed approximately 74 million tonnes of refined copper to the corporate geological resource inventory, i.e., 8.5% growth compared to 2016.

These exploration results position Codelco as one of the best-performing companies in terms of discovery rates, with an average cost of US$ 0.60 per pound (c/lb), one of the world's lowest exploration expenditures (as reported in Strategies for Copper Reserves Replacement, SNL Metals & Mining, 2017).

Geological Resources contributed by Mineral Exploration

(74 million tonnes of refined copper, 1991 - 2017)



2017 Exploration results

Llurimagua project drilling results confirmed the discovery of a large, world-class porphyry copper deposit. To date, estimated resources total 1.555 million tonnes, at an average grade of 0.51% CuT (total copper).

In Chile, the Lagarto advanced exploration project, Gabriela Mistral Division, is developing a geological and resource estimation model; so far it has provided an estimate of 121 million tonnes (Mt), at an average grade of 0.27% CuT and 0.16% CuS (soluble copper).

Furthermore, at the Jarosita prospect, located 5 kilometres east of Radomiro Tomic Division, our studies estimate resources of approximately 4.7 million tonnes, at an average grade of 0.48% CuT.

Copper resources identified 2017

Resources reported at a cut-off grade of 0.2% CuT

Project	Mineral Mt	Average Grade CuT	Refined Cu Mt
Jarosita	4.7	0.48	0.02
Lagarto	121	0.27	0.33
Llurimagua*	762	0.51	3.89

*These resources represent Codelco's stake (49%) under the Enami EP agreement.

Innovation and technology

We have applied technologies to detect mineralized deposits, located at depth and with little or no evidence of surface mineralization in order to develop our exploration model.

In 2017 we also participated in several technology research and development projects, such as:

- **Halos Verde:** project sponsored by Australian Mineral Industries Research Association (Amira). It is a multi-customer initiative focused on identifying minerals to show the location of porphyry copper deposits or epithermal deposits. A blind test was carried out in a pilot area proposed by Codelco, and its results helped to validate the methodology.
- **Geophysical Data Project:** its objective is to collect magnetometric data using drones. This technology provides access to remote locations and has a minimum impact on people and the environment.

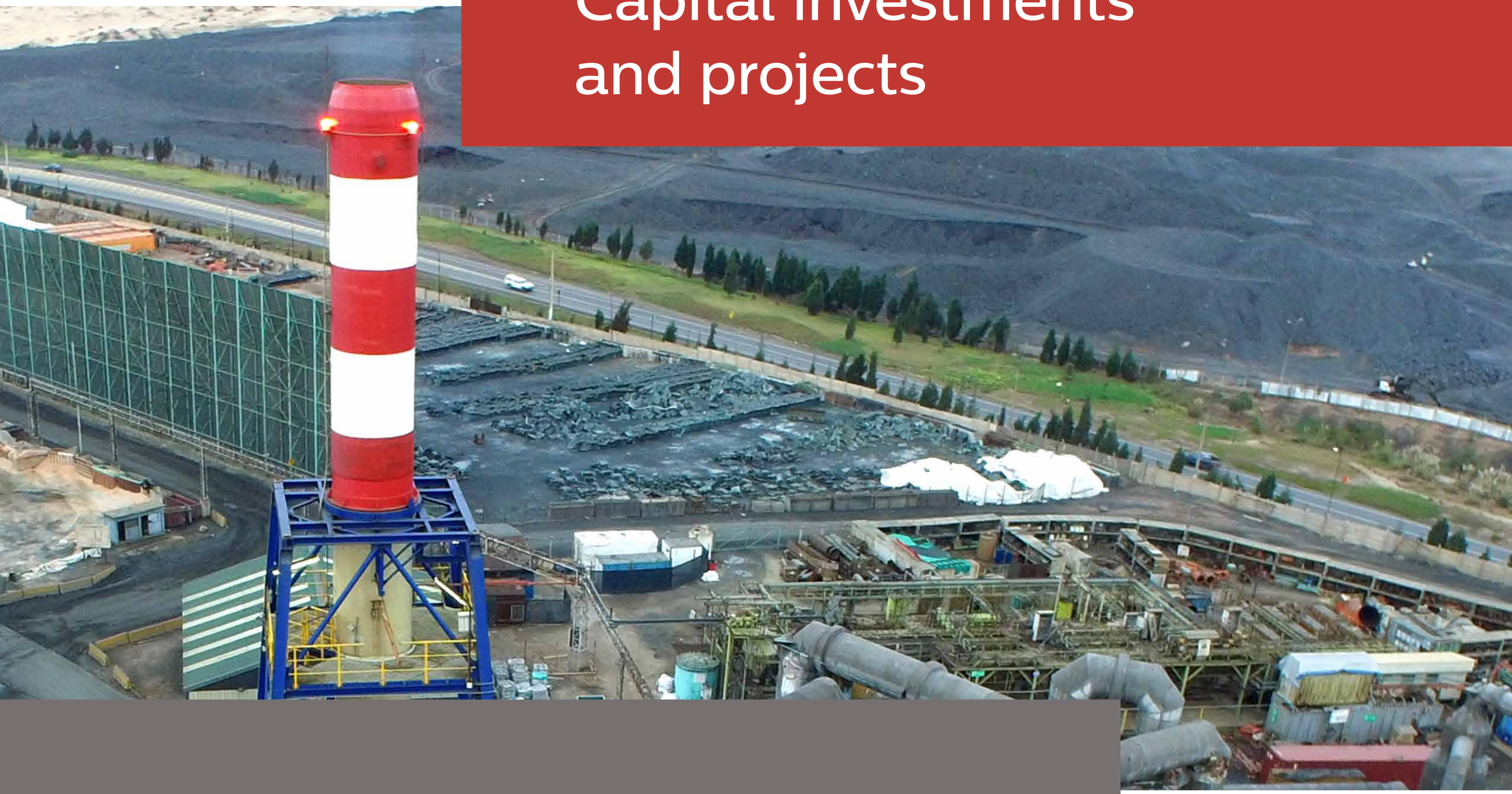
We entered into mineral exploration partnerships with other parties

We created strategic alliances with third parties, applying a business model to dynamically assess areas, shares risk and costs as an additional mechanism to increase our mineral resource base. It also enables us to develop business opportunities related to prospects of interest or that have world-class geological potential or are economically viable, for example, the Llurimagua project in Ecuador, or have potential geological resources but because of their metal content, volume or location are not within Codelco's production scale, such as the Anillo and Puntilla-Galenosa projects in Chile.

Exploration partnerships

Projects in Chile	Partner	Type	Stage
Anillo	Fortune Valley	Gold	Engineering
Puntilla – Galenosa	Pucobre	Copper	Engineering
Overseas Projects			
Liberdade	Pan Brasil	Copper	Exploration
Tancredo y otros	Xstrata Brasil	Copper	Exploration
Grupo Propiedades	(ENAMI EP) de Ecuador	Copper	Exploration

Capital investments and projects



We expensed US$ 3.1 billion in 2017 capital investments, focusing on our structural project portfolio and on initiatives to meet copper smelter emission standards.

In the context of our business plan review, we priotized and optimized our project portfolio. As a result, we estimate US$ 21.3 billion in capital expenditures over the five-year period 2018-2022, of which US$ 7.3 billion (34%) is allocated to the structural project portfolio.

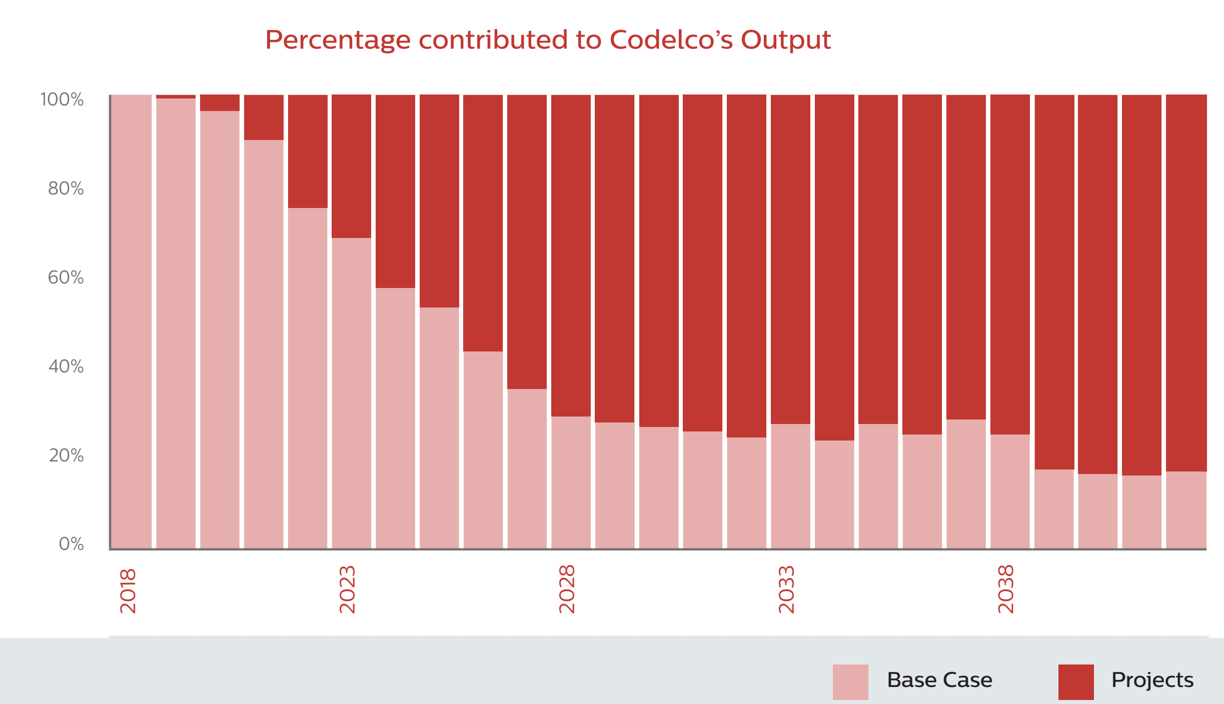
US$ 3.1 billion were invested in 2017, of which US$ 1.4 billion were allocated to structural projects; and US$ 453 million to projects undertaken to meet smelter emission standards, and US$ 572 million to mine development and deferred costs, the rest was invested in developments and business continuity.

Capital Expenditure 2017

US$ million	
Development Projects	1,515
Equipment Replacement and Facility Refurbishment	145
Sustainability	782
Research & Studies	88
Business	5
Mine Development and Deferred Costs	572
Exploration	38
Total	**3,146**

Importance of our Capex Portfolio

Over the next few years we will not be able to maintain our current production rates if we do not develop our Capex portfolio. Our project portfolio, currently underway or in the study phase, is extremely important because we estimate that by 2027 nearly two thirds of Codelco's own copper production will come from these developments (both structural and development projects); while our existing operations will only contribute a third of our total production.



Note: Projections of copper production contributed by the Company's structural projects over the next 25 years.

We made significant progress on execution of the structural projects in 2017, for example, the main access tunnel to the Chuquicamata underground mine was completed; we defined and launched a new development strategy for El Teniente New Mine Level, and we completed the primary crusher excavations for the Andina Plant Relocation Project.

We also completed the pre-feasibility studies for two structural projects: Rajo Inca Mine at Salvador Division, and Andina Future Development, and we are reviewing the development strategy for Phase II of the Radomiro Tomic Sulphides project. While, the North District desalination plant is currently in the tender phase.

Below we present a progress summary of the key structural projects and other projects for each.

We allocated US$ 3.1 billion to our 2017 Capex portfolio, including structural projects, that must be implemented to provide resources to Chile.
During the year we made significant progress on construction: Chuquicamata Underground, 51.3%; Andina Plant Relocation, 48.6%; and El Teniente New Mine Level, 44.6%.

Division Chuquicamata

Chuquicamata Underground Mine Structural Project

At Chuquicamata Division, 51.3% of the construction phase to transition the open-pit mine to a state-of-the-art underground mine was completed in 2017. The underground mine is scheduled to begin operations in 2019.

Progress summary: the main access tunnel was completed; this infrastructure is important because of the number of employees required to build the project, i.e., 7,500 people on site. We improved work performance inside the mine, achieving unprecedented progress on mining projects, exceeding 3,600 metres per month of horizontal and vertical developments. By the end of 2017, 96 kilometres of tunnels had been built of the total 141 kilometres that have to be built by 2020.

Our goal is to start block caving by mid 2019. In December we awarded the contract to mount the ore transport system, which should begin load testing during the second half of 2019.

We optimized the design to add value to the project. As a result, we had to negotiate with the main mining contractors; this process was successfully completed in 2017.

In November the newly designed project was submitted for review that is currently underway. We expect recommendations and decisions to be made during 2018.

Other projects

At the Talabre dam, where we deposit tailings from the sulphide processing operations of the North District divisions, we are building the VIII phase of the wall embankment, i.e., raise it 6 metres, ensuring operational continuity of the district. In 2017, 37% of the work had been completed. We also started the pre-feasibility study for the IX stage of the dam capacity increase.

We also started the Tailings and Remnant Materials Leaching project to increase the contribution by the Chuquicamata Division oxide business. We replaced the primary flotation cells and the slag plant as part of the concentrator projects.

Radomiro Tomic Division

Radomiro Tomic Sulphide Structural Project-Phase II

We are currently reviewing the development strategy for this structural project to optimize its business case and its development approach. It is preliminarily scheduled to begin operations in 2024. We also finished cleaning the polygon where the new concentrator plant will be installed.

North District Desalination Plant

With respect to the North District desalinated water system, we have considered a business model, where its facilities will be financed, executed and operated by a third party. In 2017 we started an international tender process that should conclude in 2018.

Other projects

In 2017 we completed both the VII phase of the tailings dump expansion, ensuring operational continuity of the Division and the assembly of the new bucket-wheel excavator that will start operations in 2018.

With respect to operational continuity and sustainability we carry out structural improvements to the electrowinning tank house and we made progress on the mine loop project that aims to solve the electrical interferences while mining oxide phases 22 and 29. We also made progress on the project to improve the solution management department, both regarding repair work on the emergency and operation ponds and the construction of a new operation pond.

As part of our long-term outlook, we continue developing the pre-feasibility study to increase oxide leaching.

Salvador Division

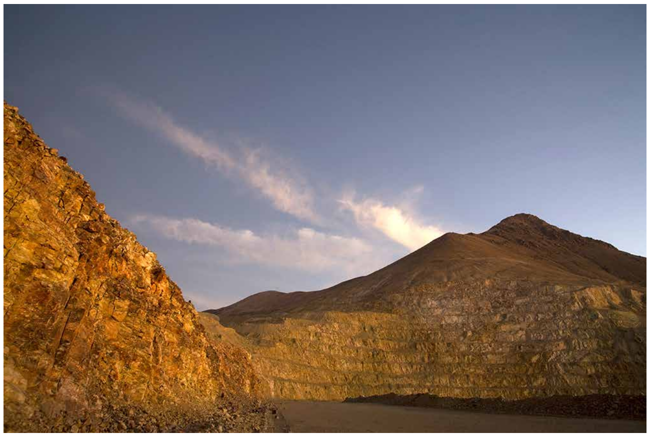
Rajo Inca Structural Project

We are studying this structural project to extend the useful life of Salvador Division, by surface mining the remnant materials of the Indio Muerto deposit.

In 2017 the business case of this project was put on hold. The project involves mining the deposit and feeding sulphides to the existing concentrator plant at a rate of 37,000 tonnes per day. The pre-feasibility study was approved, its main goal is to maximise the use of existing Salvador Division assets.

Other projects

At the beginning of the year the new filter plant in the concentrator started operation; and we are in the final stage of the sulphuric acid storage tank standardization project.



Andina Division

Andina Future Development Structural Project

The Andina Future Development project aims to increase the current production capacity of Andina Division and the future viability of its operations. During the year we completed the pre-feasibility study and we submitted the project feasibility phase to be reviewed. It is important to point out that a key guideline is to reduce the environmental impact, particularly on glaciers and water usage. At the beginning of 2018 we submitted an environmental impact study of operational continuity, to ensure the viability of the Division's operations.

Andina Relocation Structural Project

Before we begin the Division expansion, the existing primary crushing system will be affected by the planned mine expansion, thus we are developing the Andina Relocation project, that will relocate the primary crushing facilities to the area known as Nodo 3,500 in order to maintain the current production rate. So far the project is on schedule, 4,160 metres have been built in the main mineral transport tunnel towards the cordillera plant, and approximately 90,000 m3 have been excavated in the caverns where the crushing system will be installed. Overall, 48.6% of the project has been completed.

Other projects

In 2017 we completed key projects for Andina Division's operational continuity. One is the Andina water drainage treatment that increases the existing waste rock dump capacity to the area known as Barroso. We also completed the first stage of the work to increase the Ovejería dam capacity to 645 metres above sea level.

El Teniente Division

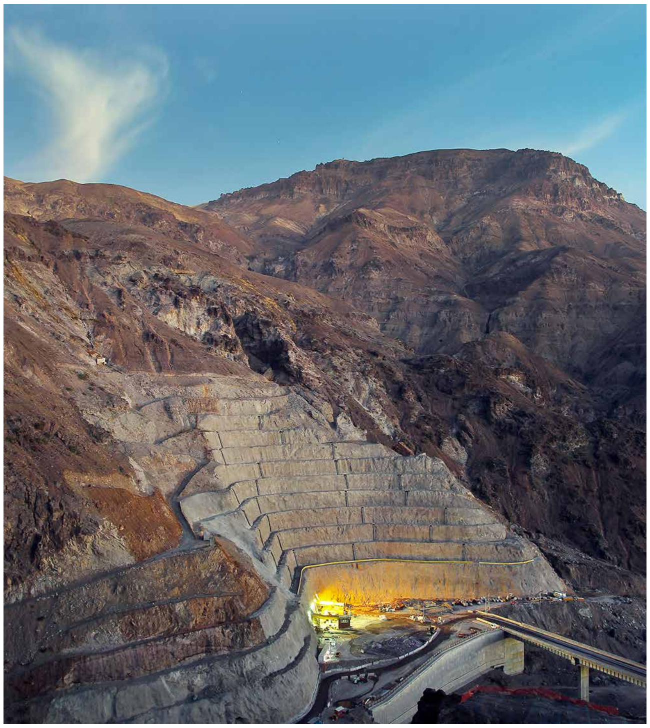
New Mine Level Structural Project

This development will allow us to extend the life of El Teniente Division mine by more than 50 years, as reserves at deeper levels of the mine are reached. This 2017 was a decisive year for the project because we completed the constructability validation phase. The tunnels were built using technical solutions, cutting-edge technologies and applying innovation to construction processes.

During the course of the year we continued to develop underground works, we consolidated the technical solutions learnt and prioritised mechanising activities, ensuring the safety of our employees.

As for the expansion of El Teniente level 8 operations, in 2017 we completed the pre-feasibility studies of the new Andesita and Diamante areas and we began the relevant feasibility studies. These projects will help to replace the mine's production capacity; they will replace the depleted areas and help start the Andes Norte-New Mine Level project that has been delayed.

We redefined the reserve consumption strategy to minimise the risks arising from the geomechanical complexities of the rocky massif in deep mineral exploration. For this purpose, we entered the relevant Environmental Impact Statement in the Environmental Assessment System and at the end of the year we submitted to the review authorities this business scenario that complements other projects that will be developed and together will form part of the Division's development plan, with significant economic potential.



Other projects

We implemented Phase V of the Diablo Regimiento project; this is the last planned phase before we start operation, which should produce 126,000 tonnes of refined copper in eight years.

We also raised the Carén embankment wall by 9 metres (phase 6 out of 12 phases); it is El Teniente Division's tailings deposit. This project ensures the operational continuity of the mine.

The investment for the seventh phase was approved. We submitted the relevant information to the regulatory authorities to obtain the project permits and we commenced its design engineering.

Gabriela Mistral Division

We completed the tailings dump carpet phase VI project and we conducted the feasibility study to build the tailings dump carpet phases VII and VIII, and phase VII should be completed in 2018 and phase VIII in 2020, in line with the Business and Development Plan 2018.

We also continued to develop the district hydrogeological exploration project and the water resource management project.

Ventanas Division

We continued to make progress on the treatment plant for copper-rich precipitates produced during the refinery process, they will be prepared, packaged and sent to the metal recovery plant in Mejillones. With respect to energy efficiency, the tilting furnace and refining furnace burners were replaced.

SUBSIDIARIES AND ASSOCIATED COMPANIES

We have a network of 46 companies and entities in which we are the majority or minority shareholders. In addition, we have a specialized area in developing new businesses with third parties, which add value for Codelco.

Subsidiaries and associated companies

Codelco's network of subsidiaries and associated companies has different segments ranging from mining, electric energy companies, entities developing new uses for copper, research and technology, mineral processing plants, ports and healthcare entities.

In 2017, we made capital contributions totaling US$ 1.2 million and received US$ 53.3 million as dividends from subsidiaries and associated companies. As of December 31, 2017, our network of subsidiaries recorded total Headcount of 1,174 employees. Codelco's directors or executives who are members of the Board of Directors of such subsidiaries and associated companies receive no additional fees for such concept.

We are regularly seeking business opportunities in partnerships with third parties, including the incorporation of companies, acquisitions, mergers and sales. The most significant milestones for the period were as follows:

- In April 2017, we incorporated the subsidiary Salar de Maricunga SpA, which will be engaged in the lithium business.
- The subsidiary Energía Minera S.A. was liquidated in November 2017.
- In December 2017, Inversiones Mining companies Becrux SpA absorbed the subsidiary Inversiones Mining companies Acrux SpA.

New businesses

At Codelco, we also have a business area, which is responsible for identifying, designing, assessing, planning and acting on the new opportunities to be developed with third parties to add value for Codelco, mitigating risks and controlling any impact. With respect to this, we generate transactions related to the main line of business, such as acquisitions and disposals, plus associations of mining, technological or exploration assets in Chile and abroad.

The most significant milestone for the year with respect to this aspect is the fact that we commenced the process of searching for the strategic partners with experience in the development and/or production of lithium to support the subsidiary Salar de Maricunga in the study and valuation of the mining concessions owned by Codelco, located in the Maricunga and Pedernales saltpeter deposits in the Atacama Region of Chile.

In this process, we also requested the related permits from the Chilean Nuclear Energy Commission (Comisión Chilena de Energía Nuclear, CCHEN) and the Ministry of Mining to have the authorization for the exploration, marketing of lithium. We obtained the permit and quota from the CCHEN in March 2017 and are waiting for the final processing of the Lithium Operation Special Contract, which was entered into in March 2018 between the Ministry of Mining and Salar de Maricunga SpA. Such contract will allow the exploration, mining and processing of lithium from the Maricunga saltpeter deposit by our subsidiary, from any mining property constituted starting from 1979, the year in which lithium was considered as a substance not to be included in concessions for this type of mining properties.

Mining companies

Agua de la Falda S.A.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 96.801.450-1
Trade name: Agua de la Falda S.A.
Type: Shareholders' corporation.
Incorporation date: July 25, 1996.
Partners: Codelco 42,26% and Minera Meridian Limitada 57,74%.

Total capital proportionally subscribed and paid-up by Codelco.
US$ 42,113 thousand.

Line of business
Prospecting, exploration and production of mining properties containing gold, precious metals and other metals; and any marketing related to these metals.

Directors
Roberto Alarcón Bittner, Chairman
Jason Joseph LeBlanc
Gerardo Fernández Tobar
Enrique Tarifeño Urquieta (*)
Diego Brieba Vial (*)

Substitute directors
Sergio Orrego Flory
Andres Guzmán Bosque
Miguel Perez Aspe
Oscar Castañeda Calderón (*)
Olga Alfaro Toledo (*)

General manager
Felipe Núñez Cordero

Ownership interest and changes during the reporting period
Codelco directly holds 42.26% ownership interest.
During the year, share capital increased from US$ 41,117 to US$ 42,113 fully subscribed and paid by the shareholder Minera Meridian Limitada.

Business relationship with Codelco
There were no purchases or sales of goods and services other than the contracts between the company and Codelco.

Contracts entered into with Codelco
The Company has a contract in force with Codelco for the following services: Supply of freshwater, industrial water, electricity supply and a lease contract.

Anglo American Sur S.A.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 77.762.940-9
Trade name: Anglo American Sur S.A.
Type: Shareholders' corporation.
Incorporation date: July 31, 2007.
Partners: Inversiones Anglo American Sur S.A. 50.05992%; Clarent SÀRL 0.00008%; Inversiones Mineras Becrux SpA 29,5% and MC Resource Development Ltd. 20,44%.

Subscribed and paid-up capital by Codelco
US$ 248,000 thousand.

Line of business
The company is engaged in the exploration, extraction, mining, production, processing and marketing of minerals, concentrates, precipitates, copper bars and all the metallic and non-metallic mineral substances and, in general, of all fossil substance and liquid and gaseous hydrocarbons, in naturally occurring form, including the exploration, mining and use of any natural energy source susceptible for industrial use of products or by-products that are obtained therefrom and, in general, the performance of any other related, associated or supplementary activities approved by its Shareholders.

Directors
Duncan Wanblad, Chairman
Hennie Faul
Juan Carlos Román
Shinsuke Takahashi
José Pesce Rosenthal (*)

Substitute directors
Alejandro Mena Frau
Richard Leclerc
Felipe Purcell Douds
Hideyuki Takemura
Alejandro Rivera Stambuk (*)

General manager
Juan Carlos Román

Ownership interest and changes during the reporting period
Codelco indirectly holds 20% ownership interest.
There were no changes during the reporting period.

Business relationship with Codelco
Sales of anodes, cathodes, copper concentrate.

Contracts entered into with Codelco
Contracts for the purchase of anodes, cathodes and concentrate through Inversiones Mineras Nueva Acrux SpA.

Codelco's directors or executives.

Cobrex Prospecçao Mineral S.A.

As of December 31, 2017

Details and legal nature
Trade name: Cobrex Prospecçao Mineral S.A.
Type: Shareholders' corporation (Brazil).
Incorporation date: Brazil, January 14, 2013.
Repertorio Nº 33.3.0030616-1 Commercial Board R.J.
Partners: Codelco do Brazil Mineração Ltda. 51% and Xstrata do Brasil Exploração Mineral Ltda. 49%.

Subscribed and paid-up capital by Codelco

Subscribed capital: US$ 12,000 thousand.
Paid-in capital: US$ 4,825 thousand.
Codelco do Brasil Mineração Ltda.: 30.12% of capital subscribed and paid and 20.88% of subscribed capital pending payment.
Xstrata do Brasil Exploração Mineral Ltda.: 49% of subscribed and paid-in capital.

Line of business

Ownership interest in any kind of mining company or joint venture, in Brazil and/or abroad, and manage own or third-party assets.

Carry out any activity related to mining, including, but not limited to research, exploration and mining of economic resources and/or ore deposits in Brazil.

Carry out, in general, any other civil or commercial activity directly or indirectly related to research, exploration, economic extraction, production or marketing of mineral products or by-products.

Directors

Marcos André Gonçalves, Chairman
Felisberto de Castro

Substitute directors

Humberto Eustáquio
Luis Ferraioulli

General manager

Marcos André Gonçalves

Ownership interest and changes during the reporting period

Codelco indirectly holds 51% ownership interest.
There were no variances during the year.

Business relationship with Codelco

There were no business relationships between both companies, except for being a subsidiary of a subsidiary of Codelco.

Contracts entered into with Codelco

No contracts or activities that significantly influenced Codelco's operations or results.

Headcount

None.

Codelco Do Brasil Mineraçao Ltda.

As of December 31, 2017

Details and legal nature
Trade name: Codelco do Brasil Mineraçao Limitada.
Type: Limited liability company (Brazil).
Incorporation date: Brazil, September 14, 2001. Record No. 33.2.0708361-1. Commercial Board l R.J.
Partners: Codelco International Limited 90% and Codelco Technologies Limited 10%.

Subscribed and paid-up capital by Codelco

US$ 59,152 thousand.

Line of business

Ownership interest in any kind of mining company or joint venture, in Brazil and/or abroad, and manage own or third-party assets.

Carry out any activity related to mining, including, but not limited to research, exploration and mining of economic resources and/or ore deposits in Brazil.

Carry out, in general, any other civil or commercial activity directly or indirectly related to research, exploration, economic extraction, production or marketing of mineral products or by-products.

Directors

Francisco Fernández Jimenez (*)
Nicolai Bakovic Hudic (*)

Substitute directors

Roberto Fréraut (*)
Diego Brieba (*)
Víctor Janer Pérez (*)

General manager

Marcos André Gonçalves

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest.
There were no variances during the year.

Business relationship with Codelco

There were no business relationships between both companies, except for being a subsidiary of a subsidiary of Codelco.

Contracts entered into with Codelco

No contracts or activities that significantly influenced Codelco's operations or results.

Headcount

Executives and managers: 2
Professionals and technicians: 22
Employees: 13

Codelco's directors or executives.

Compañía Contractual Minera Los Andes, CCMLA

As of December 31, 2017

Details and legal nature
Taxpayer ID: 78.860.780-6
Trade name: Compañía Contractual Minera Los Andes (CCMLA).
Type: Contract mining company.
Incorporation date: May 16, 1996, Record No. 273. Notary's office: M. Gloria Acharán Toledo. Listed on page 117 in 1996, in the Property Registry and on page 9550 in the Shareholders' Record maintained by the Santiago Mining Registrar.
Partners: Codelco 99.97% and Sociedad de Inversiones Copperfield Ltda. 0.03%.

Subscribed and paid-up capital by Codelco
US$ 17,655 thousand.

Line of business
Geological and other types of exploration to discover and survey ore bodies in Chile or in another country.

Directors
Roberto Fréraut Contreras, Chairman (*)
Javiera Estrada Quezada (*)
Patricio Zuñiga Rojas (*)

Substitute directors
None.

General manager
Rodrigo Morel Guzmán (*)

Ownership interest and changes during the reporting period
Codelco directly and indirectly holds 100% ownership interest. Change in the partner, owner of 0.03% from Compañía Minera Picacho to Sociedad de Inversiones Copperfield SpA because of the absorption of CM Picacho by Sociedad de Inversiones Copperfield SpA.

Business relationship with Codelco
Exploration activities are performed by Codelco by way of contracts with other companies under option contracts to form a shareholders' corporation. During the year, Codelco performed on behalf of CCMLA payments for the maintenance of mining property, which have been recorded in the intercompany accounts.
During 2017, no option contracts were entered in mining properties of CCMLA.

Contracts entered into with Codelco
Framework contract for exploration in force from 2014.

Headcount
None.

Codelco's directors or executives.

Exploraciones Mineras Andinas S.A.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 99.569.520-0
Trade name: Exploraciones Mineras Andinas S.A.
Type: Shareholders' corporation.
Incorporation date: July 29, 2004.
Partners: Codelco 99.9% and Sociedad de Inversiones Copperfield SpA. 0.1%.

Subscribed and paid-up capital by Codelco
US$ 236 thousand.

Line of business
Provide planning, management and implementation services for mining exploration and water exploration projects that involve services in: drilling, chemical analysis, sampling, lab analysis, geological and geophysical mapping, physical property measurement, material characterization, support and other services required to implement such projects; consulting services in geology, geophysics, geostatistics, geotechnical, geochemical, geometallurgy, hydrology; improvement and staff training in areas related to mining exploration; seminars, workshops, courses and publications.

Directors
Patricio Zúñiga Rojas (*)
Francisco Fernández Jiménez (*)
Valentina Santelices Riquelme (*)

Substitute directors
None.

General manager
Guillermo Müller Masser

Ownership interest and changes during the reporting period
Codelco directly and indirectly holds 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco
The company provides mining and geological exploration services.

Contracts entered into with Codelco
Contract for mining exploration services. Beginning on October 15, 2004, the company has entered into a number of contracts with Codelco to implement and develop Codelco Chile's exploration projects in Chile and abroad.
The contract currently in force is: Comprehensive Mining Exploration Services for 2016-2018, and considers the capture of geological information and preliminary valuation of resources.

Headcount
Executives and managers: 7
Professionals and technicians: 47
Employees: 2

Exploraciones Mineras Andinas Ecuador, Emsaec S.A.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 1792431565001
Trade name: Shareholders' corporation.
Type: Contract mining company.
Incorporation date: December 19, 2012.
Partners: Exploraciones Mineras Andinas S.A. 99% and Sociedad de Inversiones Copperfield Ltda. 1%.

Subscribed and paid-up capital by Codelco

US$ 245 thousand.

Line of business

Provide services in mining and related areas. To carry out its purpose, the company carries on its own or third parties: planning, management and implementation services for mining exploration and water exploration projects, that involve providing services in: drilling, chemical analysis, sampling, lab analysis, geological and geophysical mapping, physical property measurement, material characterization, support and other services required to implement such projects; likewise provides consulting services in geology, geophysics, geostatistics, geotechnical, geochemical, geometallurgy, hydrology.

Directors

Roberto Fréraut Contreras (*)
Verónica Bilbao Solar (*)
María Susana Rioseco (*)
Olivar Hernández Giugliano (*)

Substitute directors

Ángelo Aguilar Catalano (*)
Daniela Arriagada Reyes (*)
Diego Brieba Vial (*)
Andrés Kettlun Leyton (*)

General manager

Santiago Bustamante Sáenz

Ownership interest and changes during the reporting period

Codelco indirectly holds 100% ownership interest.
There were no changes during the reporting period.

Business relationship with Codelco

Subsidiary of Exploraciones Mineras Andinas S.A.

Contracts entered into with Codelco

None. It has a contract in force with Exploraciones Mineras Andinas S.A.

Headcount

Executives and managers: 2
Professionals and technicians: 45
Employees: 151

Codelco's directors or executives.

Inca de Oro S.A.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.063.022-5
Trade name: Inca de Oro S.A.
Type: Shareholders' corporation.
Incorporation date: June 11, 2009. Notary's office: Osvaldo Pereira González, Registration No. 7.565.09, summary in page 30101 No. 20730 in the Registry of Commerce of the Santiago Real Property Registrar.
Partners: Codelco 34% and PanAust 66%.

Subscribed and paid-up capital by Codelco

US$ 104,266 thousand.

Line of business

Mineral exploration and ore processing plants. Establish or form part of other companies with similar, related or complementary business purposes; or acquire or dispose of interests or shares in such companies.
Acquire, incorporate and sell any mining property, deposit, concession or rights in general, movable or immovable property, securities and any kind of financial instruments.
Provide any kind of mining services, both in Chile and abroad.

Directors

Fred Hess, Chairman
Paul Scarr
Kaine Mitchell
José Pesce Rosenthal (*)
Javiera Estrada Quezada (*)

Substitute directors

Andrew Price
George Piggott
Geoff Kernick
Víctor Farías Toro (*)
Diego Brieba Vial (*)

General manager

Kaine Mitchell

Ownership interest and changes during the reporting period

Codelco directly holds 34% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

The company had no business activities during 2017.

Contracts entered into with Codelco

Service contract entered into between Inca de Oro S.A. and Codelco for the management of the mining property of Inca de Oro S.A.

Inversiones Mineras Los Leones SpA

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.237.866-3
Trade name: Inversiones Mineras Los Leones SpA
Type: Joint stock company.
Incorporation date: August 20, 2012.
Partners: Codelco 100%.

Subscribed and paid-up capital by Codelco

US$ 1,000 thousand.

Line of business

Exploration of mineral resources in Andina-Los Bronces district.

Directors

None.

Substitute directors

None.

General manager

None.

Ownership interest and changes during the reporting period

Codelco 100%. There were no changes during the reporting period.

Business relationship with Codelco

A contract exists by way of which Codelco explores in this company's mining properties.

Contracts entered into with Codelco

No new contracts were entered into.

Headcount

None.

Sociedad Contractual Minera El Abra

As of December 31, 2017

Details and legal nature
Taxpayer ID: 96.701.340-4
Trade name: Sociedad Contractual Minera El Abra (SCM El Abra).
Type: Contract mining company.
Incorporation date: June 28, 1994. Santiago Notary's Office, Víctor Manuel Correa Valenzuela. Registry of Commerce of Santiago page 149 No. 40, 1994. Shareholders' Register, 9054 page 20, 1994.
Partners: Codelco 49% and Freeport-McMoRan Inc. 51%.

Subscribed and paid-up capital by Codelco

US$ 317,059 thousand.

Line of business

Prospect, explore and mine ore deposit known as El Abra, located in the Region of Antofagasta, including its full extension, adjacent and nearby areas. Extract, process and treat the mineral ore from that ore body and surrounding areas; transport and trade products and by-products obtained from processing ore and other mining activities at the deposit.

Directors

Francisco Costabal, Chairman
Harry M. Conger
Steve I. Tanner
Sergio Parada (*)
Alejandro Rivera (*)

Substitute directors

Joseph Kridel
Kathleen Quirk
José Pesce Rosenthal (*)

Chairman

Joseph Kridel

General manager

Rubén Funes M.

Ownership interest and changes during the reporting period

Codelco directly holds 49% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco

The main common business refers to the sale of copper cathodes by SCM El Abra to Codelco. Additionally, Codelco sells sulphuric acid to SCM El Abra in quantities and price that are negotiated every year.

Contracts entered into with Codelco

The agreement for the sale of copper is supported under a Marketing Agreement entered into on January 1, 2004 between SCM El Abra and Codelco, which considers automatic renewals on an annual basis. Contracts exist for the sale of sulphuric acid which extend through December 31, 2022.

Codelco's directors or executives.

Salar de Maricunga SpA

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.754.301-8
Trade name: Salar de Maricunga SpA.
Type: Joint stock company.
Incorporation date: June 23, 2017.
Partners: Codelco 100%.

Total capital proportionally subscribed and paid-up by Codelco.

Subscribed and paid-up capital US$ 0.

Line of business

The exploration, survey, assessment, development, mining, extraction, treatment, processing, concentration, transportation and trading, acting on its own or on behalf of third parties, of any metallic and/or non-metallic mineral substance containing lithium, potassium, boron, magnesium contents, including lithium salts, lithium brines, as well as potassium or other mineral salts.

Directors

Alejandro Rivera Stambuk, Chairman (*)
José Pesce Rosenthal (*)
Francisca Estrada Quezada (*)

Substitute directors

None.

General manager

Jaime San Martín Larenas.

Ownership interest and changes during the reporting period

Codelco directly holds 100% ownership interest. During the year there were no capital contributions where the subscription of US$286,000 remain pending, which will be subscribed and paid within the period ending April 25, 2018 to the extent required by the ownership needs.

Business relationship with Codelco

There were no business relationships with Codelco.

Contracts entered into with Codelco

There were no contracts entered into with Codelco.

Headcount

None.

Sociedad Contractual Minera Purén

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.028.880-2
Trade name: Sociedad Contractual Minera Purén.
Type: Contract mining company.
Incorporation date: September 23, 2003.
Partners: Codelco 35% and Minera Mantos de Oro (Kinross) 65%.

Subscribed and paid-up capital by Codelco

US$ 9,913 thousand.

Line of business

Explore, survey, prospect, research, develop and operate mining deposits in order to extract, produce and process ores, concentrates and other mineral products.
Additionally, install and operate ore processing and treatment plants; establish and purchase any type of mining rights; sell, transport, export and market mineral substances and products. Enter into any contract or agreement indirectly or directly to achieve its business goal.

Directors

Luis Opazzo M., Chairman
Ximena Matas Q.
Luis Parra Falcón
Diego Enrique Brieba Vial (*)
Claudia Cabrera Correa (*)

Substitute directors

Simon A. Gantley
George A. Schroer
José T. Letelier
Miguel Fishwick Tapia (*)
José Pesce Rosenthal (*)

General manager

Hernán Sanhueza

Ownership interest and changes during the reporting period

Codelco holds 35% ownership interest through 350 shares subscribed of a total of 1,000 shares. There were no changes during the reporting period.

Business relationship with Codelco

There were no purchases or sales of goods and services other than the contracts entered into between the company and Codelco.

Contracts entered into with Codelco

No contracts that significantly influenced Codelco's operations and results.

Codelco's directors or executives.

Investment companies

Codelco Canada Limited

As of December 31, 2017

Details and legal nature
Trade name: Codelco Canada Limited.
Type: Limited liability company.
Incorporation date: March 3, 2016.
Partners: Codelco International Ltd 99.99% and Inversiones Copperfield SpA 0.01%.

Subscribed and paid-up capital by Codelco
US$ 10 thousand.

Line of business
Carry out necessary business and activities that include holding debt securities or shares controlled by Codelco.

Directors
None.

Substitute directors
None.

General manager
None.

Ownership interest and changes during the reporting period
Codelco indirectly holds 100% ownership interest.
This subsidiary was incorporated during 2016.

Business relationship with Codelco
There were no purchases or sales of goods and services with Codelco.

Contracts entered into with Codelco
None.

Headcount
None.

Codelco International Limited

As of December 31, 2017

Details and legal nature
Taxpayer ID: 59.156.920-1
Trade name: Codelco International Limited.
Type: Limited liability company. (Bermuda).
Incorporation date: Bermuda, 2000. Registered under Nº. EC-28890.
Partners: Codelco 100%.

Subscribed and paid-up capital by Codelco
US$ 90,982 thousand.

Line of business
The management and control of interest by Codelco in different international projects. Through the subsidiary Codelco Technologies Limited it has investments in Ecometales Limited in Jersey-Channel Islands and its operating agency Ecometales Limited-Agency in Chile, to develop and operate biologically-based technologies to process copper and molybdenum materials and concentrates. In a partnership with Codelco Technologies Limited has incorporated Codelco do Brasil Mineraçao Limitada in Brazil in order to develop exploration, mining and market development projects.

Directors
Mariela López Escobar, Chairwoman (*)
Diego Brieba Vial (*)
Olivar Hernández Giugliano (*)

Substitute directors
None.

General manager
Víctor Janer Pérez (*)

Ownership interest and changes during the reporting period
Codelco directly holds 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco
During the year, Codelco International Limited received dividends from Copper Partners Investment Company Limited of US$ 147 million.

Contracts entered into with Codelco
There were none.

Headcount
None.

Codelco's directors or executives.

Codelco Technologies Limited

As of December 31, 2017

Details and legal nature
Trade name: Codelco Technologies Limited
Type: Limited liability company (Bermuda).
Incorporation date: Bermuda, 2000. Registered under Nº. EC-28891.
Partners: Codelco International Limited 100%.

Capital subscribed and paid by the partners

US$ 44,450 thousand.

Line of business

The management and control of interest by Codelco in different international projects. Under such scheme it has investments in Ecometales Limited in Jersey-Channel Islands and in the operating agency Ecometales Limited-Agency in Chile to develop and operate biologically-based technologies applied to copper and molybdenum material and concentrate processing. Also in Codelco do Brasil Mineraçao Limitada in Brazil to develop exploration, mining and market development projects.

Directors

Mariela López Escobar, Chairman (*)
Diego Brieba Vial (*)
Olivar Hernández Giugliano (*)

Substitute directors

None.

General manager

Víctor Janer Pérez (*)

Ownership interest and changes during the reporting period

Participa en forma indirecta en un 100% del patrimonio social. No hubo variaciones durante el ejercicio.

Business relationship with Codelco

There were no business relationships.

Contracts entered into with Codelco

It currently has none.

Headcount

None.

Inversiones Gacrux SpA

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.173.357-5
Trade name: Inversiones Gacrux SpA
Type: Joint stock company.
Incorporation date: October 5, 2011
Partners: Codelco 100%.

Subscribed and paid-up capital by Codelco

US$ 167,789 thousand.

Line of business

Invest in shares, corporate rights, fund shares and securities in general, directly or indirectly related to the mining business or activities or have been issued by mining companies.

Directors

None.

Substitute directors

None.

General manager

None.

Ownership interest and changes during the reporting period

Codelco 100%. There were no changes during the reporting period.

Business relationship with Codelco

Inversiones Gacrux SpA is a Codelco vehicle to maintain the investment Becrux SpA, a joint venture between Codelco and Mitsui & Co. for the investment of 29.5% in the interest of Anglo American Sur S.A.

Contracts entered into with Codelco

No new contracts were entered into.

Headcount

None.

Codelco's directors or executives.

Inversiones Mineras Becrux SpA

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.173.783-k
Trade name: Inversiones Mineras Becrux SpA.
Type: Joint stock company.
Incorporation date: October 6, 2011
Partners: Inversiones Gacrux SpA 67.80% and MMRD Gama Limitada 32.20%

Subscribed capital y pagado por los Partner

US$ 2,671 million.

Line of business

Hold shares issued by Anglo American Sur S.A. or its successor companies, for which it may exercise the rights and comply with obligations derived from such shares, and may undertake or grant any agreement or contract to attain the above goal.

Directors

José Pesce Rosenthal (*)
Alejandro Rivera Stambuk (*)
Nicolai Bakovic Hudig (*)
Álvaro Aliaga Jobet (*)
Kazutaka Shiba

Substitute directors

Francisco Fernández Jiménez (*)
Víctor Janer Pérez (*)
Diego Brieba Vial (*)
Raúl de la Piedra Ramírez (*)
Ricardo Álvarez

General manager

None.

Ownership interest and changes during the reporting period

Codelco indirectly holds 67.80% ownership interest.
There were no changes during the reporting period.

Business relationship with Codelco

Inversiones Mineras Becrux SpA is a joint venture between Codelco and Mitsui & Co., Ltd. consisting of 29.5% of interest of Anglo American Sur S.A.

Contracts entered into with Codelco

No new contracts were entered into.

Headcount

None.

Codelco's directors or executives.

Sociedad de Inversiones Copperfield SpA

As of December 31, 2017

Details and legal nature
Taxpayer ID: 77.773.260-9
Trade name: Sociedad de Inversiones Copperfield SpA.
Type: Joint stock company.
Incorporation date: Public deed of December 12, 2001. Notary's office: Álvaro Bianchi Rosas. Listed in the Register of Commerce, page 32430 Nº. 26478, on December 14, 2001.
Partners: Codelco 99.99% and Codelco International Limited 0.01%.

Subscribed and paid-up capital by Codelco

US$ 9,280 thousand.

Line of business

Mineral exploration and operation of processing plants; purchase, build and operate mining property, deposits and rights; and participate in any kind of company, taking up, directly or indirectly, rights and ownership interest.

Directors

Lucila Siskind (*)
María Francisca Domínguez Meza (*)
Víctor Janer Pérez (*)

Substitute directors

None.

General manager

Víctor Janer Pérez (*)

Ownership interest and changes during the reporting period

Codelco directly and indirectly holds 100% ownership interest.
There were no changes during the reporting period.

Business relationship with Codelco

Currently, it has no business relationships.

Contracts entered into with Codelco

There were no contracts.

Headcount

None.

Electric companies

Central Eléctrica Luz Minera SpA

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.255.061-k
Trade name: Central Eléctrica Luz Minera SpA
Type: Joint stock company.
Incorporation date: December 3, 2012.
Partners: US$ 1,000

Subscribed and paid-up capital by Codelco
US$ 4,627,789

Line of business
Generate, transport, distribute, supply, purchase and sell electricity and provide any kind of energy services.

Directors
Francisco Danitz Miller, Chairman (*)
Nicolai Bakovic Hudig (*)
Verónica Bilbao Solar (*)

Substitute directors
None.

General manager
Francisco Danitz Miller (*)

Ownership interest and changes during the reporting period
Codelco directly holds 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco
There were none.

Contracts entered into with Codelco
It currently has none.

Headcount
None.

GNL Mejillones S.A.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.775.710-7
Trade name: Sociedad GNL Mejillones S.A.
Type: Closely-held shareholders' corporation.
Incorporation date: January 31, 2007. Notary's office: Osvaldo Pereira González. Registry of Commerce of Santiago page 6.625 Nº. 4.909 of 2007.
Partners: Codelco 37% and Engie Chile S.A. 63% (formerly Suez Energy).

Subscribed and paid-up capital by Codelco
US$ 37,000 thousand.

Line of business
Production, storage, marketing, transport and distribution of all types of fuel; and the acquisition, construction, maintenance and operation of facilities and infrastructure and other construction work required, by the company or a third-party partnership, to transport, receive, process and store them.

Directors
Pierre Devillers, Chairman
Francisco Danitz Miller ViceChairman (*)
Dante Dell' Elce
Patrick Obyn
Jean-Louis Pairon
Ingrid Antonijevic H.
Luis Valenzuela P.

Substitute directors
Philip De Cnudde
Diego Stabile
Erick Christiaen
Pablo Villarino
Diego Brieba Vial (*)
María Francisca Domínguez Meza (*)
Héctor Rodrigo Jorquera Chellew (*)

General manager
Jean-Michel Cabanes

Ownership interest and changes during the reporting period
Codelco directly holds 37% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco
Sociedad GNL Mejillones S.A. supplies regasified liquefied natural gas to Codelco Chile.

Contracts entered into with Codelco
Sociedad GNL Mejillones holds a contract with Codelco known as Terminal Use Agreement entered into on April 5, 2013. Contracts with Codelco's subsidiary Complejo Portuario Mejillones S.A. related to the lease of land where the facilities of Sociedad GNL Mejillones S.A. are located.

Codelco's directors or executives.

Processing plants

EcoMetales Limited

As of December 31, 2017

Details and legal nature
Taxpayer ID: 59.087.530-9
Trade name: EcoMetales Limited.
Type: Limited liability company. It operates in Chile as an agency.
Incorporation date: August 22, 2000. Registration number 78,014 in the Jersey-Channel Islands (UK). Notary's Office: Geoffrey St. Clair Cornwall.
Inicio de actividades: 2001.
Partners: Codelco Technologies Limited 100%.

Capital subscribed and paid by the partners.
US$ 181,592 thousand.

Line of business
Company's line of business:

- Develop technological innovations for smelter dust treatment and other smelter and refinery effluents.
- Provide mining project management and operation services that require the use of technologies for smelter dust treatment and other smelter and refinery effluents.
- Operate mining industrial processing plants that require the use of technologies for smelter dust treatment and other smelter and refinery effluents.
- Trade mining products processed and manufactured at the plants operated by the company, both in Chile and abroad.

Directors
José Pesce Rosenthal, Chairman (*)
Hernán Sepúlveda Astorga (*)
Francisca Domínguez Meza (*)
Sebastián Carmona Caldera (*)
Sergio Parada Araya (*)

Substitute directors
There are no substitute directors.

General manager
Iván Valenzuela Rabí

Ownership interest and changes during the reporting period
Codelco indirectly holds 100% ownership interest. There were no other changes.

Business relationship with Codelco
- Service contract to recover copper contained in the copper concentrate smelter dust, dated March 31, 2007, amendment No. 6 dated August 5, 2015.
- Convention for interdivisional transfer of smelter dust (PEPA) dated June 1, 2008.
- Service contract for the abatement and disposal of arsenic and antimony, on January 10, 2011 amendment No.2, on August 5, 2015.
- Service contract for study and assessment for the construction of hazardous industrial waste deposit for El Teniente Division dated March 7, 2012 and its amendment dated June 6, 2012.
- Contract for the provision of environmental impact study EIA and community relations plan for Industrial Hazardous Waste Deposit Project for El Teniente Division dated July 13, 2012.
- Service provision contract for detailed engineering and support environmental processing for Improvement in the generation, transportation and disposal of arsenic waste Project in El Teniente Division dated April 1, 2014 and its amendment No. 2 dated December 23, 2015.
- Contracts with El Teniente Division are in the process for extending the term through December 31, 2018.
- Collaboration Agreement for IT Control & Automation Services (TICA Services) dated February 6, 2013.

Contracts entered into with Codelco
Memorandum of Understanding entered into with El Teniente Division for the performance of the project for the increase in the production of copper at the SX-EW plant entered into on December 20, 2017.

Headcount
Executives and managers: 6
Professionals and technicians: 57
Employees: 97

Codelco's directors or executives.

Deutsche Giessdraht GmbH

As of December 31, 2017

Details and legal nature
Trade name: Deutsche Giessdraht GmbH.
Type: Limited liability company (Germany).
Incorporation date: Germany, April 9, 1975.
Partners: Codelco Kupferhandel GmbH 40% and Aurubis AG 60%.

Subscribed and paid-up capital by Codelco
EUR 1,280 thousand.

Line of business
Wire rod production plant.

Directors
Stefan Boel, Chairman
Stefan Groener
Björn Carsten Frenzel
Heribert Heitling (*)
Fernando Eimbcke R. (*)

Substitute directors
Frauke Möhrle (*)
Víctor Pérez V. (*)

General manager
Stefan Schneider

Ownership interest and changes during the reporting period
Codelco indirectly holds 40% ownership interest. There were no changes.

Business relationship with Codelco
Codelco Kupferhandel GmbH (Codelco subsidiary), has direct relations with its wire rod production plant Deutsche Giessdraht GmbH, it provides cathode supply management and markets the wire rods produced.

Contracts entered into with Codelco
There are no contracts entered into with Codelco Chile, only through Codelco Kupferhandel GmbH.

Planta Recuperadora de Metales SpA

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.255.054-7
Trade name: Planta Recuperadora de Metales SpA.
Type: Joint stock company.
Incorporation date: December 3, 2012.
Partners: Codelco 34% and LS Nikko 66%.

Subscribed and paid-up capital by Codelco
US$ 12,376 thousand.

Line of business
Process intermediate products obtained from copper and other metal processing and refining, to recover copper, other metals and byproducts contained, transforming them into commercial products; marketing and distributing any kind of goods and supplies related to this process.

Directors
Choong Goo Kang, Chairman
Sung Sil Park
Sung Jik Kim
Sergio Parada Araya (*)
Eduardo Foix Íñiguez (*)

Substitute directors
Han Young Cho
Woochul Kang
Sang Yul Lee
Diego Brieba Vial (*)
Víctor Pérez Vallejos (*)

General manager
Sung Jik Kim

Ownership interest and changes during the reporting period
During 2016, Codelco provided US$ 0 through capital contributions and US$ 0 through loans. Capital contributions accumulated as of December 31, 2017 are:

- Codelco: US$ 12,376,000
- LS-Nikko Copper: US$ 24,024,000

Loans accumulated as of December 31, 2017 are:

- Codelco: US$ 20,306,320
- LS-Nikko Copper: US$ 39,418,151

Business relationship with Codelco
It commenced at the beginning of the start-up of the plant in 2016 through the generation and return to Codelco of gold and silver ingots.

Contracts entered into with Codelco
Contract for copper-rich refinery precipitates tolling, which regulates for the next 20 years the treatment of copper-rich refinery precipitates produced at Codelco for recovery of precious metals contained.

Codelco's directors or executives.

MOLYB Ltda.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.148.338-2
Trade name: Sociedad de Procesamiento de Molibdeno Limitada.
Type: Limited liability company.
Incorporation date: May 18, 2011.
Partners: Codelco 99.9% and Inversiones Copperfield SpA. 0.1%.

Subscribed and paid-up capital by Codelco
US$ 105,220 thousand.

Line of business
Processing, directly or by third parties, molybdenum concentrate or other elements containing molybdenum and/or by-products obtained through the same process, in order to produce commercial products and recover any byproducts contained.

Directors
Alejandro Rivera Stambuk, Chairman (*)
Octavio Araneda Oses (*)
Francisco Ruiz Figueroa

Substitute directors
María Francisca Domínguez Meza (*)
Claudia Cabrera Correa (*)
Olivar Hernández Giugliano (*)

General manager
Gabriel Gutiérrez Clavería

Ownership interest and changes during the reporting period
Codelco directly and indirectly holds 100% ownership interest. There were no changes during the reporting period.

Business relationship with Codelco
Subsidiary engaged in the processing of the divisions' molybdenum concentrates.

Contracts entered into with Codelco
Service contract for molybdenum concentrate conversion.
Purchase contract for molybdenum products and by-products.
Service contract with Projects Vice-Presidency.
Commercial current account contract.
IT service contract.

Headcount
Executives and managers: 4
Professionals and technicians: 73
Employees: 183

Codelco's directors or executives.

New uses of copper and molybdenum

EcoSea Farming S.A.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.024.442.2
Trade name: EcoSea Farming S.A.
Type: Closely-held shareholders' corporation.
Incorporation date: Incorporation: Registration number 8881. Notary's Office: Nancy de la Fuente. Deed number where articles of association are amended: 11.018. Commencement of activities: July 17, 2008.
Partners: Innovaciones en Cobre S.A. 99.98%; Asesorías e Inversiones El Refugio S.A. 0.02%.

Line of business

The Company is engaged in:

a. Transfer, adapt, research, investigate and develop farming technologies and auxiliary services, based on copper and copper alloys for aquaculture and other related fields.
b. Produce and market any kind of product and/or services resulting from the above activities.
c. Perform any activity and enter into contracts and agreements that directly and indirectly attain its purpose.

Directors

Víctor Pérez Vallejos (*), Chairman
Mariela López Escobar (*)
Daniela Blanco Araos (*)
Dirk Wendel Heym (*)
Diego Brieba Vial (*)
Jürgen Leibbrandt
Alan Farcas Guendelman

Substitute directors

Francisca Dominguez Meza (*)
Javiera Estrada Quezada (*)
Sebastián Carmona Caldera (*)
Paula Sanchez González (*)
Eduardo Foix Iñiguez (*)
Pablo Caglevic

Ownership interest and changes during the reporting period

Codelco indirectly holds 99.98% ownership interest.
Increase from 91.32% to 99.98%.

Business relationship with Codelco

EcoSea Farming S.A. has no business relationships with Codelco.

Contracts entered into with Codelco

EcoSea Farming S.A. has no contracts with Codelco.

Headcount

None.

Codelco's directors or executives.

Research and technology

Codelco Tech SpA

As of December 31, 2017

Details and legal nature
Taxpayer ID: 96.991.180-9
Trade name: CodelcoTec SpA.
Type: Joint stock company.
Incorporation date: May 31, 2002. Notary's Office: Nancy de la Fuente Hernández. Registry of Commerce of the Santiago Real Property Registrar, page 14.849 Nº. 12.239 of 2002, amended for CodelcoTec SpA on November 21, 2016. Notary's Office: Roberto Cifuentes Allel. Registry of Commerce of the Santiago Real Property Registrar page 92.113 Nº. 49.939 of 2016.
Partners: Codelco 99.91% and Inversiones Copperfield 0.09%.

Subscribed and paid-up capital by Codelco

US$ 53,912 thousand.

Line of business

Develop mining and metallurgical technological innovations, commercial development of processes and technology in genomics, proteomics and bioinformatics for mining and, in general, application of systems based on microorganisms, analysis, research, invention, creation, development and implementation of new applications, benefits and uses for copper, molybdenum, lithium and other by-products of mining processes, as long as they are directly related to a greater use of copper.

In addition to the technological monitoring for copper substitutes, the representation of companies and natural persons or legal entities, either domestic or foreign, and the purchase and sale, distribution, marketing, import and export of these and other activities and businesses related to all the other indicated above.

Directors

Nelson Pizarro Contador (*)
Jaime Rivera Machado (*)
Sergio Parada Araya (*)
María Francisca Domínguez Meza
Irene Cosentino Catalano (*)
Lodewijk Verdeyen (*)

Substitute directors

Hernán Sepúlveda Astorga (*)
Sebastian Carmona Caldera (*)
Octavio Araneda Osés (*)
Verónica Bilbao Solar (*)
Paula Aguirre Tapia (*)
Francisco Fernández Jiménez (*)
Óscar Castañeda Calderón (*)

General manager

Mario Marchese Mecklenburg

Ownership interest and changes during the reporting period

On November 21, 2016, the company through such date referred to as BioSigma SpA (formerly BioSigma S.A.) changed its trade name to CodelcoTec SpA. In addition, subsequently, on December 2, 2016, absorbed Codelco's subsidiary Instituto de Innovación en Minería y Metalurgia S.A. Codelco increased its ownership interest from 66.7% to a total 99.9% ownership interest after the exit of JX Nippon Mining from the company, formalized on October 28, 2016.

There were no changes during the reporting period.

Contracts entered into with Codelco

Contract for the provision of research, technological development and innovation of December 2016.

- Contract for mineral bio-leaching services for the Radomiro Tomic Division of February 2015.
- Collaboration Agreement Codelco-IM2 for information technology and telecommunication services provided by Supplier GTIC.

Headcount

Executives and managers: 6
Professionals and technicians: 156
Employees: 0

Codelco's directors or executives.

Innovaciones en Cobre S.A. (Codelco Lab)

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.043.396-9
Trade name: Innovaciones en Cobre S.A.
Type: Shareholders' corporation.
Incorporation date: Registration number 20536/2008. 18th Notary's Office of Santiago.
Partners: Codelco 0.05% and Sociedad de Inversiones Copperfield Ltda. 99.95%.

Subscribed and paid-up capital by Codelco
US$ 6,441 thousand.

Line of business
- Analyze, research, invent, create, develop and implement new applications, benefits and uses for copper and molybdenum.
- Promote, spread, distribute and market products that are manufactured incorporating new applications, benefits and uses for copper and/or molybdenum.
- Represent companies and individuals or entities, domestic or foreign.
- Perform any kind of activity directly or indirectly related to the above and any other activity agreed by the partners by common consent. All the activities comprising the line of business can be performed directly by the company or by third parties.

Directors
Víctor Pérez Vallejos, Chairman (*)
Rodrigo Toro Ugarte (*)
Sebastián Carmona Caldera (*)
Alejandro Rivera Stambuk (*)
Alan Farcas Guendelman

Substitute directors
None.

General manager
Eduardo Foix Íñiguez (*)

Ownership interest and changes during the reporting period
Codelco directly and indirectly holds 100% ownership interest.

Business relationship with Codelco
The company is related to Codelco to make investments in businesses and innovation and entrepreneurial projects related to new applications of copper, molybdenum, lithium and other minerals.

Contracts entered into with Codelco
None.

Headcount
None.

Kairos Mining S.A.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.781.030-k
Trade name: Kairos Mining S.A.
Type: Closely-held shareholders' corporation.
Incorporation date: December 12, 2006. Notary's Office: Eduardo Avello Concha. Registry of Commerce, page 363, number 295 of 2008, published in the Official Gazette Nº. 38.671 of January 24, 2008.
Partners: Codelco 5% and Honeywell Chile S.A. 95%.

Subscribed and paid-up capital by Codelco
US$ 5,000

Line of business
The provision of automation and control services for industrial and mining activities in addition to the provision of technology and software licenses.

Directors
Claudio Zamora Larreboure, Chairman
Tina Pierce
John Lewis

Substitute directors
None.

General manager
Fernando Lorca Arancibia

Ownership interest and changes during the reporting period
Codelco directly holds 5% ownership interest. There were no changes.

Business relationship with Codelco
A framework agreement is in force for long-term services entered into between Kairos Mining S.A. and Codelco Chile.

Contracts entered into with Codelco
Framework service agreement to develop a program for automation in Codelco's concentrator plants with a term of 5 years (beginning on April 3, 2007), which can be extended for equal and successive periods of 5 years.
On September 10, 2010, Amendment #1 to the framework service agreement was entered into explicitly incorporating the concentrator plants at the Salvador and Ministro Hales divisions within the scope of the program-initiative.
On April 1, 2012, Amendment #2 to the framework service agreement was entered into extending the term of the framework agreement through April 3, 2017.
On April 1, 2015, KMDS-01 Framework service agreement was entered into with Salvador Division with a term of 18 months beginning on the date when the contract was entered into.
On December 1, 2017, Codelco awarded to Kairos contract 4600016095, which is the new framework service agreement through the award and early start letter for contract KMAMS-02 to perform the service orders during 2017-2018.

Trading companies

Chile Copper Limited

As of December 31, 2017

Details and legal nature
Trade name: Chile Copper Limited.
Type: Limited liability company (UK).
Incorporation date: England, March 29, 1971.
Partners: Codelco 100%.

Subscribed and paid-up capital by Codelco

US$ 13,567 thousand.

Line of business

Codelco Chile sales agent and representative for copper and molybdenum products in European (except for Germany) and Middle East markets.
It holds an 80% interest in subsidiary Codelco Services Ltd., the other 20% is held by Codelco Kupferhandel GmbH.

Directors

Rodrigo Toro Ugarte, Chairman (*)
Alejandro Sanhueza Díaz (*)
Daniela Blanco Araoz (*)
Hernán Sepúlveda Astorga (*)

Substitute directors

None.

General manager

Gonzalo Cuadra Lizana

Ownership interest and changes during the reporting period

Codelco directly holds 100% ownership interest. There were no changes.

Business relationship with Codelco

Codelco sales agent. Codelco Services Ltd., trades copper and molybdenum to meet Codelco Chile contracts; it also provides hedging services for Codelco Chile and its subsidiary Codelco Kupferhandel GmbH.

Contracts entered into with Codelco

Copper and molybdenum sales agency contract.

Headcount

Executives and managers: 2
Professionals and technicians: 5
Employees: 0

Codelco's directors or executives.

Codelco Services Limited

As of December 31, 2017

Details and legal nature
Trade name: Codelco Services Limited.
Type: Limited liability company (UK).
Incorporation date: England, August 16, 1988.
Partners: Chile Copper Ltd. 80% and Codelco Kupferhandel GmbH 20%.

Subscribed capital y pagado por los Partner

US$ 678 thousand.

Line of business

Its company purpose is very extensive, but its main focus is on manufacturing, storage and trading products and it also provides services to third parties. Its normal business is limited to trading copper and molybdenum products and copper futures trade, in order to provide services to Codelco Chile and Codelco Kupferhandel GmbH, and other companies in the Codelco group that the Parent Company deems appropriate.

Directors

Rodrigo Toro Ugarte, Chairman (*)
Alejandro Sanhueza Díaz (*)
Daniela Blanco Araoz (*)
Mariela López Escobar (*)
Hernán Sepúlveda Astorga (*)

Substitute directors

None.

General manager

Gabriel Gutiérrez Clavería

Ownership interest and changes during the reporting period

Codelco indirectly holds 100% ownership interest. There were no changes.

Business relationship with Codelco

Codelco Services Limited trades copper and molybdenum to meet Codelco Chile contracts; it also provides hedging services for Codelco Chile and its related company, Codelco Kupferhandel GmbH.

Contracts entered into with Codelco

Copper service contract and molybdenum service contract.

Headcount

None.

Codelco Kupferhandel GmbH

As of December 31, 2017

Details and legal nature
Trade name: Codelco Kupferhandel GmbH.
Type: Limited liability company (Germany).
Incorporation date: Hamburg, March 27, 1981.
Partners: Codelco 100%.

Subscribed and paid-up capital by Codelco
EUR 3,000 thousand.

Line of business
Import, export, trade and transform all types of metal, especially copper; and trade equipment for the copper production industry. Acquire and manage ownership interest in metal manufacturing industries, particularly copper; and also carrying out research on obtaining and manufacturing metals. It holds 40% ownership of the wire rod production plant Deutsche Giessdraht GmbH, in the latter it manages the cathode supply and markets the wire rod produced. It holds 20% ownership interest in Codelco Services (United Kingdom).

Directors
Rodrigo Toro Ugarte (*), Chairman
Daniela Blanco Araoz (*)
Paula Sánchez Gonzalez (*)
Alejandro Sanhueza Díaz (*)

Substitute directors
None.

General manager
Heribert Heitling

Ownership interest and changes during the reporting period
Codelco directly holds 100% ownership interest. There were no changes.

Business relationship with Codelco
A Codelco Chile trade agent in North European countries (sells Codelco Chile copper products in Germany, Austria, the Netherlands and Denmark). Codelco Chile sales agent for molybdenum and other by-products in Germany, Austria, the Netherlands, Czech Republic, Slovakia and Poland. It coordinates logistics and supports customer shipping and delivery operations. Through its UK subsidiary, Codelco Services Ltd., it carries out hedging operations and other exchange transactions for Codelco.

Contracts entered into with Codelco
Cathode contract.

Headcount
Executives and managers: 2
Professionals and technicians: 5
Employees: 0

Codelco's directors or executives.

Codelco Shanghai Co. Ltd

As of December 31, 2017

Details and legal nature
Trade name: Codelco Shanghai Company Limited.
Type: Limited liability company (China)
Incorporation date: China, November 2, 2011.
Partners: Codelco 100%.

Subscribed and paid-up capital by Codelco
US$ 2,000 thousand.

Line of business
Import and export of copper, molybdenum and other metals.
Sales agency services to sell copper, molybdenum and other by-products.
Supply agency services to supply mining materials and products for mining activities.

Directors
Rodrigo Toro Ugarte, Chairman (*)
José Antonio Robles Becerra (*)
Alejandro Sanhueza Diaz (*)
María Daniela Blanco Araoz (*)
Hernán Sepúlveda Astorga (*)

Substitute directors
None.

General manager
Helmut Arbert Gebert

Ownership interest and changes during the reporting period
Codelco directly holds 100% ownership interest. There were no changes.

Business relationship with Codelco
Sales agency services to sell copper, molybdenum and other by-products.
Supply agency services to supply mining materials and products for mining activities.

Contracts entered into with Codelco
Contract for sales agency services. Contract for supply agency services.

Headcount
Executives and managers: 3
Professionals and technicians: 18
Employees: 0

Codelco Group (U.S.A) INC.

As of December 31, 2017

Details and legal nature
Trade name: Codelco Group (U.S.A) Inc.
Type: Shareholders' corporation (USA).
Incorporation date: Delaware, December 18, 1992, in conformity with Section 108 (c) of the General Corporation Law.
Partners: Codelco 100%.

Subscribed and paid-up capital by Codelco
US$ 100 thousand.

Line of business
Any action or activity permitted under the General Corporation Law of the State of Delaware. As of December 31, 2017, 2 subsidiaries are under this company: Codelco USA Inc.; its objective is to act as sales agent and representative of Codelco Chile for the sale of copper products and by-products in NAFTA markets; and Codelco Metals Inc. its objective is to trade copper and by-products internally in NAFTA markets applying relevant logistics and conversion procedures, among others.

Directors
Rodrigo Toro Ugarte, Chairman (*)
Maria Daniela Blanco Araoz (*)
Paula Sanchez Gonzalez (*)
Alejandro Sanhueza Diaz (*)

Substitute directors
None.

General manager
George Howard Gavilán (*)

Ownership interest and changes during the reporting period
Codelco directly holds 100% ownership interest. There were no changes

Business relationship with Codelco
Through the subsidiaries of Codelco Group (U.S.A) Inc.: Codelco USA Inc. and Codelco Metals Inc. business relationships are established with Codelco, because the former acts as Codelco sales agent and the latter as a trading company for copper and by-products (molybdenum, gold, silver and others).

Contracts entered into with Codelco
Through its subsidiaries, agency contracts and contracts for the purchase of copper and molybdenum.

Headcount
None.

Codelco's directors or executives.

Codelco Metals INC.

As of December 31, 2017

Details and legal nature
Trade name: Codelco Metals Inc. Shareholders' corporation (USA)
Incorporation date: Delaware, December 18, 1992.
Partners: Codelco Group (USA) Inc. 100%.

Line of business
Help comply with Codelco Group's objectives.

Directors
Rodrigo Toro Ugarte, Chairman (*)
Maria Daniela Blanco Araoz (*)
Paula Sanchez Gonzalez (*)
Alejandro Sanhueza Diaz (*)

Substitute directors
None.

General manager
George Howard Gavilán (*)

Ownership interest and changes during the reporting period
Codelco indirectly holds 100% ownership interest. There were no changes.

Business relationship with Codelco
It is a copper and molybdenum trading company for Codelco. Complements Codelco Chile trade to whom it buys and then sell to customers in the United States that require on-site deliveries.

Contracts entered into with Codelco
Contracts for the purchase of copper and molybdenum.

Headcount
None.

Codelco USA Inc.

As of December 31, 2017

Details and legal nature
Trade name: Codelco USA Inc. Shareholders' corporation (USA).
Incorporation date: New York, December 4, 1974
Partners: Codelco Group (USA) Inc. 100%.

Line of business

Help comply with Codelco Group's objectives.

Directors

Rodrigo Toro Ugarte, Chairman (*)
Maria Daniela Blanco Araoz (*)
Paula Sanchez Gonzalez (*)
Alejandro Sanhueza Diaz (*)

Substitute directors

None.

General manager

George Howard Gavilán (*)

Ownership interest and changes during the reporting period

Codelco indirectly holds 100% ownership interest. There were no changes.

Business relationship with Codelco

It is a copper, molybdenum, gold and silver sales agent for Codelco, intended to assist Codelco Chile in sales in the NAFTA market.

Contracts entered into with Codelco

Copper and by-products agency contracts.

Headcount

Executives and managers: 1
Professionals and technicians: 3
Employees: 0

Inversiones Mineras Nueva Acrux SpA

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.231.838-5
Trade name: Inversiones Mineras Nueva Acrux SpA.
Type: Joint stock company.
Incorporation date: August 16, 2012
Partners: Inversiones Mineras Becrux SpA 100%.

Subscribed capital y pagado por los Partner

US$ 20,000

Line of business

Purchase, sell, distribute, transport, intermediate and, in general, market, in Chile or abroad, minerals, concentrates, precipitates and copper bars and any metallic and non-metallic mineral substance and, in general, any fossil substance, in whatever natural form, including any resulting products or by-products and that directly or indirectly come from Anglo American Sur S.A. or its successor companies, and may participate in other companies or businesses that complement its business purpose or that provide services to it.

Directors

None.

Substitute directors

None.

General manager

None.

Ownership interest and changes during the reporting period

Codelco indirectly holds 67.8% ownership interest.

Contracts entered into with Codelco

Contract in force for the purchase and sale of anodes, cathodes and concentrates.

Headcount

None.

Codelco's directors or executives.

Port companies

Complejo Portuario Mejillones S.A.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 96.819.040-7
Business name: Complejo Portuario Mejillones S.A.
Type: Closed stock company.
Incorporation date: March 18th, 1997. Notary: Hugo Leonardo Perez Pousa. Commercial Registry of Santiago page 7,188 N° 5,679.
Partners: Codelco 99.99% and Sociedad de Inversiones Copperfield Ltda. 0.01%.

Subscribed and paid-up capital by Codelco

US$ 32,593 thousand.

Line of business

To project, build and exploit a port at the Mejillones bay, II region of Antofagasta. Complejo Portuario Mejillones (CPM) developed the project and awarded the construction and operation of the Terminal N° 1 with a 30-year concession to Compañía Portuaria Mejillones S.A., a private consortium formed by Grupo Ultramar, Inversiones y Construcciones Belfi Ltda. and Inversiones Portuarias Norte Grande S.A.

Directors

Juan Villarzú Rohde
Guido Sagues Lagos (*)
Gloria Hutt Hesse
Nicolai Bakovic Hudig (*)
Teodoro Wigodski Sirebrenik

Substitute directors

Víctor Pérez Vallejos (*)
Rodrigo Toro Ugarte (*)
Octavio Araneda Osés (*)
María Graciela Trincado Sepúlveda (*)
Alejandro Rivera Stambuk (*)

General manager

Álvaro Arroyo Albala

Ownership interest and changes during the reporting period

Its participation is both direct and indirect in 100% of its shareholder's equity.
No variations were registered.

Business relationship with Codelco

Codelco provides IT services to Complejo Portuario Mejillones (CPM), which are billed to its expense center and then invoiced. On the other hand, CPM rents offices to Codelco at the administration building of the Terminal N° 1, and rents containers and support equipment to Codelco for shipping copper concentrate.

Contracts entered into with Codelco

- Surety agreement, entered into by Codelco, Complejo Portuario Mejillones S.A., and Compañía Portuaria Mejillones S.A., by which Codelco ensures to Compañia Portuaria Mejillones S.A. the complete payment of each and every payable amount by CPM, to Compañia Portuaria; under the contract for the construction of the port facilities and the provision of port services at Terminal N° 1, Mejillones (BOT Contract), entered into by them, should CPM fail to provide the services.
- Office rental contract in the administration building of Terminal N° 1, by CPM to Codelco, October 2003 (renewed in October 2011).
- Rental contract for containers and additional equipment, addressed to ground transportation and ocean freight of copper concentrate, by CPM to Codelco, in March 2014 (modified in May 2015, to incorporate additional units of containers, parts and spare parts).

Headcount

Executives and managers: 3
Professionals and technicians: 1
Employees: 3

Codelco's directors or executives.

Health and pensions

Asociación Garantizadora de Pensiones (Pension Guarantor Association)

As of December 31, 2017

Details and legal nature
Taxpayer ID: 81.767.200-0
Trade name: Asociación Garantizadora de Pensiones (Pension Guarantor Association)
Type: Pension funds
Incorporation date: By decree N° 1625, dated June 18th, 1927.
Partners: Codelco 96.69% and Sociedad Química y Minera de Chile S.A. (SQM) 3.31%.

Subscribed and paid-up capital by Codelco
US$ 1,131 thousand.

Line of business
Private law company with nonprofit pension fund administrator character. Incorporated to ensure, in substitution of the related companies, the payment of pensions of the Occupational Accidents Law N° 4,055, and only for that specific purpose.

Directors
Diego Brieba Vial (*)
Olivar Hernández Giugliano (*)
Jaime Guzmán Echeverría (*)
Lucila Siskind (*)
Cecilia Restovic Verón (*)

Substitute directors
None.

General manager
None.

Ownership interest and changes during the reporting period
Direct participation in 96.69% of its shareholder's equity. No variations were registered.

Business relationship with Codelco
None.

Contracts entered into with Codelco
There are no business relationships.

Headcount
None.

Codelco's directors or executives.

Centro de Especialidades Médicas Río Blanco Ltda.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.064.682-2
Trade name: Centro de Especialidades Médicas Río Blanco Ltda.
Type: Limited liability company.
Incorporation date: June 30th, 2009. Notary: Nancy de la Fuente Hernández. Published in the Official Gazette issue N° 39,410 of July 13th, 2009. Registered in page 148 N° 142 of the Commercial Registry of the Real State Registrar of Los Andes.
Partners: Codelco 99% and Isapre Río Blanco Ltda. 1%.

Subscribed and paid-up capital by Codelco
US$ 518 thousand subscribed and paid by Codelco
US$ 5.23 thousand subscribed and paid by Isapre Rio Blanco Ltda.
US$ 523.23 thousand Total Equity subscribed and paid.

Line of business
Provide outpatient medical services, administer health benefits of payers and dependent family members of Isapre Rio Blanco Ltda.

Directors
Marcelo Álvarez Jara, Chairman (*)
Diego Ruidiaz Gómez (*)
Olivar Hernández Giugliano (*)
Álvaro Calbacho Méndez (*)
Pablo Gieisse Navarro (*)

Substitute directors
None.

General manager
Adams Collao Donoso

Ownership interest and changes during the reporting period
Its participation is both direct and indirect in 99% of its shareholder's equity. No variations were registered.

Business relationship with Codelco
Provides outpatient, emergency, paramedical, laboratory tests, pharmacology, radiology and, in general, medical and nursing services, to the employees of the Andina Division of Codelco, through the agreement with Isapre Río Blanco.

Contracts entered into with Codelco
None.

Headcount
Executives and managers: 1
Professionals and technicians: 74
Employees: 7

Clínica Río Blanco S.A.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 99.573.600-4
Trade name: Clínica Río Blanco S.A.
Type: Closed stock company.
Incorporation date: September 30th, 2004.
Partners: Codelco 99% and Isapre Río Blanco Ltda. 1%.

Subscribed and paid-up capital by Codelco

US$ 4,898,52 thousand subscribed and paid-up capital by Codelco
US$ 48,98 thousand subscribed and paid-up by Isapre Río Blanco Ltda.
US$ 4,948 thousand Total Equity subscribed and paid.

Line of business

Provides health services through the administration of a health facility; provide outpatient, emergency and paramedical health services; laboratory tests, pharmacology, analysis, radiology and, in general, provides medical services, according to their complexity levels and professional intra-holding service provision to health care providers.

Directors

Marcelo Alvarez Jara, Chairman (*)
Diego Ruidiaz Gómez, (*)
Olivar Hernández Giugliano, (*)
Alvaro Calbacho Méndez (*)
Pablo Gieisse Navarro (*)

Substitute directors

None.

General manager

Adams Collao Donoso

Ownership interest and changes during the reporting period

Its participation is both direct and indirect in 99% of its shareholder's equity. No variations were registered.

Business relationship with Codelco

Provides outpatient, emergency, paramedical, laboratory tests, pharmacology, radiology and, in general, medical and nursing services, to the employees of the Andina Division of Codelco, through the agreement with Isapre Río Blanco.

Contracts entered into with Codelco

"Pre-occupational check-up" service contract for $433,995,170, 5-year term, due on August 20th, 2017.
"Dispositions Law N° 16,744" service contract for $1,728,156,840, 3-year term, due on February 28th, 2019.
"Occupation health" service contract for $1,905,936,142, 3-year term, due on February 28th, 2019.

Headcount

Executives and managers: 1
Professionals and technicians: 88
Employees: 3

Codelco's directors or executives.

Centro de Especialidades Médicas San Lorenzo Ltda.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.124.156-7
Trade name: Centro de Especialidades Médicas San Lorenzo Limitada.
Type: Limited liability company.
Incorporation date: November 2nd, 2010
Partners: Clínica San Lorenzo Ltda. 99% and San Lorenzo Isapre Ltda. 1%.

Line of business

Provide medical and outpatient services according to their complexity level, despite its responsibility or classification.

Directors

Marcelo Álvarez Jara, Chairman
Olivar Hernandez Giuliano
Diego Ruidiaz Gómez
Álvaro Calbacho Méndez
Pablo Geisse Navarro.

Substitute directors

None.

General manager

Carlos Veliz Heap

Ownership interest and changes during the reporting period

Its participation is both direct and indirect in 100% of its shareholder's equity. No variations were registered.

Business relationship with Codelco

Provides outpatient and medical and nursing services, to the employees of the Salvador Division of Codelco.

Contracts entered into with Codelco

Agreement for medical service provision to the Employees of the Salvador Division subject to Law 16,744; Agreement N° 4501620654 (April 25th, 2016).

Headcount

Executives and managers: 0
Professionals and technicians: 2
Employees: 0

Clínica San Lorenzo Ltda.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 88.497.100-4
Trade name: Clínica San Lorenzo Limitada.
Type: Limited liability company.
Incorporation date: El Salvador, November 24th, 1981 Notary Mr. Ricardo Olivares Pizarro.
Partners: Codelco 99.9% and Sociedad de Inversiones Copperfield Ltda. 0.1%.

Subscribed and paid-up capital by Codelco

US$ 19,998 thousand.

Line of business

Provides health services through the administration of a health facility; outpatient, emergency, and paramedical health services; perform laboratory tests, pharmacology, analysis, radiology and, in general, provides medical services, according to their complexity levels.

Directors

Marcelo Álvarez Jara, Chairman
Olivar Hernández Giuliano
Diego Ruidiaz Gómez
Álvaro Calbacho Méndez
Pablo Geisse Navarro

Substitute directors

None.

General manager

Carlos Veliz Heap

Ownership interest and changes during the reporting period

Its participation is both direct and indirect in 100% of its shareholder's equity. No variations were registered.

Business relationship with Codelco

Provides outpatient, emergency, and paramedical health services, laboratory tests, pharmacology, analysis, radiology and, in general, medical services, to the employees of the Salvador Division of Codelco.

Contracts entered into with Codelco

Health provision services agreement, Salvador Division. Agreement N° 4501601915 dated January 7th, 2016.

Headcount

Executives and managers: 3
Professionals and technicians: 46
Employees: 29

Codelco's directors or executives.

Isapre Chuquicamata Ltda.

As of December 31, 2017

Details and legal nature
Taxpayer ID: 79.566.720-2
Trade name: Institución de Salud Previsional Chuquicamata Ltda.
Type: Limited liability company.
Incorporation date: El Loa, February 4th, 1982. Notary Claudio Mesina Schulz.
Partners: Codelco 98.3% and Fundación de Salud El Teniente 1.7%.

Subscribed and paid-up capital by Codelco

$ 765 million.

Line of business

Funding health services and benefits, and related or complementary activities to this end, according to the terms stated in Law N°18,933 and its subsequent modifications.

Directors

Leonardo Whittle Ferrer
Luis Galdames Cisternas (*)
Luis Cifuentes Miranda (*)
María Francisca Domínguez Meza (*)
Lucila Siskind (*)

Substitute directors

None.

General manager

Jaime del Solar Zorzano

Ownership interest and changes during the reporting period

Its participation is both direct in 98.3% of its shareholder's equity. No variations were registered.

Business relationship with Codelco

Provides health services through medical services facilities to every Codelco Employee affiliated to said Isapre, their dependent family members and former Codelco Employees affiliated.

Contracts entered into with Codelco

Group health plan agreement (Headquarters) (01-01-2006), with automatic renewal every two years
Administration and payment agreement (Headquarters) (01-02-2006), with automatic renewal every two years
Administration and payment agreement (Radomiro Tomic) (12-01-2006), with automatic renewal every year.
Provisional loan contract (11-16-2009), expiring on 11-16-2029.
Administration of health benefits agreement (10-01-2013), with automatic renewal every two years.
Health framework agreement between Ministro Hales Division and Chuquicamata Isapre (02-15-2016).
Service provision contract (09-01-2000), with automatic renewal every two years.

Headcount

Executives and managers: 1
Professionals and technicians: 0
Employees: 0

Isapre Río Blanco Limitada

As of December 31, 2017

Details and legal nature
Taxpayer ID: 89.441.300-K
Trade name: Institución de Salud Previsional Río Blanco Limitada.
Type: Limited liability company.
Incorporation date: May 5th, 1983. Exempt Res. N° 001700 dated May, 1983.
Partners: Codelco 99.99% and San Lorenzo Isapre Ltda. 0.01%.

Subscribed and paid-up capital by Codelco

$ 537 million.

Line of business

Funding health services and benefits, besides related or complementary activities to this end, according to the terms stated in Law N°18,933 and its subsequent modifications.

Directors

Leonardo Whittle Ferrer
Luis Galdames Cisternas (*)
Luis Cifuentes Miranda (*)
María Francisca Domínguez Meza (*)
Lucila Siskind (*)

Substitute directors

None.

General manager

Jaime del Solar Zorzano

Ownership interest and changes during the reporting period

Direct participation in 99.99% of its shareholder's equity. No variations were registered.

Business relationship with Codelco

Provides health services through medical services facilities to every Codelco Employee affiliated to said Isapre, their dependent family members and former Codelco Employees affiliated.

Contracts entered into with Codelco

Administration of health benefits agreement (09-01-2015), expiring on 09/01/2018.
Health provision agreement (09-01-2015), expiring on 09/01/2018.
Subsidy payment agreement (01-01-2007). Undefined.

Headcount

None.

Codelco's directors or executives.

San Lorenzo Isapre Limitada

As of December 31, 2017

Details and legal nature
Taxpayer ID: 76.521.250-2
Trade name: San Lorenzo Institución de Salud Previsional Ltda.
Type: Limited liability company.
Incorporation date: April 17th, 2006. Notary Patricio Zaldivar Mackenna. Exempt Res. N° 383 of May 26th, 2006.
Partners: Clínica San Lorenzo Ltda. 99% e Isapre Fusat 1%.

Capital subscribed and paid by the partners

$ 527 million.

Line of business

Funding health services and benefits, and related or complementary activities to this end, according to the terms stated in Law N° 18,933 and its subsequent modifications.

Directors

Leonardo Whittle Ferrer
Luis Galdames Cisternas (*)
Luis Cifuentes Miranda (*)
María Francisca Domínguez Meza (*)
Lucila Siskind (*)

Substitute directors

None.

General manager

Jaime del Solar Zorzano

Ownership interest and changes during the reporting period

Direct participation in 99% of its shareholder's equity. No variations were registered.

Business relationship with Codelco

Provides health services through medical services facilities to every Codelco Employee affiliated to said Isapre, their dependent family members and former Codelco Employees affiliated.

Contracts entered into with Codelco

Administration of health benefits agreement (04-01-2017), expiring on 03/31/2018.

Headcount

None.

Sociedad Ejecutora Proyecto Hospital del Cobre Calama S.A.

As of December 31, 2017

Legal Nature
Taxpayer ID: 96.817.780-K
Trade name: Ejecutora Proyecto Hospital del Cobre-Calama S.A.
Type: Closed stock company.
Incorporation date: Santiago, April 11th, 1997.
Partners: Codelco 99.99% and Clínica San Lorenzo Ltda. 0.01%.

Capital subscribed and paid by the partners

US$ 358 thousand.

Line of business

The company purpose of this society is to lease and sublease medical real estate property.

Directors

Marcelo Álvarez Jara, Chairman (*)
Álvaro Calbacho Méndez (*)
Diego Ruidiaz Gómez (*)
Olivar Hernández Giuliano (*)
Pablo Geisse Navarro (*)

Substitute directors

None.

General manager

Ignacio Muñoz

Ownership interest and changes during the reporting period

Its participation is both direct and indirect in 100% of its shareholder's equity.
No variations were registered.

Business relationship with Codelco

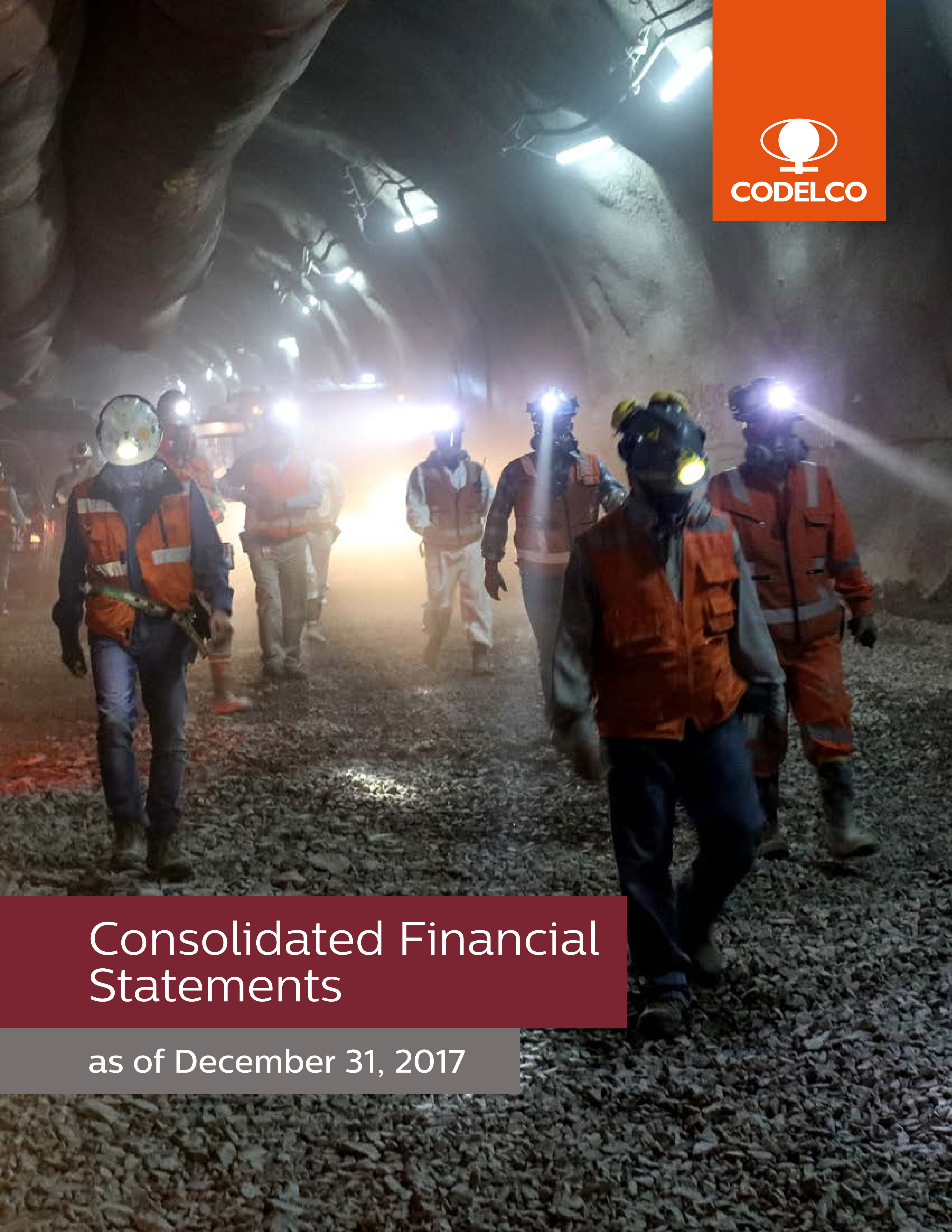
Framework agreement entered into by Codelco-Chile, Ejecutora Proyecto Hospital del Cobre-Calama S.A., and Las Americas Administradora Fondos de Inversión S.A. corresponding to the regulatory framework of the relationship between the parties for a 20-year period (until 03-31-2021).

Contracts entered into with Codelco

- Sublease of Hospital del Cobre Dr. Salvador Allende G. until March 2021, according to the framework agreement.
- Billing and accounting service of the executing company, from Codelco's side, until March 31st, 2021.

Codelco's directors or executives.

Codelco share in its subsidiaries and affiliates



CODELCO

Consolidated Financial Statements

as of December 31, 2017

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated statement of financial position of Corporación Nacional del Cobre de Chile and its subsidiaries (the "Company") at December 31, 2017, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and the relates notes to the consolidated statements.

Management's Responsibility for the Consolidated Financial Information

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We performed 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 from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the entity's consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express such opinion. An audit also includes assessing the appropriateness of the accounting policies used and the reasonableness of the significant estimates made by the Company's Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corporación Nacional del Cobre de Chile and its subsidiaries as of December 31, 2017, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB").

Other-matter - Consolidated Financial Information at December 31, 2016

The consolidated financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries as of December 31, 2016 and 2015, were audited by other auditors whose report dated March 30, 2017, expressed an unmodified opinion on those consolidated financial statements.

Other-matter – Translation

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

Deloitte

March 29, 2018
Santiago, Chile

Mario Muñoz V.

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CODELCO – CHILE

Consolidated Financial Statements
as of December 31, 2017

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2017 and 2016

(In thousands of US dollars - ThUS$)

	Notes	12/31/2017	12/31/2016
Assets			
Current Assets			
Cash and cash equivalents	1	1,448,835	576,726
Other current financial assets	13	1,327	9,861
Other current non-financial assets		25,638	28,638
Trade and other current receivables	2	2,815,352	2,254,731
Accounts receivable from related parties, current	3	64,344	13,669
Inventories	4	1,829,698	1,800,270
Current tax assets	6	21,623	6,523
Total current assets different from other than assets or groups of assets for disposition classified as held for sale or held as distributable to owners		6,206,817	4,690,418
Non-current assets or groups of assets for disposition classified as held as distributable to owners	7	4,236	-
Non-current assets or groups of assets for disposition classified as held for sale or held as distributable to owners		4,236	-
Total current assets		6,211,053	4,690,418
Non-current assets			
Other non-current financial assets	13	149,526	70,585
Other non-current non-financial assets	12	11,575	14,317
Non-current receivables	2	91,442	95,316
Accounts receivable from related parties, non-current	3	25,830	21,713
Non-current inventories	4	428,447	337,411
Investment accounted for using equity method	9	3,665,601	3,753,974
Intangible assets other than goodwill	10	219,117	196,897
Property, plant and equipment	8	25,275,512	23,977,261
Investment property		981	5,377
Non-current tax assets	6	233,772	233,886
Deferred tax assets	5	43,285	23,975
Total non-current assets		30,145,088	28,730,712
Total Assets		36,356,141	33,421,130

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2017 and 2016
(In thousands of US dollars - ThUS$)

	Notes	12/31/2017	12/31/2016
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	14	324,388	352,610
Trade and other current payables	17	1,915,768	1,208,126
Accounts payable to related parties, current	3	123,791	103,894
Other current provisions	18	324,631	290,002
Current tax liabilities	6	58,690	9,582
Current provisions for employee benefits	19	516,681	439,585
Other current non-financial liabilities		51,507	58,654
Total current liabilities		3,315,456	2,462,453
Non-current liabilities			
Other non-current financial liabilities	14	14,648,004	14,931,469
Non-current payables		44,983	62,651
Other accounts payable to non-current related entities	3	-	-
Other non-current provisions	18	1,711,802	1,592,612
Deferred tax liabilities	5	4,314,237	3,167,914
Non-current provisions for employee benefits	19	1,392,659	1,308,871
Other non-current non-financial liabilities		3,662	4,751
Total non-current liabilities		22,115,347	21,068,268
Total liabilities		25,430,803	23,530,721
Equity			
Issued capital		4,619,423	3,624,423
Retained losses		(36,672)	(30,072)
Other reserves	20	5,335,092	5,317,392
Equity attributable to owners of the parent		9,917,843	8,911,743
Non-controlling interests	20	1,007,495	978,666
Total equity		10,925,338	9,890,409
Total liabilities and equity		36,356,141	33,421,130

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

As of December 31, 2017 and 2016
(In thousands of US dollars - ThUS$)

	Notes N°	1/1/2017 12/31/2017	1/1/2016 12/31/2016
Revenue	21	14,641,555	11,536,751
Cost of sales		(10,380,403)	(9,449,668)
Gross profit		4,261,152	2,087,083
Other Income, by function	24.a	154,332	138,474
Distribution costs		(10,403)	(11,891)
Administrative expenses		(428,140)	(415,395)
Other expenses	24.b	(1,557,473)	(1,324,149)
Other gains		32,605	29,400
Profit from operating activities		2,452,073	503,522
Finance income		29,836	23,402
Finance costs	25	(644,610)	(547,347)
Share of profit (loss) of associates and joint ventures accounted for using equity method	8	185,428	(177,358)
Foreign exchanges difference	27	(206,058)	(232,895)
Profit (Loss) for the period before tax		1,816,669	(430,676)
(Expenses) Income taxes	5	(1,193,067)	97,096
Profit (Loss) for the period		623,602	(333,580)
Profit (Loss) attributable to owners of the parent		569,175	(275,418)
Profit (Loss) attributable to non-controlling interests	20.b	54,427	(58,162)
Profit (Loss) for the period		623,602	(333,580)

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

As of December 31, 2017 and 2016

(In thousands of US dollars - ThUS$)

	Notes N°	1/1/2017 12/31/2017	1/1/2016 12/31/2016
Profit (Loss) for the period		623.602	(333.580)
Components of other comprehensive income that will not be reclassified to profit or loss, before tax:			
Gains (losses) on remeasurement of defined benefit plans, before tax		25,106	(66,925)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss, before tax		123	219
Other comprehensive income (loss) that will not be reclassified to profit or loss, before tax		25,229	(66,706)
Components of other comprehensive income that will be reclassified to profit or loss, before tax:			
Exchange differences on translation:			
Gains on exchange difference on translation, before tax		4,592	2,367
Other comprehensive income, before tax, exchange difference on translation		4,592	2,367
Cash flow hedges:			
Gains (Losses) on cash flow hedges, before tax		(2,874)	51,722
Other comprehensive income (loss), before tax, cash flow hedges		(2,874)	51,722
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, before tax		(604)	936
Other comprehensive income (loss) that will be reclassified to profit or loss, before tax		1,114	55,025
Other comprehensive income (loss), before tax		26,343	(11,681)
Income (loss) tax relating to remeasurement of defined benefit plans of other comprehensive income	5	(16,937)	46,178
Income taxes relating to components of other comprehensive income that will not be reclassify to profit or loss		(16,937)	46,178

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (continuation)

As of December 31, 2017 and 2016
(In thousands of US dollars - ThUS$)

	Notes N°	1/1/2017 12/31/2017	1/1/2016 12/31/2016
Income tax relating to the components of other comprehensive income that will be reclassified to income			
Income tax relating to cash flow hedges of the other comprehensive income	5	1,868	(32,831)
Income taxes relating to components of other comprehensive income that will not be reclassify to profit or loss		1,868	(32,831)
Total other comprehensive income loss		11,274	1,666
Total Comprehensive Income (Loss)		634,876	(331,914)
Comprehensive income (loss) attributable to:			
Comprehensive income (loss) attributable to owners of the parent		580,449	(273,752)
Comprehensive income (loss) attributable to non-controlling interests	20.b	54,427	(58,162)
Total Comprehensive Income (loss)		634,876	(331,914)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD

As of December 31, 2017 and 2016
(In thousands of US dollars - ThUS$)

	Notes	1/1/2017 12/31/2017	1/1/2016 12/31/2016
Cash flows from (used in) operating activities:			
Receipts from sales of goods and rendering of services		14,521,538	11,255,159
Other cash receipts from operating activities	28	1,657,104	1,636,941
Payments to suppliers for goods and services		(7,822,093)	(7,363,896)
Payments to and on behalf of employees		(1,614,446)	(1,664,512)
Other cash payments from operating activities	28	(2,223,368)	(2,014,134)
Dividends received		232,129	78,297
Income taxes paid		(31,224)	(25,051)
Cash flows from operating activities		4,719,640	1,902,804
Cash flows from (used in) investing activities:			
Other payments to acquire equity or debt instruments of other entities		-	(46,926)
Purchase of property, plant and equipment		(3,411,496)	(3,013,865)
Interest received		15,290	11,797
Other inflows (outflows) of cash		(49,897)	52,970
Cash flows used in investing activities		(3,446,103)	(2,996,024)
Cash flows from (used in) financing activities:			
Payments of other equity instruments		-	1,190
Proceeds from borrowings long term		-	700
Proceeds from borrowings short term		3,050,000	883,772
Total Proceeds from borrowings		3,050,000	884,472
Repayment of borrowings		(3,375,216)	(851,904)
Payments of finance lease liabilities classified as financing activities		(25,565)	(17,486)
Dividends paid		(273,332)	-
Interest paid		(582,471)	(588,283)
Others clash inflow		785,863	500,000
Cash flows used in financing activities		(420,721)	812,461
Decrease in cash and cash equivalents before effect of exchange rate changes		852,816	(280,759)
Effect of exchange rate changes on cash and cash equivalents		19,293	(5,761)
Decrease in cash and cash equivalents		872,109	(286,520)
Cash and cash equivalents at beginning of period	1	576,726	1,747,718
Cash and cash equivalents at end of period	1	1,448,835	1,461,198

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As of December 31, 2017 and 2016

(In thousands of US dollars - ThUS$)

December 31, 2017	Issued capital	Reserve of exchange difference on translation	Reserve of cash flow hedges	Reserve of actuarial gains or losses on defined benefits plans Note 19	Other miscellaneous reserves	Total other reserves Note 20	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests Note 20	Total Equity
Initial balance as of 1/1/2017	3,624,423	(10,607)	12,342	(267,171)	5,582,828	5,317,392	(30,072)	8,911,743	978,666	9,890,409
Changes in equity:										
Profit (loss)							569,175	569,175	54,427	623,602
Other comprehensive income (loss)		4,592	(1,006)	8,169	(481)	11,274		11,274	-	11,274
Comprehensive income (loss)								580,449	54,427	634,876
Dividends							(569,175)	(569,175)		(569,175)
Capital Increases	995,000	-	-	-	-	-	-	995,000	-	995,000
Increase (decrease) through transfers and other changes	-	-	-	-	6,426	6,426	(6,600)	(174)	(25,598)	(25,772)
Total changes in equity	995,000	4,592	(1,006)	8,169	5,945	17,700	(6,600)	1,006,100	28,829	1,034,929
Final balance as of 12/31/2017	4,619,423	(6,015)	11,336	(259,002)	5,588,773	5,335,092	(36,672)	9,917,843	1,007,495	10,925,338

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As of December 31, 2017 and 2016

(In thousands of US dollars - ThUS$)

December 31, 2016	Issued capital	Reserve of exchange difference on translation	Reserve of cash flow hedges	Reserve of actuarial gains or losses on defined benefits plans Note 19	Other miscellaneous reserves	Total other reserves Note 20	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests Note 20	Total Equity
Initial balance as of 1/1/2016	3,124,423	(12,974)	(6,549)	(246,424)	5,797,867	5,531,920	33,623	8,689,966	1,042,855	9,732,821
Changes in equity:										
Profit (loss)							(275,418)	(275,418)	(58,162)	(333,580)
Other comprehensive income (loss)		2,367	18,891	(20,747)	1,155	1,666		1,666	-	1,666
Comprehensive income (loss)								(273,752)	(58,162)	(331,914)
Dividends							-	-		-
Capital Increases	500,000	-	-	-	-	-	-	500,000	-	500,000
Increase (decrease) through transfers and other changes	-	-	-	-	(216,194)	(216,194)	211,723	(4,471)	(6,027)	(10,498)
Total changes in equity	500,000	2,367	18,891	(20,747)	(215,039)	(214,528)	(63,695)	221,777	(64,189)	157,588
Final balance as of 12/31/2016	3,624,423	(10,607)	12,342	(267,171)	5,582,828	5,317,392	(30,072)	8,911,743	978,666	9,890,409

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile (hereinafter referred to as "Codelco", "Codelco - Chile", or the "Corporation"), is the largest copper producer in the world. Codelco's most important product is refined copper, primarily in the form of cathodes. The Corporation also produces copper concentrates, blister and anode copper and by-products such as molybdenum, anode slime and sulfuric acid. Codelco also manufactures wire rods in Germany, a semi-manufactured product that uses copper cathodes as raw material, through an associated company.

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

These products contribute to diverse fields of community development, particularly those intended to improve areas such as public health, energy efficiency, and sustainable development, among others.

Codelco-Chile is registered under Securities Registry No. 785 of the Chilean Commission for the Financial Market (the CMF), before Superintendence of Securities and Insurance (the SVS), and is subject to its supervision. According to Article No. 10 of Law No. 20.392 (on the new Corporate Governance of Codelco), such supervision shall be on the same terms as publicly traded companies, notwithstanding the provisions in Decree Law (D.L.) No.1.349 of 1976, which created the Comisión Chilena del Cobre ("Chilean Copper Commission").

Codelco's head office is located in Santiago, Chile, at 1270 Huérfanos Street, telephone number (56-2) 26903000.

Codelco was incorporated through D.L. No. 1.350 of 1976, which is the statutory decree of the Corporation. In accordance with the statutory decree, Codelco is a government-owned mining, industrial and commercial company, which is a separate legal entity with its own equity, Codelco Chile currently carries out its mining business through its Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina, El Teniente and Ventanas divisions. The Gabriela Mistral division is in charge of the ore deposit of the same name, whose operations were, until December 31, 2012, the responsibility of its subsidiary Minera Gaby SpA., a wholly owned subsidiary of the Corporation which was absorbed by Codelco on that date.

The Corporation also carries out similar activities in other mining deposits in association with third parties.

In accordance with letter e) of Article 10 of Law No. 20.392, Codelco is governed by its organic standards set forth in Decree Law No. 1.350 (D.L. No. 1.350) and that of its by-laws, and in matters not covered by them and, insofar as they are compatible and do not contradict the provisions of such standards, by the rules that govern publicly traded companies and the common laws as applicable to them.

In accordance with D.L. No. 1.350 Section IV related to the Company's Exchange and Budget Regulations. Codelco's financial activities are conducted following an annual budgeting program that is composed of an Operations Budget, an Investment Budget and a Debt Amortization Budget.

The tax system applicable to Codelco's taxable income is in accordance with Article 26 of D. L. No.1.350. which refers to Decree Law No. 824 on Income Tax of 1974 and Decree Law No. 2.398 (Article 2) of 1978, as applicable. The Corporation's taxable income is also subject to a Specific Mining Tax in accordance with Law No. 20.026 of 2005.

The Corporation is subject to Law No. 13.196, which mandates the payment of a 10% tax over the foreign currency return on the actual sale revenue of copper production, including its by-products.

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

The associates and joint ventures located in Chile and abroad, are detailed in the Explanatory Notes Section III of Note 9.

2. Basis of Presentation of the Consolidated Financial Statements

The Corporation's consolidated statements of financial position as of December 31, 2017 and 2016, and the consolidated statements of comprehensive income As of December 31, 2017 and 2016, the changes in equity and of cash flows as of December 31, 2017 and 2016, have been prepared in accordance with International Accounting Standards (IAS) No. 1. Presentation of the Financial Statements, as incorporated in the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements include all information and disclosures required in annual financial statements.

These consolidated financial statements have been prepared from accounting records maintained by the Corporation.

The consolidated financial statements of the Corporation are presented in thousands of United States dollar ("U.S. dollar").

RESPONSIBILITY FOR THE INFORMATION AND USE OF ESTIMATES

The Board of Directors of the Corporation has been informed of the information included in these consolidated financial statements and expressly declares its responsibility for the consistent and reliable nature of the information included in aforementioned financial statements as of December 31, 2017, for the effects of which the instructions from CMF have been applied, which fully comply with the IFRS as issued by the IASB. These consolidated financial statements as of December 31, 2017 were approved by the Board of Directors at meeting held on March 29, 2018.

ACCOUNTING PRINCIPLES

These consolidated financial statements reflect the financial position of Codelco and its subsidiaries as of December 31, 2017 and 2016, and the results of their operations As of December 31, 2017 and 2016, and the changes in equity and cash flows As of December 31, 2017 and 2016, and their related notes, all prepared in accordance with IAS 1 Presentation of the Financial Statements, in consideration of the presentation instructions of the Commission for the Financial Market (CMF), which are not in conflict with IFRS.

For the convenience of the reader, these consolidated financial statements and their accompanying notes have been translated from Spanish into English.

II. SIGNIFICANT ACCOUNTING POLICIES

1. Significant Judgments and Key Estimates

In preparing these consolidated financial statements in accordance with the instructions of the Commission for the Financial Market (CMF), which fully comply with the International Financial Reporting Standards as issued by the IASB, requires the use of certain critical accounting estimates and assumptions that affect the amounts of assets and liabilities recognized as of the date of the financial statements and the amounts of revenue and expenses recognized during the reporting year. It also requires the Corporation's Management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

A) USEFUL ECONOMIC LIVES AND RESIDUAL VALUES OF PROPERTY, PLANT AND EQUIPMENT

The useful lives and residual values of property, plant and equipment that are used for calculating depreciation are determined based on technical studies prepared by specialists (internal or external). The technical studies consider specific factors related to the use of assets.

When there are indicators that could lead to changes in the estimates of the useful lives of such assets, these changes are made by using technical estimates considering specific factors related to the use of the assets.

B) ORE RESERVES

The measurements of ore reserves are based on estimates of the ore resources that are legally and economically exploitable, and reflect the technical and environmental 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 prudent judgment in determining the ore reserves, and as such, possible changes in these estimates might significantly impact the estimates of net revenues over time. In addition, these changes might lead to modifications in usage estimates, which might have an effect on depreciation and amortization expense, calculation of stripping cost adjustments, determination of impairment losses, expected future disbursements related to decommissioning and restoration obligations, long term defined benefits plans and the accounting for financial derivative instruments.

The Corporation estimates its reserves and mineral resources based on the information certified by the Competent Persons of the Corporation, who are defined and regulated according to Law No. 20.235. These estimates correspond to the application of the Certification Code of Ore Reserves, Resources and Exploration, issued by the Mining Committee which was instituted through the aforementioned law. This does not modify the global volume of the Corporation's ore reserves and resources.

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

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

The Corporation defines the CGUs and also estimates the timing and cash flows that such CGUs will generate. Subsequent changes in the grouping of the CGU, or changes in the assumptions supporting the estimates of cash flows or the discount rate, may impact the carrying amounts of the corresponding assets.

Estimates of assumptions influencing the calculation of cash flows, such as the price of copper or treatment charges and refining charges, among others, are determined based on studies conducted by the Corporation using uniform criteria over different periods. Any changes to these criteria may impact the estimated recoverable amount of the assets.

The Corporation has assessed and defined that the CGUs are determined at the level of each of its current operating divisions.

Impairment testing also includes subsidiaries, associates and joint arrangements.

D) PROVISIONS FOR DECOMMISSIONING AND SITE RESTORATION COSTS

The Corporation is obliged to incur decommissioning and site restoration costs when environmental disturbance is caused by the development or ongoing production of a mining property. Costs are estimated on the basis of a formal closure plan and are reassessed annually or as of the date such obligations become known. The initial estimate of decommissioning and site restoration costs is recognized as part of the cost of items of property, plant and equipment in accordance with IAS 16, and simultaneously a liability in accordance with IAS 37 is recognized.

For these purposes, a defined list of mine sites, facilities and other equipment assigned to this process, consider at the engineering level profile, the cubic of assets that will be subject to removal and restoration, weighted by a structure of market prices of goods and services, reflecting the best knowledge at the time to carry out such activities, as well as techniques and more efficient construction procedures to date. In the process of valuation of these activities, the assumptions of the exchange rate for tradable goods and services is made, as well as a discount rate, which considers the time value of money and the risks associated with the liabilities, which is determined based on the currency in which disbursements are expected to be made.

The liability amounts recognized at the end of each reporting date represent management's best estimate of the present value of the future decommissioning and site restoration costs. Changes to estimated future costs that result from liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate are added to, or deducted from, the cost of the related asset in the current period. The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

If the adjustment results in an addition to the cost of the asset, Codelco considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, Codelco tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss, in accordance with IAS 36. Any decommissioning and site restoration costs that arose as a result of the production phase of a mine are expensed as incurred.
The decommissioning costs arise at the moment when a

plant or other assets are installed. Such costs are capitalized as part of property, plant and equipment and discounted to their present value. These decommissioning costs are charged to net income over the life of the mine, through depreciation of the corresponding asset. Depreciation expense is included in cost of sales, while the unwinding of the discount in the provision is included in finance costs.

E) PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for employee benefits related to severance payments and health benefits for services rendered by the employees are determined based on actuarial calculations using the Projected Unit Credit Method, and are recognized in profit or loss on an accrual basis.

The Corporation uses assumptions to determine the best estimate of future obligations related to these benefits. Such estimates, as well as assumptions, are determined by management using the assistance of external actuaries. These assumptions include demographic assumptions, discount rate and expected salary increases and rotation levels, among other factors.

F) ACCRUALS FOR OPEN INVOICES

The Corporation uses information on future copper prices, through which it recognizes adjustments to its revenues and trade receivables, due to the conditions in provisional pricing arrangements. These adjustments are updated on a monthly basis, See Notes 2 r) “Revenue Recognition” of No. II “Significant accounting policies”.

G) FAIR VALUE OF DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

Management may use its judgment to choose an adequate and proper valuation method for the financial instruments that are not quoted in an active market. The Corporation applies customary valuation techniques used by other professionals in the industry. In the case of derivative financial instruments, assumptions are based on observable market inputs, adjusted in conformity with the specific features of the instruments.

H) LAWSUITS AND CONTINGENCIES

The Corporation assesses the probability of lawsuits and contingency losses on an ongoing basis according to estimates performed by its legal advisors. For cases in which management and the Corporation’s legal advisors believe that a probable outcome will be obtained or when the results are not probable and the lawsuits are still pending resolution, no provisions are recognized.

Although the above-mentioned estimates have been made based on the best information available as of the date of issuance of these consolidated financial statements, it is possible that new developments could lead the Corporation to modify these estimates in the future. Such modifications, if applicable, would be adjusted prospectively, as required by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2. Significant accounting policies

A) PERIOD COVERED

The accompanying consolidated financial statements of Corporación Nacional del Cobre de Chile include the following statements:

- Consolidated statements of financial position as of December 31, 2017 and 2016.

- Consolidated statements of comprehensive income As of December 31, 2017 and 2016.

- Consolidated statements of changes in equity as of December 31, 2017 and 2016.

- Consolidated statements of cash flows as of December 31, 2017 and 2016.

B) BASIS OF PREPARATION

The consolidated financial statements of the Corporation as of December 31, 2017, have been prepared in accordance with the instructions from the Commission for the Financial Market (CMF) which fully comply with the IFRSs as issued by the IASB.

The consolidated statement of financial position as of December 31, 2016, and the consolidated statements of comprehensive income, net equity and of cash flows for the year ended December 31, 2016, included for comparison purposes, have been prepared in conformity with IFRS as issued by the IASB, and on a consistent basis with the accounting policies used by the Corporation for the year ended December 31, 2017.

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

C) FUNCTIONAL CURRENCY

The functional currency of Codelco is the U,S, dollar, which is the currency of the primary economic environment in which the Corporation operates and the currency in which it receives its revenues. The functional currency of subsidiaries, associates and joint ventures, is the currency of the primary economic environment in which those entities operate and the currency in which they receive their revenues. However, for those subsidiaries and associates that are an extension of the operations of Codelco (entities that are not self-sufficient and whose main transactions are with Codelco); the functional currency is also the U.S. dollar.

The presentation currency of Codelco's consolidated financial statements is the U.S. dollar.

D) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Corporation and its subsidiaries.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continue to be consolidated until the date such control ceases, Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement comprehensive income from the date the Corporation gains control until the date when the Corporation ceases to control de subsidiary.

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

All assets, liabilities, equity, income, expenses and cash flows related to transactions between consolidated companies are fully eliminated on consolidation. Non-controlling interests in equity and in the comprehensive income of the consolidated subsidiaries are presented, respectively, under the line items "Total Equity: Non-controlling interests" in the consolidated statement of financial position and "Net income attributable to non-controlling interests" and "Comprehensive income attributable to non-controlling interests" in the consolidated statement of comprehensive income.

The companies included in the consolidation are as follows:

Taxpayer ID Number	Company	Country	Currency	12/31/2017			12/31/2016
				% Ownership			% Ownership
				Direct	Indirect	Total	Total
Foreign	Chile Copper Limited	England	GBP	100.00	-	100.00	100.00
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.00	100.00	100.00
Foreign	Codelco Group Inc.	United States of America	US$	100.00	-	100.00	100.00
Foreign	Codelco International Limited	Bermuda	US$	100.00	-	100.00	100.00
Foreign	Codelco Kupferhandel GmbH	Germany	EURO	100.00	-	100.00	100.00
Foreign	Codelco Metals Inc.	United States of America	US$	-	100.00	100.00	100.00
Foreign	Codelco Services Limited	England	GBP	-	100.00	100.00	100.00
Foreign	Codelco Shanghai Company Limited	China	RMB	100.00	-	100.00	100.00
Foreign	Codelco Technologies Ltd.	Bermuda	US$	-	100.00	100.00	100.00
Foreign	Codelco USA Inc.	United States of America	US$	-	100.00	100.00	100.00
Foreign	Codelco Canada	Canada	US$	-	100.00	100.00	100.00
Foreign	Ecometales Limited	Channel Islands	US$	-	100.00	100.00	100.00
Foreign	Exploraciones Mineras Andinas Ecuador EMSAEC S.A.	Ecuador	US$	-	100.00	100.00	100.00
Foreign	Cobrex Prospeccao Mineral	Brazil	BRL	-	51.00	51.00	51.00
78.860.780-6	Compañía Contractual Minera los Andes	Chile	US$	99.97	0.03	100.00	100.00
79.566.720-2	Isapre Chuquicamata Ltda.	Chile	CLP	98.30	1.70	100.00	100.00
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.69	-	96.69	96.69
88.497.100-4	Clinica San Lorenzo Limitada	Chile	CLP	99.90	0.10	100.00	100.00
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda.	Chile	CLP	-	100.00	100.00	100.00
89.441.300-K	Isapre Río Blanco Ltda.	Chile	CLP	99.99	0.01	100.00	100.00
96.817.780-K	Ejecutora Hospital del Cobre Calama S.A.	Chile	US$	99.99	0.01	100.00	100.00
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	US$	99.99	0.01	100.00	100.00
76.024.442-2	Ecosea Farming S.A.	Chile	US$	-	99.98	99.98	91.32
96.991.180-9	Codelco Tec SpA	Chile	US$	99.91	0.09	100.00	100.00
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	US$	99.90	0.10	100.00	100.00
99.573.600-4	Clinica Río Blanco S.A.	Chile	CLP	99.00	1.00	100.00	100.00
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.00	1.00	100.00	100.00
76.883.610-8	Energía Minera S.A.	Chile	US$	-	-	-	100.00
77.773.260-9	Inversiones Copperfield Ltda.	Chile	US$	99.99	0.01	100.00	100.00
76.043.396-9	Innovaciones en Cobre S.A.	Chile	US$	0.05	99.95	100.00	100.00
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	US$	99.90	0.10	100.00	100.00
76.167.903-1	Inversiones Mineras Acrux SpA	Chile	US$	-	-	-	67.80
76.173.357-5	Inversiones Gacrux SpA	Chile	US$	100.00	-	100.00	100.00
76.231.838-5	Inversiones Mineras Nueva Acrux SpA	Chile	US$	-	67.80	67.80	67.80
76.237.866-3	Inversiones Mineras Los Leones SpA	Chile	US$	100.00	-	100.00	100.00
76.173.783-K	Inversiones Mineras Becrux SpA	Chile	US$	-	67.80	67.80	67.80
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	US$	-	100.00	100.00	100.00
76.255.061-K	Central Eléctrica Luz Minera SpA	Chile	US$	100.00	-	100.00	100.00

Taxpayer ID Number	Company	Country	Currency	12/31/2017			12/31/2016
				% Ownership			% Ownership
				Direct	Indirect	Total	Total
70.905.700-6	Fusat	Chile	CLP	-	-	-	-
76.334.370-7	Instituto de Salud Previsional Fusat. Ltda.	Chile	CLP	-	-	-	-
78.394.040-K	Centro de Servicios Médicos Porvenir Ltda.	Chile	CLP	-	99.00	99.00	99.00
77.928.390-9	Inmobiliaria e Inversiones Rio Cipreces Ltda.	Chile	CLP	-	99.90	99.90	99.90
77.270.020-2	Prestaciones de Servicios de la Salud Intersalud Ltda.	Chile	CLP	-	99.00	99.00	99.00
76.754.301-8	Salar de Maricunga SpA	Chile	CLP	100.00	-	100.00	-

On December 21, 2017, according to repertoire N ° 12.285 / 2017, by public deed, it is agreed between the shareholders to merge the Acrux SpA Mining Investment Company ("Absorbed Company") by the Investment Company Minera Becrux SpA ("Sociedad Absorbent "), which will take effect as of December 22, 2017, where the Absorbing Company acquires all the assets and liabilities of the Absorbed Company, which will be dissolved without having to effect its liquidation. In addition to being responsible for the payment of all taxes owed or may be owed by the Absorbed Company.

For the purposes of these consolidated financial statements, subsidiaries, associates, acquisitions and disposals and joint ventures are defined as follows:

Subsidiaries: A subsidiary is an entity over which the Corporation has control. Control is exercised if, and only if, the following conditions are met: the Corporation has i) power to direct the relevant activities of the subsidiaries unilaterally; ii) exposure or rights to variable returns from these entities; and iii) the ability to use its power to influence the amount of these returns.

The Corporation reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

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.

Non-controlling interests in equity and in the comprehensive income of the consolidated subsidiaries are presented, respectively, under the line items "Total Equity: Non-controlling interests" in the consolidated statement of financial position and "Net income attributable to non-controlling interests" and "Comprehensive income attributable to non-controlling interests" in the consolidated statement of comprehensive income.

Associates: An associate is an entity over which Codelco has significant influence, Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

Codelco's interest ownership in associates is recognized in the consolidated financial statements under the equity method. Under this method, the initial investment is recognized at cost and adjusted thereafter to recognize changes in Codelco's share of the comprehensive income of the associate, less any impairment losses or other changes to the net assets of the associate.

Appropriate adjustments to the Codelco's share of the associate's profit or loss after acquisition are made in order to account for depreciation of the depreciable assets based on their fair values at the acquisition date.

Acquisitions and Disposals: The results of businesses acquired are incorporated in the consolidated financial statements from the date when control is obtained; the results of businesses sold during the period are included into the consolidated financial statements up to the effective date of disposal. Gains or losses on disposal is the difference between the sale proceeds (net of expenses) and the carrying amount of the net assets attributable to the ownership interest that has been sold.

If control is lost over a subsidiary, the retained ownership interest in the investment will be recognized at its fair value.

At the acquisition date of an investment in a subsidiary, any excess of Codelco's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

Joint Ventures: The entities that qualify as joint ventures in which joint control exists are accounted for using the equity method.

E) FOREIGN CURRENCY TRANSACTIONS

Transactions in currencies other than the Corporation's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise and are included in line item "Foreign exchange differences" in the consolidated statement of comprehensive income.

Monetary assets and liabilities denominated in foreign currencies have been translated into U.S. dollars at the closing exchange rates.

At the end of each reporting period, monetary assets and liabilities denominated in Unidades de Fomento (UF or inflation index-linked units of account) are translated into U.S. dollars at the closing exchange rates at that date (12/31/2017: US$43,59; 12/31/2016: US$39,36). Income and expenses denominated in Chilean pesos have been translated into U.S. dollars at the exchange rate at the date of the transactions.

The financial statements of subsidiaries, associates and jointly controlled entities, whose functional currency is other than the presentation currency of Codelco, are translated as follows:

- Assets and liabilities are translated using the prevailing exchange rate on the closing date of the financial statements.

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

- All resulting exchange differences are recognized in other comprehensive income and accumulated in equity under the heading "Reserve of exchange difference on translation".

The exchange rates used in each reporting period were as follows:

	Closing exchange rates	
	12/31/2017	12/31/2016
US$ / CLP	0.00163	0.00149
US$ / GBP	1.35355	1.23396
US$ / BRL	0.30198	0.30744
US$ / EUR	1.20236	1.05396

F) OFFSETTING BALANCES AND TRANSACTIONS

In general, assets and liabilities, income and expenses, are not offset in the financial statements, unless required or permitted by an IFRS or when offsetting reflects the substance 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 settle the liabilities simultaneously, are stated net in the statement of comprehensive income.

G) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Items of property, plant and equipment are initially recognized at cost. Subsequent to initial recognition, they are measured at cost, less any accumulated depreciation and any accumulated impairment losses.

Extension, modernization or improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life of the assets are capitalized as increasing the cost of the corresponding assets.

Furthermore, assets acquired under finance lease contracts are included in property, plant and equipment.

Starting fiscal year 2014, the assets included in property, plant and equipment are depreciated, as a general rule, using the units of production method, when the activity performed by the asset is directly attributable to the mine production process. All other assets included in property, plant and equipment are depreciated using the straight-line method.

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

Class of asset	Useful Life
Land	Not depreciated
Land on mine site	Units of production
Buildings	Straight-line over 20-50 years
Buildings in underground mine levels	Units of production level
Vehicles	Straight-line over 3-7 years
Plant and equipment	Units of production
Smelters	Straight-line
Refineries	Units of production
Mining rights	Units of production
Support equipment	Units of production
Intangibles - Software	Straight-line over 8 years
Open pit and underground mine development	Units of production

Leased assets are depreciated over the lease term or their estimated useful life, whichever is shorter.

Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and any change in estimates is recognized prospectively.

Additionally, depreciation method and estimated useful lives of assets, especially plants, facilities and infrastructure are likely to be revised at the beginning of each year and according to changes in the structure of reserves of the Corporation and productive long-term plans updated as of that date.

This review may be made at any time if the conditions of ore reserves change significantly as a result of new known information, confirmed and officially released by the Corporation.

Gains or losses on the sale of disposal of an asset is calculated as the difference between the net disposal proceeds received and the carrying amount of the asset, and are included in profit or loss when the asset is derecognized.

Construction in progress includes the amounts invested in the construction of property, plant and equipment and in mining development projects. Construction in progress is transferred to assets in operation once the testing period has ended and when they are ready for use, at that point depreciation begins to be recognized.

Borrowing costs that are directly attributable to the acquisition or construction of assets that require a substantial period of time before they are ready for use or sale are capitalized as part of the cost of the corresponding items of property, plant and equipment.

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

Notwithstanding the above, reserves and resources acquired as part of business combinations, where the economic value of the mining properties differs from the carrying amount are recognized at their fair value less any accumulated impairment losses, and less the amounts from use and/or consumption of such reserves.

H) INTANGIBLE ASSETS

The Corporation initially recognizes these assets at acquisition cost. Subsequent to initial recognition intangible assets are amortized in a systematic way over their economic useful life, except for those assets with indefinite useful life, which are not amortized. Intangible assets are tested for impairment at least annually, and whenever there is an indication that these assets may be impaired. At the end of each reporting period, these assets are measured at their cost less any accumulated amortization (when applicable) and any accumulated impairment losses.

The main intangible assets are described as follows:

Research and Technological Development and Innovation Expenditures: Development expenses for technology and innovation projects are recognized as intangible assets at cost and are considered to have an indefinite useful life.

Research expenses for technology and innovation projects are recognized in profit or loss when incurred.

I) IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The carrying amounts of property, plant and equipment and intangible assets with finite useful life are reviewed to determine whether there is an indication that those assets have suffered an impairment loss, If any such indication exists, the Corporation estimates the asset's recoverable amount to determine the extent of the impairment loss.

For assets with indefinite useful lives, their recoverable amounts are annually estimated at the end of each reporting period.

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

The Corporation has been defined each of its divisions as a cash generating unit.

Recoverable amount of an asset is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. On the other hand, the fair value less cost of disposal is usually determined for operational assets considering the Life of Mine ("LOM"), based on a model of discounted cash flows, while the assets not included in LOM as resources and potential resources to exploit are measured by using a market model of multiples for comparable transactions.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, an impairment loss is recognized immediately in profit or loss, reducing the carrying amount to its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years.

The estimates of future cash flow for a CGU are based on future production forecasts, future prices of basic products and future production costs. Under IAS 36 Impairment of Assets, there are a certain restrictions for future cash flows estimates related to future restructurings and future cost efficiencies. When calculating value in use, it is also necessary to base the calculations on the spot exchange rate at the date of calculation.

J) EXPENDITURES FOR EXPLORATION AND EVALUATION OF MINERAL RESOURCES, MINE DEVELOPMENT AND MINING OPERATIONS

The Corporation has defined an accounting policy for each of these expenditures.

Development expenses for deposits under exploitation whose purpose is to maintain production levels are recognized in profit or loss when incurred.

Exploration and evaluations costs such as: drillings of deposits, including expenses necessary to locate new mineralized areas and engineering studies to determine their potential for commercial exploitation are recognized in profit or loss, normally at the pre-feasibility stage.

Pre-operating and mine development expenses (normally after feasibility engineering is reached) incurred during the execution of a project and until its start-up are capitalized and amortized in relation to the future production of the mine. These costs include stripping of waste material, constructing the mine's infrastructure and other works carried out prior to the production phase.

Finally, costs for delimitation of new areas or deposit areas in exploitation and of mining operations (PP&E) are recognized in property, plant and equipment and are recognized in profit or loss during the period in which the benefits are obtained.

K) STRIPPING COSTS

Costs incurred in removing mine waste materials (overburden) in open pits that are in production, that provide access to mineral deposits, are recognized in property, plant and equipment, when the following criteria set out in IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine are met:

- It is probable that the future economic benefits associated with the stripping activity will flow to the entity.
- It is possible to identify the components of an ore body for which access has been improved as a result of the stripping activity.
- The costs relating to that stripping activity can be measured reliably.

The amounts recognized in property, plant and equipment are depreciated according to the units of production extracted from the ore body related to the specific stripping activity which generated this amount.

L) INCOME TAXES AND DEFERRED TAXES

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

In addition, Codelco's taxable income in each period is subject to the tax regime established in Article 26 of D.L. No. 1.350, which states that tax payments will be made on March, June, September and December of each year, based on a provisional tax return.

Deferred taxes on temporary differences and other events that generate difference between the accounting and tax bases of assets and liabilities are recognized in accordance with IAS 12 Income taxes.

Deferred taxes are also recognized for undistributed profits of subsidiaries, associates and joint ventures, originated by withholding taxes on remittances of dividends paid out by such companies to the Corporation.

M) INVENTORIES

Inventories are measured at cost, which does not exceed its net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale (i,e,, marketing, sales and distribution expenses). Costs of inventories are determined according to the following methods:

Finished products and products in process : These inventories are measured at their average production cost determined using the absorption costing method, including labor, depreciation, amortization and indirect costs of each period, Inventories of products in process are classified in current and non-current inventories, according to the normal cycle of operation.

Materials in warehouse: These inventories are measured at their acquisition cost. The Corporation estimates an allowance for obsolescence considering the turnover rate of slow-moving materials in the warehouse.

Materials in transit: These inventories are measured at cost incurred until the end of reporting period. Any difference as a result of an estimate of net realizable value of the inventories lower than its carrying amount is recognized in profit or loss.

N) DIVIDENDS

In accordance with Article 6 of D.L. 1.350, the Corporation has a mandatory obligation to distribute its net income as presented in the financial statements. The payment obligation is recognized on an accrual basis.

O) EMPLOYEE BENEFITS

Codelco recognizes a provision for employee benefits when there is a present obligation (legal or constructive) as a result of services rendered by its employees.

The employment contracts stipulate, subject to compliance with certain conditions, the payment of an employee termination indemnity when an employment contract ends. In general, this corresponds to one monthly salary per year of service and considers the components of the final remunerations which are contractually defined as the basis for the indemnity. This employee benefit has been classified as a defined benefit plan.

Codelco has also agreed to post-employment medical care benefits for certain employees, which are paid based on a fixed percentage applied to the monthly taxable salary of employees covered by this agreement. This employee benefit has been classified as a defined benefit plan.

These plans continue to be unfunded as of December 31, 2017.

The employee termination indemnity and the post-employment medical plan obligations are determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. The defined benefit plan obligations recognized in the statement of financial position represent the present value of the accrued obligations. Actuarial gains and losses are recognized immediately in other comprehensive income and will not be reclassified to profit or loss.

The Corporation's management uses assumptions to determine the best estimate of these benefits. The assumptions include an annual discount rate, expected increases in salaries and turnover rate, among other factors.

In accordance with its operating optimization programs to reduce costs and increase labor productivity by incorporating new current technologies and/or better management practices, the Corporation has established employee retirement programs by amending certain employment contracts or collective union agreements to include benefits encouraging employees to early retire. Accordingly, these arrangements are accounted for as termination benefits and required accruals are established based on the accrued obligation at current value, In case of employee retirement programs which involve multi-year periods, the accrued obligations are updated using a discount rate determined based on financial instruments denominated in the same currency and similar maturities that will be used to pay the obligations.

P) PROVISIONS FOR DECOMMISSIONING AND SITE RESTORATION COSTS

The Corporation is obliged to incur in decommissioning and site restoration costs when environmental disturbance is caused by a mining activity (in development or in production). Costs are estimated on the basis of a formal closure plan and cost estimates are annually reviewed.

A provision is recognized for decommissioning and site restoration costs. The amount of the provision is the present value of the expenditures expected to be required to settle the obligation. The provision is initially recognized with a corresponding increase in the carrying amount of the related assets.

The provision for decommissioning and site restoration costs is accreted over time to reflect the unwinding of the discount with the accretion expense included in finance costs in the statement of income. The carrying amount of the related asset is depreciated over its useful life.

Changes in the measurement of the decommissioning and site restoration provision that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are added to, or deducted from, the cost of the related assets in the period when changes occurred. The amount deducted from the cost of the related assets would not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

If the adjustment results in an addition to the cost of an asset, the Corporation considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Corporation test the asset for impairment by estimating its recoverable amount, and recognizes any impairment loss, if any.

Q) LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Corporation. All other leases are classified as operating leases.

Operating lease costs are recognized as an expense on a straight-line basis over the lease term. Assets held under finance leases are initially recognized as assets at the inception of the lease at either their fair value or their present value of the minimum lease payments (discounted at the interest rate implicit in the lease), whichever is lower. Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Lease obligations are included in other current or non-current liabilities, as appropriate.

In accordance with IFRIC 4 Determining whether an Arrangement contains a Lease, an arrangement is, or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and if the arrangement conveys the right to use the asset, even if that right is not explicitly specified.

All “take-or-pay” contracts and any other service and supply contracts that meet the conditions in IFRIC 4, are reviewed to determine whether they contain a lease.

R) REVENUE RECOGNITION

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, according to the shipment or delivery of the goods, in conformity with the agreed upon conditions and are subject to variations related to the content and/or sales price at their settlement date. Notwithstanding the foregoing, there are certain sale contracts for which the significant risks and rewards of ownership have been transferred upon reception of the product at the buyer's destination point, and therefore recognizing revenue at the moment of the transfer.

Sales contracts include a provisional price at the shipment date. The final price is generally based on the London Metals Exchange ("LME") price, Revenue from sales of copper is measured using estimates of the future spread of metal prices on the LME and/or the spot price at the date of shipment, with subsequent adjustments made upon final pricing recognized as revenue. The terms of sales contracts with customers contain provisional pricing arrangements whereby the selling price for metal concentrate is based on prevailing spot prices on a specified future date after shipment to the customer (the "quotation period"). Consequently, the final price is set at the dates indicated in the contracts. Adjustments to provisional sale prices occur based on movements in quoted market prices on the LME up to the date of final pricing. The period between provisional invoicing and final pricing is typically between one and nine months. Changes in fair value over the quotation period and until final pricing are estimated by reference to forward market prices for applicable metals.

Sales in the Chilean market are recognized 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 sales prices for the internal market.

As indicated in the note related to hedging policies in the market of metal derivatives, the Corporation enters into operations in the market of metal derivatives. Gains and losses from these contracts are recognized as revenues.

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

The provisional pricing sales contain an embedded derivative instrument which represents the forward contract for which the provisional pricing sale is subsequently adjusted.

S) DERIVATIVE CONTRACTS

Codelco uses derivative financial instruments to reduce the risk of fluctuations in sales prices of its products and of exchange rates.

Derivative are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in equity under the item "Cash flow hedge reserve". The gain or loss relating to the ineffective portion is immediately recognized in profit or loss, and included in the "Finance cost" or "Finance income" lines items. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

A hedge relationship is considered highly effective when changes in fair value or in cash flows of the underlying item directly attributable to the hedged risk are offset by changes in fair value or cash flows of the hedging instrument, with an effectiveness ranging from 80% to 125%. Changes in fair value are recognized in profit or loss when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

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

The derivative contracts held by the Corporation have been entered into to apply the risk hedging policies and are accounted for as indicated below:

Hedging policies for exchange rate risk: The Corporation enters into exchange rate derivatives to hedge exchange rate variations between the U,S, dollar and the currencies of transactions the Corporation undertakes. In accordance with the policies established by the Board of Directors, these hedge transactions are only entered into when there are recognized assets or liabilities, forecast of highly probable transactions or firm commitments. The Corporation does not enter into derivative transactions for non-hedging purposes.

Changes in fair value are recognized in profit or loss when the hedging instrument expires or is sold, terminated, or exercised.

Hedging policies for metal market prices risk: In accordance with the policies established by the Board of Directors, the Corporation entered into derivative contracts to reduce the inherent risks in the fluctuations of metal prices.

The hedging policies seek to cover expected cash flows from the sale of products by fixing the sale prices for a portion of future production, while to the extent necessary adjusting physical contracts to its standard commercial policies. When the sales agreements are fulfilled and the derivative contracts are settled, the results from sales and derivative transactions are offset. Changes in fair value are recognized in profit or loss when the hedging instrument expires or is sold, terminated, or exercised. Gains or losses are recognized as revenue from products.

Hedging transactions carried out by the Corporation in the metal derivatives market are not undertaken for speculative purposes.

Embedded derivatives: The Corporation has established a procedure that allows for evaluation of the existence of embedded derivatives in financial and non-financial contracts. Where there is an embedded derivative, and if the host contract is not recorded at fair value, the procedure determines whether the characteristics and risks of the embedded derivative are not closely related to the host contract, in which case it is required to be recognized separately.

The procedure consists of an initial classification based on the characteristics of each contract that allows for distinguishing among those in which might exist an embedded derivative. In that case, the contract is subject to a more in-depth analysis. If as a result of this assessment it is determined that the contract has an embedded derivative that must be recognized separately, it is measured at fair value and subsequent changes in its fair value are recognized in profit or loss.

T) FINANCIAL INFORMATION BY SEGMENT

The Corporation has defined its Divisions as its operating segments in accordance with the requirements of IFRS 8, Operating Segments. The mining deposits in operation, where the Corporation conducts its extractive and processing activities are managed by the following Divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina and El Teniente, In addition, the smelting and refining activities are managed at the Ventanas Division. All these Divisions have a separate operational management, which report to the Chief Executive Officer, through the North and South Central Vice-Presidency Operations, respectively. Income and expenses of the Head Office are allocated to the defined operating segments.

U) PRESENTATION OF FINANCIAL STATEMENTS

The Corporation presents (i) its statements of financial position classified as "current and non-current", (ii) its profit or loss and other comprehensive income in two statements and the classification of expenses within profit or loss by function, and (iii) its statement of cash flows using the direct method.

V) CURRENT AND NON-CURRENT FINANCIAL ASSETS

The Corporation determines the classification of its financial assets at the time of initial recognition. The classification depends on the nature and purpose of the financial assets.

The Corporation's financial assets are classified into the following categories:

Financial assets at fair value through profit or loss: This category includes those financial assets held for trading or for the purpose of selling them in the near term. Their initial and subsequent recognition is at fair value with any gains and losses arising on remeasurement recognized in profit or loss. Fair value is measured using market observable inputs.

Loans and receivables: This category includes those financial assets with fixed or determinable payments that are not quoted in an active market. Their initial recognition is at fair value, which includes transaction costs that are directly attributable to the acquisition or issue of these financial assets. Subsequent to initial recognition, these financial assets are measured at amortized cost using the effective interest rate method, less any impairment.

An impairment loss of financial assets measured at amortized cost has occurred when there is objective evidence that the Corporation will not be able to recover all amounts in accordance with the original terms.

The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, and it is recognized as an expense in the consolidated statement of comprehensive income.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would had been had the impairment loss not been recognized.

Finally, trade receivables are not considered recoverable when have occurred events such as the dissolution of a company, lack of guarantees to execute or legal pronouncement.

W) FINANCIAL LIABILITIES

Financial liabilities are initially recognized at fair value net of transaction costs. Subsequent to their initial recognition, the financial liabilities are measured at amortized cost, using the effective interest rate method.

The Corporation does not hold any financial liabilities held for trading.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Trade and other current payables are financial liabilities that do not explicitly accrue interest and are recognized at their nominal value, which approximates its fair value.

Financial liabilities are derecognized when the liabilities are paid or expire.

X) ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Corporation recognizes an allowance for doubtful accounts after six months have passed from the pre-judicial notification, initiating a judicial collection, Write-offs of uncollected receivables will be recorded once the Corporation has exhausted all means of collection and in the following cases:

a. debtor is declared in bankrupt,
b. absence of debtor's assets and/or
c. the cost of the legal proceedings are higher than the amount of debt

Renegotiations are assessed based on the experience and the background of each debtor.

Y) CASH AND CASH EQUIVALENTS AND STATEMENT OF CASH FLOWS PREPARED USING THE DIRECT METHOD

The statement of cash flows reflects changes in cash and cash equivalents that took place during the period, determined with the direct method.

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

Cash flows: inflows and outflows of cash or cash equivalents, which are defined as highly liquid investments maturing in less than three months with a low risk of changes in value.

Operating activities are the principal revenue-producing activities of the Corporation and other activities that are not investing or financing activities.

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of net equity and borrowings of the Corporation.

Bank overdrafts are classified as external resources in current liabilities.

Z) LAW N° 13.196

Law No. 13.196 requires the payment of a 10% special export tax on receivables of the sales proceeds that Codelco receives and transfers to Chile from the export of copper and related by-products produced by Codelco. The Chilean Central Bank deducts 10% of the amounts that Codelco transferred to its Chilean bank account. The amount recognized for this concept is presented in the statement of income within line item other expenses.

AA) COST OF SALES

Cost of sales is determined according to the absorption costing method, including the direct and indirect costs, depreciation, amortization and any other expenses directly attributable to the production process.

AB) ENVIRONMENT

The Corporation adheres to the principles of sustainable development, which foster the economic development while safekeeping the environment and the health and safety of its collaborators. The Corporation recognizes that these principles are central for the well-being of its collaborators, care for the environment and success in its operations.

AC) CLASSIFICATION OF CURRENT AND NON-CURRENT BALANCES

In the consolidated statement of financial position, the balances are classified according to their maturities, that is, as current for those with a maturity equal to or less than twelve months and as non-current for those with a greater maturity. Where there are obligations whose maturity is less than twelve months, but whose long-term refinancing is insured upon a decision by the Corporation, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

AD) NON-CURRENT ASSETS OR GROUPS OF ASSETS FOR DISPOSITION CLASSIFIED AS HELD FOR SALE:

The Corporation classifies as non-current assets or groups of assets for disposal, classified as held for sale, properties, plants and equipment, investments in associates and groups subject to expropriation (group of assets that are going to be disposed of together with their directly related liabilities), for which, at the closing date of the Financial Statements, their sale has been committed or steps have been initiated for it and it is estimated that it will be carried out within the twelve months following said date. These assets or groups subject to expropriation are valued at book value or the estimated sale value minus the costs necessary for sale, whichever is less, and are no longer amortized from the moment they are classified as non-current assets held for sale. sale. Non-current assets or groups of assets for disposal classified as held for sale and the components of the groups subject to expropriation classified as held for sale are presented in the Consolidated Statement of Financial Position on a line for each of the following concepts: “Non-current assets or groups of assets for disposition classified as held for sale” and “Liabilities included in groups of assets for disposal classified as available for sale.

3. New accounting pronouncements

A) THE FOLLOWING AMENDMENTS TO IFRS HAVE BEEN ADOPTED IN THESE FINANCIAL STATEMENTS:

Amendments to IFRS	Date of mandatory application	Summary
Amendment to IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses	Annual periods beginning on or after January 1, 2017	The purpose of the amendments to IAS 12 "Income Taxes" is to provide requirements on recognition of deferred tax assets for unrealized losses, and clarify how to account for deferred tax assets related to debt instruments measured at fair value.
Amendment to IAS 7: Disclosure Initiative	Annual periods beginning on or after January 1, 2017	The amendments to IAS 7 "Statement of Cash Flows" are part of the IASB's initiative aimed at improving presentation and disclosure of information in the financial statements. The amendments add additional disclosure requirements relating to financing activities in the statement of cash flows.
Annual Improvements to IFRS (Cycles 2014-2016) – Amendments to IFRS 12	Annual periods beginning on or after January 1, 2017	Clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The application of these amendments to IFRS beginning on January 1, 2017, has not had a significant effect in the amounts reported in these consolidated financial statements of the Corporation, however could affect the accounting for future transactions or agreements. Apart from the additional disclosure in Section III, Note 1, the application of the amendments to IAS 7 has had no impact on the consolidated financial statements of the Corporation and its subsidiaries.

B) THE FOLLOWING NEW IFRS, AMENDMENTS AND IMPROVEMENTS HAD BEEN ISSUED BY THE IASB, BUT THEIR APPLICATION WAS NOT YET MANDATORY:

New IFRS	Date of mandatory application	Summary
IFRS 9 - Financial Instruments	Annual periods beginning on or after January 1, 2018	Financial assets must be entirely classified on the basis of the business model of the entity for financial asset management and the characteristics of contractual cash flows of financial assets. Financial assets under this standard are measured either at amortized cost or fair value. Only financial assets classified as measured at amortized cost must be tested for impairment.
IFRS 15 - Revenue From Contracts with Customers	Annual periods beginning on or after January 1, 2018	Provides a new model for revenue recognition, which stresses the concept of the transfer to the customer "control" of assets sold instead of the concept of transferring "risk" alluded to in IAS 18. In addition it requires more detail in disclosures and refers to more detailed sales contracts with multiple elements.
Amends IFRS 15 Revenue from Contracts with Customers	Annual periods beginning on or after January 1, 2018	Clarifies three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.
IFRS 16 - Leases	Annual periods beginning on or after January 1, 2019	Requires lessees to recognize assets and liabilities for all rights and obligations originated by leases unless the lease term is 12 months or less or the underlying asset has a low value. Additionally, the Standard establishes new requirements of information to disclose related to the risk exposure on the part of lessors.
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2021	Establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discreational participating features and supersedes IFRS 4 Insurance contracts.

Amendments to IFRS	Date of mandatory application	Summary
Amendment to IFRS 10 and IAS 28: Sale or Contribution of Assets	Date to be determined by IASB.	Recognizes the profits or losses of sales of assets between an investor and an associate or a joint venture, which are recognized for the total when the transaction involves assets, which constitute business, will be partial (even if the assets are allocated to a subsidiary).
Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (Amendments to IFRS 4)	Annual periods beginning on or after January 1, 2018	Provides instructions for issues related to insurance contracts which will be affected when it first applies IFRS 9 – Financial Instruments.
Amendments to IAS 40: Transfers of investment property	Annual periods beginning on or after January 1, 2018	Clarifies the requirements to the treatment of investment property transfers.
Annual Improvements to IFRS (Cycles 2014-2016) – Amendments to IFRS 1 and IAS 28	Annual periods beginning on or after January 1, 2018	Amendments to IFRS 1: Deleted the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose, Amendments to IAS 28: Clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.
Features of prepayment with negative compensation (amendments to IFRS 9)	Annual periods beginning on or after January 1, 2019.	It adds paragraphs on the designation of financial assets and liabilities, restatement of previous periods and disclosures for instruments cancellables in advance.
Long-term investments in Associates and Joint Ventures (amendments to IAS 28)	Annual periods beginning on or after January 1, 2019.	It includes, within the scope of IFRS 9, other financial instruments in an associate or joint venture to which the equity method does not apply, including long-term investments.
Annual improvements for the 2015-2017 cycle (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	Annual periods beginning on or after January 1, 2019.	Amendments to IFRS 3 and IFRS 11: Add paragraphs on treatment for acquisitions in previously held shares in a joint operation. Amendments to IAS 12: Add paragraph on treatment of taxes related to dividends payable. Amendments to IAS 23: Modify wording on application of weighted average rate.

New Interpretations	Date of mandatory application	Summary
IFRIC 22: Foreign Currency Transactions and Advance Consideration	Annual periods beginning on or after January 1, 2018	This interpretation addresses the exchange rate to be used in foreign currency transactions when the consideration is paid or received before recognizing related revenues, expenses or assets.
IFRIC 23: Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019	The Interpretation sets out how to determine the accounting tax position when there is uncertainty over income tax treatments.

Management has evaluated the impact of the application of IFRS 9, IFRS 15 and IFRIC 22, determining that these standards will affect Codelco financial statements mainly in disclosure aspects. No significant impacts are expected on balances as of January 1, 2018.

Regarding NIIF 16, Management is currently assessing the impact of applying, however, it is not practicable to provide a reasonable estimate of the effects that these IFRSs will have until Management finalizes a detail review.

C) RECLASSIFICATIONS

The following reclassification has been made to the Corporation's consolidated financial statements as of December 31, 2016:

Reclasifications ThUS$	12/31/2016	Reclassifications	12/31/2016
	ThUS$		New Items
Current assets			
Current tax assets	12,009	(5,486)	6,523
Non Current Assets			
Deferred tax assets	-	23,975	23,975
Other non-financial assets currents	248,203	(233,886)	14,317
Current tax assets not currents	-	233,886	233,886
Current Liabilities			
Current Tax Liabilities	15,068	5,486	9,582
Non Current Liabilities			
Deferred tax liabilities	3,143,939	(23,975)	3,167,914

III. Explanatory notes

1. Cash and cash equivalents

The detail of cash and cash equivalents as of December 31, 2017 and 2016, is as follows:

Item	12/31/2017 ThUS$	12/31/2016 ThUS$
	3,300	6,740
Bank balances	124,275	44,025
Time deposits	1,054,315	501,278
Mutual Founds - Money Market	651	1,497
Rescale agreements	266,294	23,186
Total cash and cash equivalents	1,448,835	576,726

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

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

The following table sets forth the reconciliation of financial liabilities arising from financing activities:

					Changes that do not represent cash flow				
Liabilities for financing activities	Initial Balance at	Flows of cash			Financial Cost (1) ThUS$	Difference of Change ThUS$	Value Adjustment Reasonable ThUS$	Reclassification of balances ThUS$	Final Balance at 12/31/2017 ThUS$
	1/1/2017 ThUS$	From ThUS$	Used ThUS$	Total ThUS$					
Loans with financial institutions	3,154,741	300,000	(1,043,246)	(743,246)	74,342	(25,453)	-	-	2,460,384
Bond Obligations	11,758,820	2,750,000	(2,885,803)	(135,803)	508,600	117,789	-	-	12,249,406
Obligations for coverage	171,061	15,737	-	15,737	15,553	(89,036)	(6,162)	(23,257)	83,896
Dividens	-	-	(273,332)	(273,332)	-	-	-	-	-
Financial assets for hedge derivatives	(63,781)	5,291	-	5,291	4,765	(71,579)	(35,497)	23,257	(137,544)
Capital contribution	-	995,000	-	995,000	-	-	-	-	-
Finance costs	-	-	(284,369)	(284,369)	-	-	-	-	-
Total liabilities from financing activities	15,020,841	4,066,029	(4,486,750)	(420,721)	603,259	(68,280)	(41,659)	-	14,656,142

(1) Financial costs are presented before interest capitalization which as of December 31, 2017 were ThUS $217,031.

2. Trade on and other receivables

A) ACCRUALS FOR OPEN SALES INVOICES

As mentioned in the Summary of Significant Accounting Policies Section, the Corporation adjusts its revenues and trade receivable balances, based on future copper prices through the recognition of an accrual for open sales invoices.

When future price of copper is lower than the provisional invoicing price, the accrual is presented in the statement of financial position as follows:

- For those customers that have due balances with the Corporation the accrual is presented as a deduction of line item trade and other current receivables.
- For those customers that do not have due balances with the Corporation the accrual presented in line item trade and other current payables.

When future copper price is higher than the provisional invoicing price, the accrual is added to the line item trade and other current receivables.

As of December 31, 2017 and 2016, trade and other current receivables include an accrual for open invoices of ThUS$244,265 and ThUS$95,971, respectively.

B) TRADE AND OTHER RECEIVABLES

The following table sets forth trade and other receivables balances, with their corresponding allowances for doubtful accounts:

Items	Current		Non-Current	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016
	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables (1)	2,178,788	1,549,882	1,887	524
Allowance for doubtful accounts (3)	(28,684)	(2,238)	-	-
Subtotal trade receivables, net	2,150,104	1,547,644	1,887	524
Other receivables (2)	674,425	713,884	89,555	94,792
Allowance for doubtful accounts (3)	(9,177)	(6,797)	-	-
Subtotal other receivables, net	665,248	707,087	89,555	94,792
Total	2,815,352	2,254,731	91,442	95,316

(1) Trade receivables correspond to the sales of copper and its by-products.

(2) Other receivables mainly consist of the following items:

- Accounts receivable related to short-term loans and mortgage loans granted to employees.
- Reimbursements from insurance companies.
- Settlements to the Chilean Central Bank under Law 13.196.
- Advance payments to suppliers and contractors, which are deducted from the corresponding payment statements.
- Accounts receivable for tolling services (Ventanas' Smelter).
- VAT credit and other refundable taxes of ThUS$147,995 and ThUS$141,885 as of December 31, 2017 and 2016, respectively.

(3) The Corporation recognizes an allowance for doubtful accounts based on the experience and analysis of Management regarding the characteristics and aging of the trade receivables portfolio and the information from legal advisors.

The reconciliation of changes in the allowance for doubtful accounts in the years ended December 31, 2017 and 2016, were as follows:

Items	12/31/2017	12/31/2016
	ThUS$	ThUS$
Opening balance	9,035	8,501
Increases	29,160	1,497
Write-offs/applications	(334)	(963)
Total movements	28,826	534
Closing balance	37,861	9,035

As of December 31, 2017 and 2016, the balance of past due but not impaired trade receivables, is as follows:

Antigüedad	12/31/2017	12/31/2016
	MUS$	MUS$
Less than 90 days	16,851	13,232
Between 90 days and 1 year	1,615	1,505
More than 1 year	10,389	14,551
Total trade receivables part-due but not impaired	28,855	29,288

3. Balance and transactions with related parties

A) TRANSACTIONS WITH RELATED PERSONS

In accordance with Law on New Corporate Governance, the members of Codelco's Board entered are, in terms of transactions with related persons, subject to the provisions of Title XVI of Law on Corporations, which set the requirements regarding transactions with related parties in publicly traded companies and their subsidiaries.

Notwithstanding the foregoing, pursuant to the provisions of the final paragraph of Article 147 b) of Title XVI, which contains exceptions to the approval process for transactions with related parties, the Corporation has established a general customary policy (which was informed through a significant event notice to the CMF), that defines customary transactions as those carried out with its related parties in the normal course of business, which contributes to the social interest and are necessary to the normal development of Codelco's activities.

Likewise, consistent with the legal framework, the Corporation maintains within its internal framework a specific policy about transactions between related persons and companies with Codelco's employees. Codelco's Corporate Policy No.18 ("CCP No. 18"), the latest version currently in force, was approved by the Chief Executive Officer and the Board of Directors.

Accordingly, Codelco without the authorization required in CCP No. 18 and of the Board of Directors, when required by Law or by the Corporation by-laws, shall not enter into any contracts or agreements involving one or more Directors, its Chief Executive Officer, the members of Divisions Managing Committees, Vice-presidents, Legal Counsel, General Auditor, Divisions Chief Executive Officers, Advisors of Senior Management, employees who must make recommendations and/or have the authority to award tenders, assignments of purchases and/or contracting goods and services, and employees in management positions (up to fourth hierarchical level in the organization), including their spouses, children and other relatives up to second degree of relation, with a direct interest, represented by third parties or on behalf of another person, Likewise, CCP No. 18 requires administrators of Corporation's contracts to declare all related persons, and disqualify himself/herself if any related persons are involved within the field of his/her job responsibilities.

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

The Board of Directors has been informed and approved certain transactions as defined in CCP No. 18. The most significant transactions with related persons and the amounts involved are detailed in the following table:

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2017 12/31/2017 Amount ThUS$	1/1/2016 12/31/2016 Amount ThUS$
Ecometales Limited agencia en Chile.	59.087.530-9	Chile	Afiliate	Services	462	-
Fundación Orquesta Sinfónica Infantil de los Andes.	65.018.784-9	Chile	Founder	Services	247	-
Fundación de Salud El Teniente.	70.905.700-6	Chile	Afiliate	Services	13	-
Centro de capacitación y Recreación Radomiro Tomic.	75.985.550-7	Chile	Other related	Services	177	-
Sociedad de Procesamiento de Molibdeno Ltda.	76.148.338-2	Chile	Afiliate	Sale of products	1	-
Sociedad de Procesamiento de Molibdeno Ltda.	76.148.338-2	Chile	Afiliate	Current account	-	85,000
Consultor Jannet Troncoso Carvajal E.I.R.L.	76.174.237-K	Chile	Employee´s relative	Services	74	-
Prestaciones de Servicios de la Salud Intersalud Ltda.	77.270.020-2	Chile	Afiliate	Services	-	5,739
Anglo American Sur S.A.	77.762.940-9	Chile	Associate	Services	3	1
Hatch Ingenieros y Consultores Ltda.	78.784.480-4	Chile	Employee´s relative	Services	-	46,339
Institución de Salud Previsional Chuquicamata Ltda.	79.566.720-2	Chile	Afiliate	Services	15,571	1,133
Clinica San Lorenzo Ltda.	88.497.100-4	Chile	Afiliate	Services	-	1,849
Sociedad Contractual Minera El Abra.	96.701.340-4	Chile	Associate	Supplies	134	-
S y S Ingenioeros Consultores Ltda.	84.146.100-2	Chile	Employee´s relative	Services	-	8
Clínica Río Blanco S.A.	99.573.600-4	Chile	Afiliate	Services	-	2,569
B.Bosch S.A.	84.716.400-K	Chile	Employee´s relative	Supplies	60	-
Finning Chile S.A.	91.489.000-4	Chile	Employee´s relative	Supplies	-	5,134
Fundación Educacional el Salvador	73.435.300-0	Chile	Founder	Services	-	24
Fundación Sewell	65.493.830-K	Chile	Founder	Services	421	5
Arcadis Chile S.A.	89.371.200-3	Chile	Employee´s relative	Services	-	2,325
Inoxa S.A.	99.513.620-1	Chile	Employee´s relative	Services	14	-
Sonda S.A.	83.628.100-4	Chile	Employee´s relative	Services	1,446	152
Xtreme Mining Ltda.	96.953.700-1	Chile	Employee´s relative	Supplies	-	5
SGS Chile Limitada, Sociedad de Control	80.914.400-3	Chile	Employee´s relative	Services	-	2,251
Maestranza Acosta y Cía. Ltda.	76.813.840-0	Chile	Employee´s relative	Supplies	-	22
Komatsu Chile S.A.	96.843.130-7	Chile	Employee´s relative	Supplies	208,513	194,249
SGS Minerals Ltda.	96.671.880-3	Chile	Employee´s relative	Services	-	255

Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2017 12/31/2017 Amount ThUS$	1/1/2016 12/31/2016 Amount ThUS$
SGS Chile Limitada. Sociedad de Control	80.914.400-3	Chile	Employee´s relative	Services	-	2,251
Maestranza Acosta y Cía. Ltda.	76.813.840-0	Chile	Employee´s relative	Supplies	-	22
Komatsu Chile S.A.	96.843.130-7	Chile	Employee´s relative	Supplies	208,513	194,249
SGS Minerals Ltda.	96.671.880-3	Chile	Employee´s relative	Services	-	255
R&Q Ingeniería S.A.	84.865.000-5	Chile	Employee´s relative	Services	-	4,551
Ayagon S.A.	88.845.100-5	Chile	Employee´s relative	Supplies	-	2
Nueva Ancor Tecmin S.A.	76.411.929-0	Chile	Employee´s relative	Supplies	83	169
Sodimac S.A.	96.792.430-K	Chile	Employee´s relative	Supplies	2,132	575
Industrial y Comercial Artimatemb Ltda.	76.108.720-7	Chile	Employee´s relative	Services	40	19
Centro de Especialidades Médicas San Lorenzo Ltda.	76.124.156-7	Chile	Afiliate	Services	-	622
Kaefer Buildteck SpA	76.105.206-3	Chile	Employee´s relative	Services	97	8,080
Teléfonica Chile S.A.	90.635.000-9	Chile	Employee´s relative	Services	99	-
Industrial Support Company Ltda	90.635.000-9	Chile	Employee´s relative	Services	218	-
Sourcing SpA	76.355.804-5	Chile	Employee´s relative	Services	1,259	-
Distribuidora Cummins Chile S.A.	96.843.140-4	Chile	Employee´s relative	Services	302	-
Geotermina del Norte S.A.	96.971.330-6	Chile	Member of the Directory	Services	3,912	-
Arriendo de Maquinaria Marcelo Enrique Balocchi Vivaldi E.R.I.L	76.300.049-4	Chile	Employee´s relative	Services	95	-
Isapre Fusat Ltda.	76.334.370-7	Chile	Afiliate	Services	126,800	-
Züblin International GmbH Chile Spa	77.555.640-4	Chile	Employee´s relative	Services	117,637	-

B) KEY MANAGEMENT OF THE CORPORATION

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

During the period ended December 31, 2017 and 2016, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

Name	Taxpayer number	Country	Nature of the relationship	Description of the transaction	1/1/2017 12/31/2017 Amount ThUS$	1/1/2016 12/31/2016 Amount ThUS$
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Directors´s fees	118	114
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Directors´s fees	195	91
Gerardo Jofré Miranda	5.672.444-3	Chile	Director	Directors´s fees	38	91
Ghassan Dayoub Psele	14.695.762-5	Chile	Director	Directors´s fees	71	-
Ghassan Dayoub Psele	14.695.762-5	Chile	Director	Payroll	72	-
Isidoro Palma Penco	4.754.025-9	Chile	Director	Directors´s fees	95	91
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Directors´s fees	95	91
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Directors´s fees	95	91
Oscar Landerretche Moreno	8.366.611-0	Chile	Chairman of the Board	Directors´s fees	142	137
Paul Schiodtz Obilinovich	7.170.719-9	Chile	Director	Directors´s fees	64	-
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Directors´s fees	95	91
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	53	44

The Ministry of Finance through Supreme Decree No. 36 ("SD No, 36") dated January 28, 2016, established the compensation for the Corporation's Directors, In accordance with the current austerity measures, the compensation will not be updated for a period of two years as from March 1, 2016, The compensation to Board of Directors members, is as follows:

a. The Directors of Codelco will receive a fixed monthly compensation of Ch$3,835,860 (three million eight hundred and thirty five thousand, eight hundred and sixty Chilean pesos) for meeting attendance. The payment of the monthly compensation is dependent on meetings attended.

b. The Chairman of the Board will receive a fixed monthly compensation of Ch$7,671,720 (seven million six hundred and seventy one thousand, seven hundred and twenty Chilean pesos).

c. Each member of the Directors' Committee, whether the one referred to in Article 50 bis) of Law No. 18.046 or another established by the Corporation by-laws, will receive a fixed additional monthly compensation of Ch$1,278,619 for meeting attendance, regardless of the number of committees of which they are members. In addition, the Chairman of the Directors' Committee will receive a fixed monthly compensation of Ch$2,557,240 for meeting attendance.

d. The compensation established in DS No. 36 are effective for a period of two years, as from March 1, 2016, and will be updated on January 1, 2017, in accordance with the same provisions that govern the general salary adjustments of officials of the Public Sector. The compensation for 2017 was increased by 3,2%.

On the other hand, the short-term benefits of key management of the Corporation paid during the years ended December 31, 2017 and 2016, were ThUS$10,899 and ThUS$8,714, respectively.

The methodology to determine the remuneration of key management was approved by the Board of Directors at a meeting held on January 29, 2003.

During periods ended December 31, 2017 and 2016, severance indemnities were paid to key management of the Corporation for ThUS$471 and ThUS$444, respectively.

There were no payments to key management for other non-current benefits during periods ended December 31, 2017 and 2016.

There are no share based payment plans granted to Directors or key management personnel of the Corporation.

C) TRANSACTIONS WITH COMPANIES IN WHICH CODELCO HAS OWNERSHIP INTEREST

The Corporation undertakes commercial and financial transactions that are necessary for its activities with its subsidiaries, associates and joint ventures ("related parties"). The financial transactions correspond mainly to loans granted (mercantile current accounts).

Commercial transactions with related companies mainly consist of purchases/sales of products or rendering of services carried out under market conditions and prices, which do not bear any interest or indexation.

As of the date of these financial statements, the Corporation has not recognized any allowance for doubtful accounts with respect to receivable balances from its related companies.

The detail of accounts receivable and payable between the Corporation and its related parties as of December 31, 2017 and 2016, is as follows:

Accounts receivable from related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12/31/2017 ThUS$	12/31/2016 ThUS$	12/31/2017 ThUS$	12/31/2016 ThUS$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	63,596	13,286	-	-
76.063.022-5	Inca de Oro S.A.	Chile	Associate	US$	199	-	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US$	-	-	25,581	21,489
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	549	383	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	US$		-	249	224
Totals					64,344	13,669	25,830	21,713

Accounts payable to related companies

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12/31/2017 ThUS$	12/31/2016 ThUS$	12/31/2017 ThUS$	12/31/2016 ThUS$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US$	92,315	74,101	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US$	25,370	21,822	-	-
Foreign	Deutsche Geissdraht GmbH	Alemania	Associate	EURO	6,106	7,971	-	-
Totals					123,791	103,894	-	-

The following table sets forth the transactions carried out between the Corporation and its related companies and their corresponding effects in profit or loss As of December 31, 2017 and 2016:

Taxpayer number	Entity	Nature of the transaction	Country	Index. Currency	1/1/2017 12/31/2017		1/1/2016 09/30/2016	
					Amount ThUS$	Effects on net income (charges) / credits ThUS$	Amount ThUS$	Effects on net income (charges) / credits ThUS$
Foreign	Copper Partners Investment Co. Ltd.	Sales of goods	Bermudas	US$	-	-	14,597	14,597
Foreign	Copper Partners Investment Co. Ltd.	Dividends received	Bermudas	US$	-	-	14,430	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	US$	174,060	-	-	-
77.762.940-9	Anglo American Sur S.A.	Dividends receivable	Chile	US$	59,003	-	13,286	-
77.762.940-9	Anglo American Sur S.A.	Purchase of goods	Chile	US$	723,867	(723,867)	477,497	(477,497)
77.762.940-9	Anglo American Sur S.A.	Bonded services	Chile	US$	6,598	5,544	2,721	2,287
96.701.340-4	SCM El Abra	Dividends received	Chile	US$	39,200	-	53,900	-
96.701.340-4	SCM El Abra	Purchase of goods	Chile	US$	245,444	(245,444)	245,684	(245,684)
96.701.340-4	SCM El Abra	Sales of goods	Chile	US$	9,516	9,516	15,517	15,517
96.701.340-4	SCM El Abra	Other sales	Chile	US$	1,493	1,493	1,493	1,493
96.701.340-4	SCM El Abra	Purchase of services	Chile	US$	510	(510)	236	(236)
96.701.340-4	SCM El Abra	Commissions received	Chile	US$	96	96	124	124
96.701.340-4	SCM El Abra	Other purchases	Chile	US$	997	(997)	1,884	(1,884)
96.801.450-1	Agua de la Falda S.A.	Sales of services	Chile	CLP	5	5	5	5

Taxpayer number	Entity	Nature of the transaction	Country	Index. Currency	1/1/2017 12/31/2017		1/1/2016 09/30/2016	
					Amount ThUS$	Effects on net income (charges) / credits ThUS$	Amount ThUS$	Effects on net income (charges) / credits ThUS$
96.801.450-1	Agua de la Falda S.A.	Capital contribution	Chile	US$	-	-	(743)	-
Foreign	Deutsche Geissdraht GmbH	Dividends received	Alemania	EURO	1,119	-	772	-
76.063.022-5	Inca de Oro S.A.	Capital contribution	Chile	US$	193	-	(461)	-
76.028.880-2	Minera Purén SCM	Dividends received	Chile	US$	178	-	-	-
76.255.054-7	Planta Recuperadora de Metales	Loan	Chile	US$	26,065	-	16,090	-
76.255.054-7	Planta Recuperadora de Metales	Services	Chile	US$	612	612	-	-

D) ADDITIONAL INFORMATION

The current account receivable from Planta Recuperadora de Metales SpA corresponds to the loan agreement granted to build its plant, which was signed on July 7, 2014.

The purchase/sales of products transactions with Anglo American Sur S.A., are regular business activity transactions to buy/sell copper and other products. On the other hand, there are certain transactions related to the contract entered into with the subsidiary Inversiones Mineras Nueva Acrux SpA (whose non-controlling shareholder is Mitsui) and Anglo American Sur S.A. under which the latter agreed to sell a portion of its annual copper output to said subsidiary.

Transactions with Copper Partners Investment Company Ltd, are carried out under the conditions described in Note 31. b) to these financial statements.

4. Inventories

The detail of inventories as of December 31, 2017 and 2016, is as follows:

Items	Current		Non-current	
	12/31/2017 ThUS$	12/31/2016 ThUS$	12/31/2017 ThUS$	12/31/2016 ThUS$
Finished products	348,083	335,431	-	-
Subtotal finished products, net	348,083	335,431	-	-
Products in process	1,105,590	1,055,864	428,447	337,411
Subtotal products in process, net	1,105,590	1,055,864	428,447	337,411
Material in warehouse and other	470,108	499,905	-	-
Obsolescence allowance adjustment	(94,083)	(90,930)	-	-
Subtotal material in warehouse and other, net	376,025	408,975	-	-
Total Inventories	1,829,698	1,800,270	428,447	337,411

Inventories of finished goods recognized as cost of sales for the periods ended December 31, 2017 and 2016 were ThUS$10,341,613 and ThUS$9,413,714, respectively.

has not reclassified strategic inventories to Property, Plant and Equipment.

The reconciliation of changes in the allowance for obsolescence is detailed below:

Changes in Allowance for Obsolescence	12/31/2017	12/31/2016
	ThUS$	ThUS$
Opening Balance	(90,930)	(79,293)
Period provision	(3,153)	(11,637)
Closing Balance	(94,083)	(90,930)

For the period ended December 31, 2017 and 2016 recognized write-offs of damages inventories for ThUS$ 4,126 and ThUS$ 10.377 respectively.

The amount of write-down of inventories at their net realizable value was ThUS$ 2,999 as of December 31, 2017 (ThUS$ 10,344 as of December 31, 2016).

During the periods ended as of December 31, 2017, was recognized decreases in the provision for the net realizable value by ThUS$7,298. There were no reversals for the period ended December 31, 2016.

As of December 31, 2017 and 2016, there are no unrealized gains or losses recognized on the intercompany sales of inventories of finished products.

As of December 31, 2017 and 2016, there are no inventories pledged as security for liabilities.

5. Income taxes and deferred taxes

A) COMPOSITION OF EXPENDITURE FOR INCOME TAX

Items	12/31/2017	12/31/2016
	ThUS$	ThUS$
Current income tax	(72,897)	-
Effect of Deferred Taxes	(1,126,918)	113,185
Other	6,748	(16,089)
Total Income Taxes	(1,193,067)	97,096

The following table, detail of deferred tax assets and liabilities:

Deferred tax assets	12/31/2017	12/31/2016
	ThUS$	ThUS$
Provisions	1,264,736	1,352,823
Financial leasing	24,983	21,997
Customers advance	1,013,438	1,808,782
Other	23,690	-
Total deferred tax assets	2,326,847	3,183,602

Deferred tax liabilities	12/31/2017	12/31/2016
	ThUS$	ThUS$
Tax on mining activity	183,571	145,168
Property, plant and equipment variations	1,058,609	1,015,951
Post-employment benefit obligations	21,532	26,536
Accelerated depreciation for tax purposes	5,168,062	4,999,085
Investment in Anglo American Sur S.A.	-	11,638
Fair value of mining properties acquired	108,518	108,518
Hedging derivatives – future contracts	5,635	482
Undistributed profits of subsidiaries	45,177	20,163
Other	6,695	
Total deferred tax liabilities	6,597,799	6,327,541

The following tables sets forth the deferred taxes as presented in the statement of financial position:

Deferred taxes	12/31/2017	12/31/2016
	MUS$	MUS$
Non-current assets	43,285	23,975
Non-current liabilities	4,314,237	3,167,914
Net	4,270,952	3,143,939

The effects of deferred taxes on the components of other comprehensive income are as follows:

Deferred taxes on components of other comprehensive income	12/31/2017 ThUS$	12/31/2016 ThUS$
Cash flow hedge	1,868	(32,831)
Defined Benefit Plans	(16,937)	46,178
Total deferred taxes on components of other comprehensive income	(15,069)	13,347

The following table sets forth the reconciliation of the effective tax rate:

Reconciliation of tax rate	12/31/2017						
	Taxable Base			Tax rate			Total ThUS$
	25.0% ThUS$	40.0% ThUS$	5% ThUS$	25.0% ThUS$	Adic. 40% ThUS$	5% ThUS$	
Profit (loss) before taxes	1,786,885	17,866,885	1,786,885	(446,721)	(714,754)	(89,344)	(1,250,819)
Profit (loss) before taxes of subsidiaries	29,784	29,784	29,784	(7,446)	(11,914)	(1,489)	(20,849)
Consolidated profit (loss) before taxes	1,816,669	17,896,669	1,816,669	(454,167)	(726,668)	(90,833)	(1,271,668)
Permanent differences:							
First category income tax (25%)	(228,408)			57,102			57,102
Specific tax for state-owned entities Art. 2 D.L. 2,398 (40%)		(113,268)			45,307		45,307
Specific tax on mining activities			400,028			(20,001)	(20,001)
Others							(3,807)
TOTAL TAX EXPENSE				(397,065)	(681,361)	(110,834)	(1,193,067)

Reconciliation of tax rate	12/31/2016						
	Taxable Base			Tax rate			Total ThUS$
	24.0% ThUS$	40.0% ThUS$	5% ThUS$	24.0% ThUS$	Adic. 40% ThUS$	5% ThUS$	
Profit (loss) before taxes	(365,267)	(365,267)	(365,267)	87,664	146,107	18,263	252,034
Profit (loss) before taxes of subsidiaries	(65,409)	(65,409)	(65,409)	15,698	26,164	3,270	45,132
Consolidated profit (loss) before taxes	(430,676)	(430,676)	(430,676)	103,362	172,271	21,533	297,166
Permanent differences:							
First category income tax (24%)	(94,555)			22,693			22,693
Specific tax for state-owned entities Art. 2 D.L. 2,398 (40%)		274,926			(109,970)		(109,970)
Specific tax on mining activities			(755,998)			(37,800)	(37,800)
Tax effect of non-usable tac losse			(1,499,866)			(74,993)	(74,993)
TOTAL TAX EXPENSE				126,055	62,301	(91,260)	97,096

Pursuant to Article 2 of the Decree Law 2.398, Codelco is subject to an additional tax rate of 40% to net earnings plus the dividends received in accordance with the law.

Tax Reform in Chile

On September 29, 2014, Law No. 20.780 entitled "Tax Reform which modifies the Income Tax System, and which introduces various adjustments on the Tax System", was enacted.

The principal changes, among others, was the creation of two optional tax systems: (i) The Attributed Income System established a progressive increase in the first category income tax rate to 21%, 22.5%, 24% and 25% for fiscal years 2014, 2015, 2016 and 2017, respectively; and (ii) the Partially Integrated System, established a progressive increase in the first category income to 21%, 22.5%, 24%, 25.5% and 27% for fiscal years 2014, 2015, 2016, 2017 and 2018, respectively.
Notwithstanding the above, the Corporation has applied the General Taxation Regime, with progressive first category income tax rates of 21%, 22.5%, 24% and 25% for fiscal years 2014, 2015, 2016 and 2017 onwards, respectively. The Corporation, as a state-owned company, did not have the option to apply the tax regimes stated in the Tax Reform. Meanwhile, the subsidiaries and associates applied the partially integrated tax system by default.

In relation to the specific tax on mining activities the tax rate applicable is a 5% under Law No. 20.469.

United States Tax Reform

During December 2017, both Chambers of the US Congress approved the tax reform, which was sign on December 22, 2017, by the President of that country. One of the main changes of this tax reform is the reduction of the corporate rate to 21%, which will apply as of 2018

6. Current and non-current tax assets and liabilities

The detail of current tax assets and liabilities as of December 31, 2017 and 2016, is as follows:

Current Tax Assets	12/31/2017 ThUS$	12/31/2016 ThUS$
Recoverable Taxes	-	255,528
Transfer to Non Current Assets	-	(255,528)
Taxes to be recovered	21,623	6,523
Total Current Tax Assets	21,623	6,523

Current Tax Liabilities	12/31/2017 ThUS$	12/31/2016 ThUS$
Provision Tax	58,690	9,582
Total Current Tax Liabilities	58,690	9,582

Items	12/31/2017 ThUS$	12/31/2016 ThUS$
Non-Current Tax Assets	233,772	233,886
Total Non-Current Tax Assets	233,772	233,886

Current tax balances are presented net of monthly provisional tax payments.
Non-current recoverable taxes corresponds to the accumulated positive differences in favor of Codelco from prior periods tax returns. The Corporation has a tax loss carryforward of ThUS$1,525,643, therefore, the recoverable taxes are not expected to be refunded or used in the current period.

7. Non-current assets or groups of assets for disposition classified as held for sale

As of December 31, 2017, the balance of Non-current assets or groups of assets for disposal, classified as held for sale, of the consolidated current assets, corresponds in its entirety to the shareholding held by the Corporation at that date. its affiliate Codelco Kupferhandel GmbH, have a 40% interest in the capital of the company Deutsche Giessdraht GmbH.

Codelco Kupferhandel GmbH is in the process of selling its stake in Deutsche Giessdraht GmbH, the realization of this option is subject to the decision of the Germany free competition court regarding the sale.

The company signed a share sale agreement with Aurubis AG, regarding the shareholding held by CK in the company, disclosed in Note N ° 36 Subsequent Events.

8. Property, Plant and Equipment

a) The items of property, plant and equipment as of December 31, 2017 and 2016, are as follows:

Property, Plant and Equipment, gross	12/31/2017 ThUS$	12/31/2016 ThUS$
Construction in progress	7,004,522	6,266,471
Land	175,039	151,239
Buildings	5,375,235	5,141,194
Plant and equipment	15,150,823	14,295,916
Fixtures and fittings	58,839	50,687
Motor vehicles	2,018,740	1,977,631
Land improvements	5,296,402	4,914,797
Mining operations	6,785,364	5,823,625
Mine development	4,183,572	3,980,114
Other assets	1,346,713	1,368,649
Total Property, Plant and Equipment, gross	47,395,249	43,970,323
Property, Plant and Equipment, accumulated depreciation	12/31/2017 ThUS$	12/31/2016 ThUS$
Construction in progress	-	-
Land	7,953	6,824
Buildings	2,884,706	2,734,011
Plant and equipment	9,490,638	8,893,258
Fixtures and fittings	40,997	37,537
Motor vehicles	1,275,198	1,170,564
Land improvements	3,048,921	2,824,931
Mining operations	4,178,325	3,285,416
Mine development	688,342	572,408
Other assets	504,657	468,113
Total Property, Plant and Equipment, accumulated depreciation	22,119,737	19,993,062

Property, Plant and Equipment, net	12/31/2017 ThUS$	12/31/2016 ThUS$
Construction in progress	7,004,522	6,266,471
Land	167,086	144,415
Buildings	2,490,529	2,407,183
Plant and equipment	5,660,185	5,402,658
Fixtures and fittings	17,842	13,150
Motor vehicles	743,542	807,067
Land improvements	2,247,481	2,089,866
Mining operations	2,607,039	2,538,209
Mine development	3,495,230	3,407,706
Other assets	842,056	900,536
Total Property, Plant and Equipment, net	25,275,512	23,977,261

b) Movement of Property, plant and equipment:

Movements ThUS$	Construction in progress	Land	Buildings	Plant and equipment	Fixed installations and accessories	Motor vehicles	Ground improvements	Mining operations	Development of mines	Other assets	Total
Conciliation of changes in properties, plant and equipment											
Properties, plant and equipment at the beginning of the period. Opening Balance 1/1/2017	6,266,471	144,415	2,407,183	5,402,658	13,150	807,067	2,089,866	2,538,209	3,407,706	900,536	23,977,261
Changes in property, plant and equipment											
Increases other than those from business, property, plant and equipment combinations	3,061,027	2,814	2,763	54,952	54	3,207	20,081	335,786	2,984	27,524	3,511,192
Depreciation, property, plant and equipment	-	(1,129)	(161,592)	(632,410)	(3,465)	(117,366)	(225,571)	(807,000)	(82,627)	(65,649)	(2,096,809)
Impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	-	-	-
Increases (decreases) in transfers and other changes, properties, plant and equipment											
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(1,406,450)	15,959	157,749	630,167	7,681	50,908	311,076	58,806	163,903	10,201	-
Increases (decreases) by other changes, properties, plant and equipment	(824,685)	5,027	86,813	220,085	441	3,014	52,861	481,238	3,264	(25,658)	2,400
Increase (decrease) by transfers and other changes, properties, plant and equipment	(2,231,135)	20,986	244,562	850,252	8,122	53,922	363,937	540,044	167,167	(15,457)	2,400
Dispositions and withdrawals of service, property, plant and equipment											
Retirements, property, plant and equipment	(91,841)	-	(2,387)	(15,267)	(19)	(3,288)	(832)	-	-	(4,898)	(118,532)
Dispositions and withdrawals of service, property, plant and equipment	(91,841)	-	(2,387)	(15,267)	(19)	(3,288)	(832)	-	-	(4,898)	(118,532)
Increase (decrease) in properties, plant and equipment	738,051	22,671	83,346	257,527	4,692	(63,525)	157,615	68,830	87,524	(58,480)	1,298,251
Properties, plant and equipment at the end of the period. Closing balance 12/31/2017	7,004,522	167,086	2,490,529	5,660,185	17,842	743,542	2,247,481	2,607,039	3,495,230	842,056	25,275,512

Movements ThUS$	Construction in progress	Land	Buildings	Plant and equipment	Fixed installations and accessories	Motor vehicles	Ground improvements	Mining operations	Development of mines	Other assets	Total
Conciliation of changes in properties, plant and equipment											
Properties, plant and equipment at the beginning of the period. Opening Balance 1/1/2016	4,890,617	133,133	2,368,259	5,484,686	17,549	886,847	2,052,818	2,610,250	3,204,310	979,842	22,628,311
Changes in property, plant and equipment											
Increases other than those from business, property, plant and equipment combinations	2,613,389	-	1,167	50,282	94	3,415	1,244	358,759	4,280	32,679	3,065,309
Depreciation, property, plant and equipment	-	(6,824)	(165,079)	(552,804)	(2,451)	(120,513)	(197,960)	(739,075)	(67,022)	(82,014)	(1,933,742)
Impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	-	-	-
Increases (decreases) in transfers and other changes, properties, plant and equipment											
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(1,424,507)	17,603	258,561	548,873	675	38,898	263,637	51,634	244,594	32	-
Increases (decreases) by other changes, properties, plant and equipment	209,532	503	(50,202)	(91,987)	(2,491)	1,548	(24,651)	271,636	21,544	(29,995)	305,437
Increase (decrease) by transfers and other changes, properties, plant and equipment	(1,214,975)	18,106	208,359	456,886	(1,816)	40,446	238,986	323,270	266,138	(29,963)	305,437
Dispositions and withdrawals of service, property, plant and equipment											
Retirements, property, plant and equipment	(22,560)	-	(5,523)	(36,392)	(226)	(3,128)	(5,222)	(14,995)	-	(8)	(88,054)
Dispositions and withdrawals of service, property, plant and equipment	(22,560)	-	(5,523)	(36,392)	(226)	(3,128)	(5,222)	(14,995)	-	(8)	(88,054)
Increase (decrease) in properties, plant and equipment	1,375,854	11,282	38,924	(82,028)	(4,399)	(79,780)	37,048	(72,041)	203,396	(79,306)	1,348,950
Properties, plant and equipment at the end of the period. Closing balance 12/31/2016	6,266,471	144,415	2,407,183	5,402,658	13,150	807,067	2,089,866	2,538,209	3,407,706	900,536	23,977,261

c) The balance of construction in progress, is directly associated with the operating activities of the Corporation, and relates to the acquisition of equipment and projects in construction.

d) The Corporation has contracted insurance policies to cover the potential risks to which the various elements of property, plant and equipment are subject, and any claims that could arise from their activities during the period, these policies provide adequate coverage of the potential risks.

e) Borrowing costs capitalized for the period ended December 31, 2017 and 2016 were ThUS$217,031 and ThUS$150,554, respectively. The annual capitalization average rate for the period ended December 31, 2017 and 2016 was 4.04% and 3.95%, respectively.

f) Expenditures on exploration and drilling of deposits recognized in profit or loss and the cash outflows disbursed for the same concepts are presented in the following table:

Expenditure on exploration and drilling reservoirs	1/1/2017 12/31/2017 ThUS$	1/1/2016 12/31/2016 ThUS$
Recognized in profit /(loss)	59,404	34,341
Cash outflows disbursed	27,438	26,533

g) The detail of “Other assets” under “Property, plant and equipment” is as follows:

Other assets, net	12/31/2017 ThUS$	12/31/2016 ThUS$
Leased assets	91,628	98,695
Mining properties from the purchase of Anglo American Sur S,A, shares	402,000	402,000
Maintenances and other major repairs	254,253	285,144
Other assets – Calama Plan	90,281	108,327
Other	3,894	6,370
Total other assets, net	842,056	900,536

h) The Corporation currently has no ownership restrictions relating to assets belonging to Property, plant and equipment, except for leased assets whose legal title corresponds to the lessor.

i) Codelco has not pledged any items of property, plant and equipment as collateral to third parties in order to enable the realization of its normal business activities or as a commitment to support payment obligations.

j) As of December 31, 2017 and 2016, there were no impairment indicators for items of property, plant and equipment. Consequently, the Corporation has not recognized any impairment losses.

9. Investments accounted for using the equity method

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

Item	Equity value		Accrued income	
	12/31/2017 ThUS$	12/31/2016 ThUS$	1/1/2017 12/31/2017 ThUS$	1/1/2016 12/31/2017 ThUS$
Associates accounted for at the Net Asset Value	3,665,601	3,753,974	185,428	(177,358)
Total	3,665,601	3,753,974	185,428	(177,358)

A) ASSOCIATES

Agua de la Falda S.A.

As of December 31, 2017, Codelco holds a 42.26% ownership 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 Chile.

Sociedad Contractual Minera El Abra

Sociedad Contractual Minera El Abra was incorporated in

1994, As of December 31, 2017, Codelco holds a 49% ownership interest, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

The company business activities involve the extraction, production and selling copper cathodes.

Sociedad Contractual Minera Purén

As of December 31, 2017, Codelco holds a 35% ownership interest, with the remaining 65% owned by Compañía Minera Mantos de Oro.

This company's corporate purpose is to explore, identify, survey, investigate, develop and exploit mining deposits in order to extract, produce and process minerals.

Sociedad GNL Mejillones S.A.

As of December 31, 2017, Codelco holds a 37% ownership interest, with the remaining 63% owned by Suez Energy Andino S.A. These current shareholdings were established on November 5, 2010, when the Corporation did not participate in the capital increase agreed to at Shareholders' meeting of such company. Prior to the capital increase, the Corporation and Suez Energy Andino S.A. held a 50% ownership interest each.

The corporate purpose of this company is the production, storage, marketing, transportation and distribution of all types of fuel, and the acquisition, construction, maintenance and operation of infrastructure facilities and construction projects necessary for transport, reception, processing and storage both in Chile and abroad, by itself or in partnership with third parties.

Inca de Oro S.A.

On June 1, 2009, Codelco's Board of Directors authorized the incorporation of a new company aimed to develop studies allowing the continuity of the Inca de Oro Project, which is a wholly-owned subsidiary of Codelco.

On February 15, 2011, the business association of Codelco and Minera PanAust IDO Ltda. in respect to the Inca de Oro deposit was approved. As a result Minera PanAust IDO Ltda holds 66% ownership interest and the remaining 34% is held by Codelco. Prior to the association, Codelco owned 100% of the company. This transaction resulted in a gain after taxes of ThUS$33,668 recognized in the year ended December 31, 2011.

At the Extraordinary meeting of the shareholders held on December 30, 2014, it was agreed to a capital increase of ThUS$102,010, reducing Codelco's ownership interest to 33.19%.

As of December 31, 2015, the Corporation reduced the carrying amounts of mining property and exploration and evaluation expenditures as a result of an impairment loss recognized.

As of December 31, 2017, Codelco holds a 33.19% ownership interest in this company.

Planta Recuperadora de Metales SpA.

On December 3, 2012, Planta Recuperadora Metales SpA was incorporated by Codelco, which held a 100% ownership interest of this company.

On July 7, 2014, Codelco reduced its ownership interest in Planta Recuperadora de Metales SpA to 51%, with the remaining 49% ownership interest held by LS-Nikko Copper Inc.

On October 14, 2015, Codelco reduced its ownership interest to 34% interest, with LS-Nikko Copper Inc, holding the remaining 66%.

As of December 31, 2017, LS-Nikko Copper Inc, is the controlling shareholder of this company based on the control elements set out in the shareholders' agreement.

The principal business activity of the company is the processing of intermediate products of the refining and processing of copper and other metals aiming to recover the copper, other metals and other sub products, their transformation in commercial products and the selling and distribution of all class of goods or inputs derived from such process.

Deutsche Giessdraht GmbH

As of December 31, 2017, the balance of this investment is classified under Non-current assets or groups of assets for disposition classified as held for sale Note N° 7, of the consolidated current assets, corresponds in its entirety to the participation held by the Corporation at that date through its affiliate Codelco Kupferhandel GmbH, have a 40% interest in the capital of the company Deutsche Giessdraht GmbH.

Codelco Kupferhandel GmbH is in the process of selling its stake in Deutsche Giessdraht GmbH, the realization of this option is subject to the decision of the Germany free competition court regarding the sale.

The company signed a share sale agreement with Aurubis AG, regarding the shareholding held by CK in the company, disclosed in Note N ° 36 Subsequent events.

Anglo American Sur S.A.

As December 31, 2017, the controlling shareholder of Anglo American Sur S.A. is Inversiones Anglo American Sur S.A. holding a 50.06% ownership interest, while the 49.94% non-controlling interest is held by Inversiones Mineras Acrux SpA., which in turn is a subsidiary controlled by Codelco with a 67.8% ownership interest. Consequently, Codelco exercises significant influence in Anglo American Sur S.A. through its indirect ownership interest of 29.5%.

On December 21, 2017, according to repertoire N ° 12.285 / 2017, by public deed, it is agreed between the shareholders to merge the Acrux SpA Mining Investment Company ("Absorbed Company") by the Investment Company Minera Becrux SpA ("Sociedad Absorbing "), which will take effect as of December 22, 2017, where the Absorbing Company acquires all the assets and liabilities of the Absorbed Company, which will be dissolved without the need for its liquidation. In addition to being responsible for the payment of all taxes owed or may be owed by the Absorbed Company.

The principal activities of the Company are the exploration, extraction, exploitation, production, processing and trading of minerals, concentrates, precipitates, copper bars and all metallic and non-metallic minerals, all fossil substances and liquid and gaseous hydrocarbons. This includes the exploration, exploitation and use of all natural energy sources capable of industrial use and the products or by-products obtained, as well as any other related, connected or complementary activities on which the shareholders agree.

The following table sets forth the carrying amount and share in profit (loss) of investments in associates:

Associates	Taxpayer Numbers	Funct, Cuurenc,	Equity Interest		Equity Method		Accrued result	
			12/31/2017	12/31/2016	12/31/2017	12/31/2016	1/1/2017 12/31/2017	1/1/2016 09/30/2016
			%	%	ThUS$	ThUS$	ThUS$	ThUS$
Deutsche Geissdraht GmbH	Foreign	EURO	40.0%	40.0%	-	3,594	1,375	1,748
Agua de la Falda S,A,	96.801.450-1	US$	42.0%	43.3%	4,943	5,064	(422)	(270)
Sociedad Contractual Minera El Abra	96.701.340-4	US$	49.0%	49.0%	605,769	628,977	15,343	17,649
Minera Purén SCM	76.028.880-2	US$	35.0%	35.0%	9,897	10,091	(16)	(101)
Sociedad GNL Mejillones S,A,	76.775.710-7	US$	37.0%	37.0%	76,050	70,485	5,551	2,455
Inca de Oro S,A,	73.063.022-5	US$	33.2%	33.2%	12,942	12,937	(104)	(10,533)
Anglo American Sur S,A,	77.762.940-9	US$	29.5%	29.5%	2,945,084	3,011,836	163,775	(187,552)
Planta Recuperadora de Metales SpA	76.255.054-7	US$	34.0%	34.0%	10,916	10,990	(74)	(754)
TOTAL					3,665,601	3,753,974	185,428	(177,358)

The following tables set forth the detail of assets and liabilities as of December 31, 2017 and December 31 2016 and the main movements in the carrying amount and profit (loss) for the periods ended December 31, 2017 and 2016 of investments in associates accounted for using the equity method:

Assets and Liabilities	12/31/2017 ThUS$	12/31/2016 ThUS$
Current Assets	1,595,687	1,711,809
Non-current Assets	5,925,176	5,835,998
Current Liabilities	766,986	527,116
Non-current Liabilities	1,724,512	1,538,710

Net Income	1/1/2017 12/31/2017 ThUS$	1/1/2016 12/31/2016 ThUS$
Revenue	2,766,212	2,239,048
Cost of sales	(2,359,555)	(2,525,338)
Profit (loss) for the period	406,657	(286,290)

Movements of Investment in Associates	1/1/2017 12/31/2017 ThUS$	1/1/2016 12/31/2016 ThUS$
Opening balances	3,753,974	3,977,786
Contributions	-	9,499
Dividends	(272,441)	(67,959)
Result of the period	118,151	(98,547)
Foreign exchange differences	(596)	(415)
Reverse Deterioration Anglo American Sur S.A.	67,277	(78,811)
Other comprehensive results	(4,236)	-
Other	3,472	12,421
Final balance	3,665,601	3,753,974

The following tables provide details of asset and liabilities of the main associates as of December 31, 2017 and 2016, and their profit (loss) for the periods ended December 31, 2017 and 2016.

Anglo American Sur S.A.

Assets and liabilities	12/31/2017 ThUS$	12/31/2016 ThUS$
Current Assets	1,055,740	1,187,986
Non-current Assets	4,265,685	4,121,970
Current Liabilities	635,033	378,584
Non-current Liabilities	1,209,904	1,035,354

Net Income	1/1/2017 12/31/2017 ThUS$	1/1/2016 12/31/2016 ThUS$
Revenue	2,152,324	1,675,679
Cost of sales	(1,790,407)	(2,000,005)
Profit (loss) for the period	361,917	(324,326)

Sociedad Contractual Minera El Abra

Assets and liabilities	12/31/2017 ThUS$	12/31/2016 ThUS$
Current Assets	477,857	451,765
Non-current Assets	1,110,167	1,151,562
Current Liabilities	80,077	48,497
Non-current Liabilities	271,684	271,203

Net Income	1/1/2017 12/31/2017 ThUS$	1/1/2016 12/31/2016 ThUS$
Revenue	501,073	502,895
Cost of sales	(469,761)	(466,876)
Profit (loss) for the period	31,312	36,019

B) ADDITIONAL INFORMATION ON UNREALIZED PROFITS (LOSSES)

The Corporation has recognized unrealized profits (losses) for purchases and sales transactions of products, mining properties, property, plant and equipment and ownership rights with its associates and joint ventures. The most significant transactions giving rise to unrealized profits include the transaction carried out in 1994 for the initial contribution of mining properties to Sociedad Contractual Minera El Abra.

Codelco enters into transactions for the purchase and sale of copper with Sociedad Contractual Minera El Abra, As of December 31, 2017 and 2016, there were no unrealized profits (losses) recognized in the carrying amount of inventories of finished products.

Codelco enters into transactions for the purchase and sale of copper with Anglo American Sur S,A, As of December 31, 2017 and 2016, there were no unrealized profits (losses) recognized in the carrying amount of inventories of finished products.

For the period ended December 31, 2017, the Corporation has recognized unrealized profits of ThUS$3,920 (ThUS$3,920 as of December 31, 2016) for the service transaction related to the use of the LNG terminal of the associate Contractual Minera El Abra.

C) INVESTMENTS IN ASSOCIATES ACQUIRED THROUGH BUSINESS COMBINATIONS

On August 24, 2012, Codelco recognized the acquisition of ownership interest in Anglo American Sur S,A, by applying the acquisition method, which resulted in the initial recognition of the cost of the investment for ThUS$6,490,000 that corresponded to the proportionate share (29,5%) of the net fair value of the identifiable assets and liabilities acquired.

In determining the share of the fair value of the identifiable assets and liabilities acquired, the Corporation considered the resources and mineral reserves that could be measured reliably and the assessment of intangibles and all other considerations about contingent assets and liabilities.

The allocation of the purchase price at fair value between the identifiable assets and liabilities was prepared by management using its best estimate and taking into account all relevant and available information at the acquisition date of Anglo American Sur S.A.

The acquisition did not result in obtaining control of the acquired company.

The Corporation used a discounted cash flows model to estimate cash flow projections, based on the life of mine. These projections were based on estimated production and future prices of minerals, operating costs and capital costs, among other estimates made at the date of acquisition. Additionally, proven and probable resources to explore were not included in the mine plan, therefore, they were valued separately using a market model. Such resources are included in item “Mineral Resources”.

As part of this process and by applying the valuation criteria indicated above, the fair value of the net assets of Anglo American Sur S.A. was US$22,646 million, therefore the proportionate share acquired by Inversiones Mineras Becrux SpA (29.5%) was equivalent to US$6,681 million at the acquisition date.

D) ADDITIONAL INFORMATION ON IMPAIRMENT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of December 31, 2015, the Corporation identified indicators of impairment in the operating units of Anglo American Sur S.A. Consequently, and with the purpose of making the corresponding adjustments to the investment in this associate, the Corporation estimated its recoverable amount.

In determining the recoverable amount, the Corporation applied the methodology of fair value less costs of disposal. The recoverable amount of the operating units was determined based on the life of mine by using a discounted cash flow model whose main assumptions included ore reserves declared by the associate, copper price, supply costs, foreign exchange rates, discount rate and market information for the long-term assets valuation. The discount rate used was annual rate of 8% after taxes.

Furthermore, the proven reserves not included in the LOM, as well as the probable reserves to explore, have been valued using a multiples market approach for comparable transactions, Such methodology is consistent with the methodologies used at the acquisition date, which is described in letter d) above.

The recoverable amount as estimated was less than the carrying amount of the identified assets of the associate, therefore, the Corporation recognized an impairment loss of ThUS$2,439,495, which was included within the line item "Share of profit or loss of associates and joint ventures accounted for using the equity method" in the consolidated statements of comprehensive income for the year ended December 31, 2015. The impairment loss was mainly attributable to the drop in copper prices during the year 2015.

Subsequent to recognition of the impairment, there has been no indicators requiring the recognition of further impairment losses on the recoverable amount of the investment held in Anglo American Sur S.A.

As of December 31, 2016, the parent company of Anglo American Sur S.A. reviewed the discounted cash flow model of its cash generating units (CGU), determining an impairment loss for the El Soldado CGU of US$ 200 million due to the uncertainty related to obtaining the required approval of its operational plan from the National Mining and Geology Service ("SERNAGEOMIN" in its Spanish acronym), which raises questions about the generation of future economic benefits to support the value of the assets related to such CGU.

Consequently, and with the purpose of making the corresponding adjustments to the recognition its investment in the associate, the Corporation estimated its recoverable amount by considering the fair value of the identified net assets of the associate El Soldado. The recoverable amount as estimated was less than the carrying amount of the identified assets of the associate, therefore, the Corporation recognized an impairment loss of ThUS$78,811 over the identified assets related to El Soldado operations, which was included within the line item "Share of profit or loss of associates and joint ventures accounted for using the equity method" in the statement of comprehensive income for the year ended December 31, 2016.

On April 27, 2017, the SERNAGEOMIN approved the updated mine plan for El Soldado, based on this resolution Anglo American Sur S.A. has resumed the operations of the mine. Consequently, the company recognized a reversal of an impairment loss for US$ 193 million.

As of December 31, 2017, Codelco made a corresponding adjustment to the identified assets at the acquisition date of the investment associated with El Soldado operations by recognizing a reversal of an impairment loss of ThUS$67,277, which is presented in the line item "Share of profit or loss of associates and joint ventures accounted for using the equity method".

E) SHARE OF PROFIT OR LOSS FOR THE PERIOD

The share in profit or loss of the associate Anglo American Sur S.A. recognized for the period ended December 31, 2017 was a gain of ThUS$106,766. In addition, the Corporation has made appropriate adjustments to its share of profit or loss in the associate for depreciation of the depreciable assets based on the fair values at the acquisition date, which resulted in a deduction of ThUS$10,268 for the period ended December 31, 2017 recognized within line item "Share of profit or loss of associates and joint ventures accounted using the equity method" in the consolidated statements of comprehensive income.

10. Intangible assets other than goodwill

As of December 31, 2017 and 2016, the intangible assets other than goodwill are described as follows:

A) THIS ITEM IS COMPOSED OF THE FOLLOWING:

Item	12/31/2017 ThUS$	12/31/2016 ThUS$
Intangible assets with finite useful lives, net	35,448	14,314
Intangible assets with indefinite useful lives	183,669	182,583
Total	219,117	196,897

B) CARRYING AMOUNT AND ACCUMULATED AMORTIZATION:

	12/31/2017		
Item	Gross ThUS$	Accumulated Amortization ThUS$	Net ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,959	-	7,959
Software	5,226	(3,533)	1,693
Technological development and innovation	175,710	-	175,710
Other	33,727	-	33,727
Total	222,650	(3,533)	219,117

	12/31/2016		
Item	Gross ThUS$	Accumulated Amortization ThUS$	Net ThUS$
Trademarks, patents and licenses	28	-	28
Water rights	7,959	-	7,959
Software	2,984	(1,079)	1,905
Technological development and innovation	174,624	-	174,624
Other	12,874	(493)	12,381
Total	198,469	(1,572)	196,897

C) RECONCILIATION OF THE CARRYING AMOUNT AT BEGINNING AND END OF THE PERIOD:

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development and innovation	Other	Total
Reconciliation of changes in intangible assets other than goodwill						
Intangible assets other than goodwill. Opening balance (1/1/2017)	28	7,959	1,905	174,624	12,381	196,897
Changes in intangible assets other than goodwill						
Increases other than those arising from business combinations, intangible assets other than goodwill	-	-	87	1,086	4	1,177
Amortization, intangible assets other than goodwill	-	-	(430)	-	(352)	(782)
Increases (decreases) in transfers and other changes, intangible assets other than goodwill						
Increases (decreases) in transfers and other changes, intangible assets other than goodwill	-	-	-	-	22,869	22,869
Increases (decreases) due to other changes, intangible assets other than goodwill	-	-	132	-	(52)	80
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	-	-	132	-	22,817	22,949
Provisions and withdrawals of service, intangible assets other than goodwill						
Service retirements / retirements, intangible assets other than goodwill	-	-	(1)	-	(1,123)	(1,124)
Provisions and withdrawals of service, intangible assets other than goodwill	-	-	(1)	-	(1,123)	(1,124)
Increase (decrease) in intangible assets other than goodwill	-	-	(212)	1,086	21,346	22,220
Intangible assets other than goodwill. Final Balance 12/31/2017	28	7,959	1,693	175,710	33,727	219,117

Movements	Trademarks, patents and licenses	Water rights	Software	Technological development and innovation	Other	Total
Reconciliation of changes in intangible assets other than goodwill						
Intangible assets other than goodwill. Opening balance (1/1/2016)	28	7,959	1,293	164,424	12,378	186,082
Changes in intangible assets other than goodwill						
Increases other than those arising from business combinations, intangible assets other than goodwill	-	-	212	10,200	1,061	11,473
Amortization, intangible assets other than goodwill	-	-	(358)	-	(352)	(710)
Increases (decreases) in transfers and other changes, intangible assets other than goodwill						
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	-	-	515	-	(515)	-
Increases (decreases) due to other changes, intangible assets other than goodwill	-	-	243	-	(191)	52
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	-	-	758	-	(706)	52
Provisions and withdrawals of service, intangible assets other than goodwill						
Increase (decrease) in intangible assets other than goodwill	-	-	612	10,200	3	10,815
Intangible assets other than goodwill. Final Balance 12/31/2016	28	7,959	1,905	174,624	12,381	196,897

D) ADDITIONAL INFORMATION

The Corporation has significant intangible assets for ThUS$175,710 and ThUS$174,624, as of December 31, 2017 and 2016, respectively, related to the "Continuous Mining" Project.

Continuous Mining is a project of the Corporation aim to develop an internal technological breakthrough associated with the exploitation of underground mines, the main characteristics of the project are: (1) reduction in the exposure of workers to mineral extraction areas; (2) increasing the pace of mineral extraction; and (3) simultaneous mineral extraction from different sections.

This project began in 2005, when the first conceptual tests were made, and in 2007 and 2008 it was applied as pilot level and from 2009 were made the basic and detail engineering and the construction phase for industrial validation at the West sector of third panel of Andina Division, which is expected to be carried out through 2018, It is expected that its subsequent implementation will be at Chuquicamata Underground and of the new mining projects of Codelco.

As of December 31, 2017 and 2016, there are no fully amortized intangible assets that are still in use.

For the periods ended December 31, 2017 and 2016, research and technological development and innovation expenses were ThUS$1,086 and ThUS$7,473, respectively. On the other hand, research disbursements were ThUS$18,843 and ThUS$11,317 for the periods ended December 31, 2017 and 2016, respectively.

11. Subsidiaries

The following tables set forth a detail of assets, liabilities and profit (loss) of the Corporation's subsidiaries, prior to consolidation adjustments:

Assets and liabilities	12/31/2017 ThUS$	12/31/2016 ThUS$
Current assets	596,285	483,773
Non Current Assets	3,743,260	3,805,109
Current Liabilities	307,223	377,574
Non Current Liabilities	1,321,709	1,298,938

Profit (loss)	1/1/2017 12/31/2017 ThUS$	1/1/2016 12/31/2016 ThUS$
Ordinary Income	2,134,080	1,542,901
Ordinary Expenses	2,017,464	(1,786,958)
Profit (loss) of period	116,616	(244,057)

12. Other non-current non-financial assets

Other non-current non-financial assets as of December 31, 2017 and 2016, are as follows:

Other non-current non-financial assets	12/31/2017 ThUS$	12/31/2016 ThUS$
Advance payment (Law No.13,196) (1)	6,266	8,099
Other	5,309	6,218
Total	11,575	14,317

(1) Corresponds to the advance payment received for the copper sales contract signed with Copper Partners Investment Company Limited. This amount will be amortized according to the shipments made.

13. Current and non-current financial assets

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

Classification in the statement of financial position	12/31/2017 At fair value though profit and loss ThUS$	Loans and receivables ThUS$	Derivatives for hedging: Hedging derivatives ThUS$	Derivatives for hedging: Cross currency swap ThUS$	Total financial assets ThUS$
Cash and cash equivalents	651	1,448,184	-	-	1,448,835
Trade and other current receivables	244,265	2,571,087	-	-	2,815,352
Non – current receivables	-	91,442	-	-	91,442
Current receivables from related parties	-	64,344	-	-	64,344
Non – current receivables from related parties	-	25,830	-	-	25,830
Other current financial assets	-	1,327	-	-	1,327
Other non - current financial assets	-	11,127	-	138,399	149,526
TOTAL	244,916	4,213,341	-	138,399	4,596,656

Classification in the statement of financial position	12/31/2016 At fair value though profit and loss ThUS$	Loans and receivables ThUS$	Derivatives for hedging: Hedging derivatives ThUS$	Derivatives for hedging: Cross currency swap ThUS$	Total financial assets ThUS$
Cash and cash equivalents	1,497	575,229	-	-	576,726
Trade and other current receivables	95,971	2,158,760	-	-	2,254,731
Non – current receivables	-	95,316	-	-	95,316
Current receivables from related parties	-	13,669	-	-	13,669
Non – current receivables from related parties	-	21,713	-	-	21,713
Other current financial assets	-	2,391	7,470	-	9,861
Other non - current financial assets	-	6,550	254	63,781	70,585
TOTAL	97,468	2,873,628	7,724	63,781	3,042,601

- **Financial assets at fair value through profit or loss:**

As of December 31, 2017, this category mainly includes receivables from provisional invoicing sales. Section II.2.r.

- **Loans and receivables:**

It corresponds to financial assets with fixed or determinable payments that are not quoted in an active market.
The effects on profit or loss recognized for these assets are mainly from financial income and exchange differences from balances denominated in currencies other than the functional currency.

No material impairments were recognized in trade and other receivables.

- **Hedging derivatives:**

Correspond to the receivable balance for changes in fair value of derivative contracts to hedge existing transactions and which affect profit or loss when the transactions are settled. The detail of derivative hedging transactions are included in Note 30.

As of December 31, 2017 and 2016, there were no reclassifications between the different categories of financial instruments.

14. Interest-bearing borrowings

Current and non-current interest-bearing borrowings consists of loans from financial institutions, bond issue obligations and finance leases, which are measured at amortized cost using the effective interest rate method.

The following tables set forth other current/non-current financial liabilities as of December 31, 2017 and 2016:

Items	12/31/2017					
	Current			Non-current		
	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial institutions	130,727	-	130,727	2,329,657	-	2,329,657
Bonds issued	165,784	-	165,784	12,083,622	-	12,083,622
Financial Lease	16,364	-	16,364	86,347	-	86,347
Hedging derivatives	-	10,526	10,526	-	79,552	79,552
Other financial liabilities	987	-	987	68,826	-	68,826
Total	313,862	10,526	324,388	14,568,452	79,552	14,648,004

Items	12/31/2016					
	Current			Non-current		
	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$	Loans and other payables ThUS$	Hedging derivatives ThUS$	Total ThUS$
Loans from financial institutions	166,294	-	166,294	2,988,447	-	2,988,447
Bonds issued	150,563	-	150,563	11,608,257	-	11,608,257
Financial Lease	23,683	-	23,683	100,808	-	100,808
Hedging derivatives	-	10,155	10,155	-	161,619	161,619
Other financial liabilities	1,915	-	1,915	72,338	-	72,338
Total	342,455	10,155	352,610	14,769,850	161,619	14,931,469

- **Loans from financial institutions:**

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

On August 23, 2012, the subsidiary Inversiones Gacrux SpA (Gacrux) signed a credit agreement with Oriente Copper Netherlands BV (a subsidiary of Mitsui & Co, Ltd, ("Mitsui")) for approximately US$1,863 million, renewable monthly until November 26, 2012, after which, if not paid or renegotiated, will automatically become a loan with a 7,5 years maturity from the date of disbursement, and an annual rate Libor + 2.5%. This loan has no guarantees ("non-recourse") to be given by Codelco.

The proceeds from the loan were used by Codelco's indirect subsidiary Inversiones Mineras Becrux SpA to acquire 24.5% of the shares of Anglo American Sur S,A,, including other acquisition-related expenses.

On October 31, 2012, the credit agreement was amended, the new terms established an annual fixed interest rate of 3.25% and a 20-year maturity, to be paid in 40 semi-annual installments of principal and interest, and maintaining the "non-recourse" condition. Under previous agreements, Mitsui is entitled to an additional interest equivalent to one-third of the savings obtained by Gacrux under the renegotiated credit as compared to the conditions from the credit agreement originally signed. Furthermore, Mitsui (through a subsidiary) held an option to acquire from Gacrux an additional 15.25% of the shares of Inversiones Mineras Acrux SpA ("Acrux"), at a fixed price of approximately US$998 million. These funds were fully allocated to a portion of Gacrux's debt under the Credit Agreement.

On November 26, 2012, Mitsui exercised the call option and acquired the additional ownership interest in Acrux. The proceeds received were used by Codelco to partially pre-pay the debt with Mitsui.

On November 26, 2016, Codelco signed a credit agreement with Oriente Copper Netherlands BV renegotiating the payment of principal at the end of the contract. The terms established an annual interest rate of Libor +2.5% with a 5 year maturity to be payable in one installment at maturity with semi-annual interest payment.

On May 26, 2017, Codelco signed a credit agreement with Oriente Copper Netherlands BV renegotiating the semi-annual payment. The terms established an annual interest rate of Libor +2.5% with a 5 year maturity to be payable in one installment at maturity with semi-annual interest payment. As of December 31, 2017, the outstanding balance of the credit agreements is ThUS$710,609.

- **Bond issued:**

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF 6,900,000 of a single series labeled "Series B", which consists of 6,900 bonds for UF 1,000 each. These bonds are payable in a single installment on April 1, 2025, at an annual interest rate of 4% and semi-annual interest payments.

On September 21, 2005, the Corporation issued and placed bonds in the U,S, market under Rule 144-A and Regulation S, for a nominal amount of ThUS$500,000. These bonds are payable in a single installment on September 21, 2035, at an annual interest rate of 5.6250% and semi-annual interest payments.

On October 19, 2006, the Corporation issued and placed bonds in the U,S, market under Rule 144-A and Regulation S, for a nominal amount of ThUS$500,000. These bonds are payable in a single installment on October 24, 2036, at an annual interest rate of 6.15% and semi-annual interest payments.

On January 20, 2009, the Corporation issued and placed bonds in the U,S, market under Rule 144-A and Regulation S, for a nominal amount of ThUS$600,000. These bonds are payable in a single installment on January 15, 2019, at an annual interest rate of 7.5% and semi-annual interest payments. On August 3, 2017, capital was amortized for an amount of ThUS $ 333,155.

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 are payable in a single installment on November 4, 2020, at an annual interest rate of 3.75% and semi-annual interest payments. On August 3, 2017, capital was amortized for an amount of ThUS $ 414,763.
On November 3, 2011, the Corporation issued and placed bonds in the U,S, market under Rule 144-A and Regulation S, for a nominal amount of ThUS$1,150,000. These bonds are payable in a single installment on November 4, 2021, at an annual interest rate of 3.875% and semi-annual interest payments. On August 3, 2017, capital was amortized for an amount of ThUS $ 665,226.

On July 17, 2012, the Company issued and placed bonds in the U,S, market under Rule 144-A and Regulation S, for a nominal amount of ThUS$2,000,000. These bonds are payable in two installments (i) ThUS$1,250,000 at an annual interest rate of 3%, On August 22, 2017, capital was amortized for an amount of ThUS $ 412,514, and maturity on July 17, 2022, and (ii) ThUS$750,000 at an annual interest rate of 4,25% and maturity on July 17, 2042, and each have annual interest payments.

On August 13, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$750,000, payable in a single installment on August 13, 2023, at an annual interest rate of 4.5% and semi-annual interest payments. On August 22, 2017, capital was amortized for an amount of ThUS $ 162,502.

On October 18, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$950,000, payable in a single installment on October 18, 2043, at an annual interest rate of 5.625% and semi-annual interest payments.

On July 9, 2014, the Corporation issued and placed bonds in the international financial markets, under Rule 144-A and Regulation S, for a nominal amount of EUR$600,000,000, payable in a single installment on July 9, 2024, at an annual interest rate of 2.25% and semi-annual interest payments.

On November 4, 2014, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$980,000, payable in a single installment on November 4, 2044, at an annual interest rate of 4.875% and semi-annual interest payments.

On September 16, 2015, the Corporation issued and placed bonds in the U,S, market, under Rule 144-A and Regulation S, for a nominal amount of ThUS$2,000,000, payable in a single installment on September 16, 2025, at an annual interest rate of 4.5% and semi-annual interest payments. On August 22, 2017, capital was amortized for an amount of ThUS $ 378,655.

On August 24, 2016, the Corporation issued and placed bonds in the local market for a nominal amount of UF10,000,000 of single series labeled “Series C”, which consists of 20,000 bonds for UF500 each. These bonds are payable in a single installment on August 24, 2026, at an annual interest rate of 2.5% and semi-annual interest payments.

On August 1, 2017, the Corporation issued and placed bonds on the North American market, under standard 144-A and Regulation S, for a total, nominal, amount of ThUS$2,750,000. ThUS$ 1,500,000, with an annual coupon rate of interest of 3.625% and six-monthly interest payments, will mature on August 1, 2027, while ThUS$ 1,250,000, with an annual coupon of 4.5% and six-monthly interest payments, will mature on August 1, 2047.

The above bond issue by the Corporation did not consider any increase in the net debt. These operations allowed the maturity profile of Codelco’s debt to be optimized, and, to that end, on July 25, 2017, the Corporation made an offer in New York to purchase its bonds issued in US dollars maturing from 2019 to 2025. As a result of these transactions involving the US$ 2,750 million, in nominal terms, 86% of the funds from the new issue (US$ 2,367 of US$ 2,750 million) were used to refinance the old debt. The published average rate of the refinanced funds decreased from 4.36% to 4.02%.

The effect recognized in profit and loss associated with this refinancing was a charge of US$ 42 million after tax.

As of December 31, 2017 and 2016, the Corporation is not required to comply with any financial covenant related to borrowings from financial institutions and bond obligations.

- **Financial debt commissions and expenses:**

Transactions costs incurred in obtaining financial resources are deducted from the loan proceeds and are amortized using the effective interest rate.

- **Finance leases:**

Finance lease contracts mainly corresponds to buildings and machinery.

As of December 31, 2017, the details of loans from financial institutions and bond obligations are as follows:

12/31/2017													
Taxpayer ID Number	Country	Loans with financial entities	Institución	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of Interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
Foreign	EE.UU	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	9/30/2021	Floating	US$	250,000,000	Maturity	Quarterly	2.10%	2.16%	1,081	249,483
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	3/11/2021	Floating	US$	300,000,000	Maturity	Quarterly	2.00%	2.17%	969	298,480
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	4/13/2022	Floating	US$	300,000,000	Maturity	Quarterly	2.01%	2.20%	1,323	297,935
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	7/17/2022	Floating	US$	300,000,000	Maturity	Quarterly	2.01%	2.09%	1,142	299,253
Foreign	EE.UU	Bilateral Credit	Mizuho Corporate Bank Ltd	5/6/2019	Floating	US$	95,000,000	Maturity	Quarterly	2.14%	2.35%	130	94,740
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	6/16/2019	Floating	US$	300,000,000	Maturity	Quarterly	1.97%	2.03%	1,346	299,480
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd	5/24/2019	Floating	US$	96,000,000	Half-yearly capital contributions from 2015 to the present.	Semi-annual	2.20%	2.60%	24,081	11,883
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US$	224,000,000	Half-yearly capital contributions from 2015 to the present.	Semi-annual	2.10%	2.29%	32,311	111,478
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2032	Fixed	US$	874,959,000	At maturity with semi-annual interest payments	Semi-annual	3.25%	5.37%	43,748	626,357
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2021	Fixed	US$	23,946,863	At maturity with semi-annual interest payments	Semi-annual	3.79%	4.02%	-	24,044
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	5/26/2022	Fixed	US$	16,395,765	At maturity with semi-annual interest payments	Semi-annual	3.92%	3.98%	-	16,460
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	Euro				1.24%	1.24%	17,045	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				1.22%	1.22%	7,355	-
			Other institutions									196	64
TOTAL												130,727	2,329,657

Taxpayer ID Number	Country	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
144-A REG.S	Luxembourg	01/15/2019	Fixed	US$	600,000,000	At Maturity	Semi-annual	7.50%	7.78%	9,162	266,111
144-A REG.S	Luxembourg	4/11/2020	Fixed	US$	1,000,000,000	At Maturity	Semi-annual	3.75%	3.97%	3,456	581,833
144-A REG.S	Luxembourg	4/11/2021	Fixed	US$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.06%	2,993	481,661
144-A REG.S	Luxembourg	07/17/2022	Fixed	US$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.17%	11,385	831,500
144-A REG.S	Luxembourg	08/13/2023	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.50%	4.75%	10,058	580,420
144-A REG.S	Luxembourg	9/7/2024	Fixed	EUR	600,000,000	At Maturity	Annual	2.25%	2.48%	7,782	711,734
BCODE-B	Chile	1/4/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	3,797	316,327
144-A REG.S	Luxembourg	09/16/2025	Fixed	US$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.77%	21,364	1,593,900
BCODE-C	Chile	08/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	3,008	460,495
144-A REG.S	Luxembourg	1/8/2027	Fixed	US$	1,500,000,000	At Maturity	Semi-annual	3.63%	4.14%	22,485	1,439,403
144-A REG.S	Luxembourg	09/21/2035	Fixed	US$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	7,925	491,529
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	5,998	496,323
144-A REG.S	Luxembourg	07/17/2042	Fixed	US$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	14,638	732,623
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	10,950	932,957
144-A REG.S	Luxembourg	4/11/1944	Fixed	US$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	7,523	960,696
144-A REG.S	Luxembourg	1/8/1947	Fixed	US$	1,250,000,000	At Maturity	Annual	4.50%	4.72%	23,260	1,206,110
TOTAL										165,784	12,083,622

Nominal and effective interest rates presented above correspond to annual rates.

As of December 31, 2016, the details of loans from financial institutions and bond obligations are as follows:

12/31/2016													
Taxpayer ID Number	Country	Loans with financial entities	Institución	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of Interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
Foreign	EE.UU	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	09/30/2021	Floating	US$	250,000,000	Maturity	Quarterly	1.63%	1.70%	884	249,373
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	3/11/2021	Floating	US$	300,000,000	Maturity	Quarterly	1.50%	1.66%	730	298,130
Foreign	EE.UU	Bilateral Credit	Mizuho Corporate Bank Ltd	09/16/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.58%	1.83%	211	298,900
Foreign	EE.UU	Bilateral Credit	Bank of America N.A.	11/10/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.53%	1.75%	1,006	298,905
Foreign	EE.UU	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	07/19/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.51%	1.62%	979	299,657
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	07/17/2018	Floating	US$	300,000,000	Maturity	Quarterly	1.51%	1.60%	854	299,529
Foreign	EE.UU	Bilateral Credit	Mizuho Corporate Bank Ltd	5/6/2019	Floating	US$	95,000,000	Maturity	Quarterly	1.57%	1.81%	95	94,496
Foreign	EE.UU	Bilateral Credit	Export Dev Canada	06/16/2019	Floating	US$	300,000,000	Maturity	Quarterly	1.50%	1.58%	1,010	299,287
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd	05/24/2019	Floating	US$	96,000,000	Half-yearly capital contributions from 2015 to the present.	Semi-annual	1.83%	2.23%	24,110	35,695
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	05/24/2022	Floating	US$	224,000,000	Half-yearly capital contributions from 2015 to the present.	Semi-annual	1.73%	1.91%	32,304	143,227
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2032	Fixed	US$	874,959,000	Half-yearly capital contributions from 2015 to the present.	Semi-annual	3.25%	5.37%	67,754	643,142
Foreign	Holland	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2021	Fixed	US$	23,946,863	At maturity with semi-annual interest payments	Semi-annual	3.79%	4.02%	915	27,629
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	Euro				1.24%	1.24%	30,097	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				1.22%	1.22%	3,723	-
			Other institutions									1,622	477
TOTAL												166,294	2,988,447

Taxpayer ID Number	Country	Maturity	Interest Rate	Currency	Principal Amount	Type of amortization	Payment of interest	Nominal Interest Rate	Effective Interest Rate	Current balance ThUS$	Non-current balance ThUS$
144-A REG.S	Luxembourg	01/15/2019	Fixed	US$	600,000,000	Maturity	Semi-annual	7.50%	7.79%	20,788	596,805
144-A REG.S	Luxembourg	4/11/2020	Fixed	US$	1,000,000,000	Maturity	Semi-annual	3.75%	3.98%	5,905	991,758
144-A REG.S	Luxembourg	4/11/2021	Fixed	US$	1,150,000,000	Maturity	Semi-annual	3.88%	4.07%	7,386	1,140,413
144-A REG.S	Luxembourg	07/17/2022	Fixed	US$	1,250,000,000	Maturity	Semi-annual	3.00%	3.17%	17,221	1,239,279
144-A REG.S	Luxembourg	08/13/2023	Fixed	US$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	12,840	739,645
144-A REG.S	Luxembourg	9/7/2024	Fixed	Euro	600,000,000	Maturity	Annual	2.25%	2.48%	6,729	622,361
BCODE-B	Chile	1/4/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	2,773	286,431
144-A REG.S	Luxembourg	09/16/2025	Fixed	US$	2,000,000,000	Maturity	Semi-annual	4.50%	4.78%	26,353	1,961,203
BCODE-C	Chile	08/24/2026	Fixed	U.F.	10,000,000	Maturity	Semi-annual	2.50%	2.48%	3,474	417,595
144-A REG.S	Luxembourg	09/21/2035	Fixed	US$	500,000,000	Maturity	Semi-annual	5.60%	5.78%	7,925	491,260
144-A REG.S	Luxembourg	10/24/2036	Fixed	US$	500,000,000	Maturity	Semi-annual	6.20%	6.22%	5,998	496,222
144-A REG.S	Luxembourg	07/17/2042	Fixed	US$	750,000,000	Maturity	Semi-annual	4.25%	4.41%	14,638	732,251
144-A REG.S	Luxembourg	10/18/2043	Fixed	US$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	11,010	932,674
144-A REG.S	Luxembourg	4/11/2044	Fixed	US$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	7,523	960,360
TOTAL										150,563	11,608,257

Nominal and effective interest rates presented above correspond to annual rates.

The undiscounted amounts that the Corporation will have to disburse to settle the obligations with financial institutions, are as follows:

12/31/2017					Current			Non-current			
Creditor Name	Currency	Effective Interest Rate	Nominal Interest Rate	Payments of Interest	Less than 90 days	Less than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Bank of Tokyo Mitsubishi Ltd.	US$	2.16%	2.10%	Quarterly	1,344	3,989	5,333	10,680	255,070	-	265,750
Export Dev Canada	US$	2.17%	2.00%	Quarterly	1,570	4,561	6,131	12,213	306,098	-	318,311
Scotiabank & Trust (Cayman) Ltd	US$	2.20%	2.01%	Quarterly	1,590	4,553	6,143	12,286	309,072	-	321,358
Export Dev Canada	US$	2.09%	2.01%	Quarterly	1,545	4,584	6,129	12,273	310,577	-	322,850
Mizuho Corporate Bank Ltd	US$	2.35%	2.14%	Quarterly	509	1,555	2,064	96,012	-	-	96,012
Export Dev Canada	US$	2.03%	1.97%	Quarterly	2,988	3,005	5,993	304,121	-	-	304,121
Bank of Tokyo-Mitsubishi Ltd.	US$	2.60%	2.20%	Semi-annual	-	24,669	24,669	12,133	-	-	12,133
Japan Bank International Cooperation	US$	2.29%	2.10%	Semi-annual	-	34,897	34,897	67,753	49,020	-	116,773
BONO 144-A REG. 2019	US$	7.78%	7.50%	Semi-annual	10,007	10,007	20,014	276,852	-	-	276,852
BONO 144-A REG. 2020	US$	3.97%	3.75%	Semi-annual	-	21,946	21,946	629,130	-	-	629,130
BONO 144-A REG. 2021	US$	4.06%	3.88%	Semi-annual	-	18,785	18,785	37,570	503,559	-	541,129
BONO 144-A REG. 2022	US$	3.17%	3.00%	Semi-annual	12,562	12,562	25,124	50,249	887,735	-	937,984
BONO 144-A REG. 2023	US$	4.75%	4.50%	Semi-annual	13,219	13,219	26,438	52,875	52,875	613,935	719,685
BONO 144-A REG. 2025	US$	4.77%	4.50%	Semi-annual	36,480	72,961	109,441	145,922	145,922	1,840,238	2,132,082
BONO 144-A REG. 2027	US$	4.14%	3.63%	Semi-annual	27,188	27,188	54,376	108,750	108,750	1,771,875	1,989,375
BONO 144-A REG. 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	865,625	978,125
BONO 144-A REG. 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	930,500	1,053,500
BONO 144-A REG. 2042	US$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,387,500	1,515,000
BONO 144-A REG. 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,072,188	2,285,938
BONO 144-A REG. 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	2,031,050	2,222,150
BONO 144-A REG. 2047	US$	4.72%	4.50%	Semi-annual	28,125	28,125	56,250	112,500	112,500	2,656,250	2,881,250
Oriente Copper Netherlands B.V.	US$	5.42%	3.25%	Semi-annual	-	74,147	74,147	144,020	138,203	604,579	886,802
Oriente Copper Netherlands B.V.	US$	4.20%	3.92%	Semi-annual	-	691	691	1,384	17,430	-	18,814
Oriente Copper Netherlands B.V.	US$	3.92%	3.98%	Semi-annual	-	1,010	1,010	2,022	24,956	-	26,978
				Total ThUS$	167,128	524,418	691,546	2,472,670	3,605,692	14,773,740	20,852,102

12/31/2017					Current			Non-current			
Creditor Name	Currency	Effective Interest Rate	Nominal Interest Rate	Payments of Interest	Less than 90 days	Less than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,590,000	8,694,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	248,457	124,228	372,685	496,913	496,913	10,993,827	11,987,654
				Total U.F.	386,457	262,228	648,685	1,048,913	1,048,913	18,583,827	20,681,654
				Subtotal ThUS$	16,846	11,431	28,277	45,724	45,724	810,105	901,553
BONO 144-A REG. 2024	EUR	2.48%	2.25%	Annual	-	13,500,000	13,500,000	27,000,000	27,000,000	627,000,000	681,000,000
				Total EUR	-	13,500,000	13,500,000	27,000,000	27,000,000	627,000,000	681,000,000
				Subtotal ThUS$	-	16,232	16,232	32,464	32,464	753,879	818,806
				Total ThUS$	183,974	552,081	736,055	2,550,858	3,683,880	16,337,724	22,572,461

Nominal and effective interest rates presented above correspond to annual rates.

The undiscounted amounts that the Corporation will have to disburse to settle the obligations with financial institutions, are as follows:

12/31/2016					Current			Non-current			
Debtor's Name	Currency	Effective interest rate	Nominal Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Bank of Tokyo Mitsubishi Ltd.	US$	1.70%	1.63%	Quarterly	2,062	2,073	4,135	8,269	258,122	-	266,391
Export Dev Canada	US$	1.66%	1.50%	Quarterly	1,151	3,415	4,566	9,131	309,143	-	318,274
Mizuho Corporate Bank Ltd.	US$	1.83%	1.58%	Quarterly	1,188	3,629	4,817	303,629	-	-	303,629
Bank of America N.A.	US$	1.75%	1.53%	Quarterly	1,011	3,475	4,486	305,792	-	-	305,792
Bank of Tokyo Mitsubishi Ltd.	US$	1.62%	1.51%	Quarterly	-	3,426	3,426	304,644	-	-	304,644
Export Dev Canada	US$	1.60%	1.51%	Quarterly	1,155	3,428	4,583	303,327	-	-	303,327
Mizuho Corporate Bank Ltd	US$	1.81%	1.57%	Quarterly	373	1,140	1,513	97,255	-	-	97,255
Export Dev Canada	US$	1.58%	1.50%	Quarterly	2,244	3,428	5,672	306,533	-	-	306,533
Bank of Tokyo-Mitsubishi Ltd.	US$	2.23%	1.83%	Semi-annual	-	25,001	25,001	36,666	-	-	36,666
Japan Bank International Cooperation	US$	1.91%	1.73%	Semi-annual	-	34,937	34,937	68,207	65,966	16,139	150,312
BOND 144-A REG. 2019	US$	7.79%	7.50%	Semi-annual	22,500	22,500	45,000	667,500	-	-	667,500
BOND 144-A REG. 2020	US$	3.98%	3.75%	Semi-annual	-	37,500	37,500	75,000	1,037,500	-	1,112,500
BOND 144-A REG. 2021	US$	4.07%	3.88%	Semi-annual	-	44,563	44,563	89,125	1,239,125	-	1,328,250
BOND 144-A REG. 2022	US$	3.17%	3.00%	Semi-annual	18,750	18,750	37,500	75,000	75,000	1,287,500	1,437,500
BOND 144-A REG. 2023	US$	4.75%	4.50%	Semi-annual	16,875	16,875	33,750	67,500	67,500	817,500	952,500
BOND 144-A REG. 2025	US$	4.78%	4.50%	Semi-annual	45,000	90,000	135,000	180,000	180,000	2,360,000	2,720,000
BOND 144-A REG. 2035	US$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	893,750	1,006,250
BOND 144-A REG. 2036	US$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	961,250	1,084,250
BOND 144-A REG. 2042	US$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,419,375	1,546,875
BOND 144-A REG. 2043	US$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,125,625	2,339,375
BOND 144-A REG. 2044	US$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	2,078,825	2,269,925
Oriente Copper Netherlands B.V.	US$	5.37%	3.25%	Semi-annual	-	75,588	75,588	146,852	141,137	672,960	960,949
Oriente Copper Netherlands B.V.	US$	4.02%	3.79%	Semi-annual	-	915	915	1,840	25,789	-	27,629
				Total ThUS$	142,310	552,607	694,917	3,430,195	3,783,207	12,632,924	19,846,326

12/31/2016					Current			Non-current			
Debtor's Name	Currency	Effective interest rate	Nominal Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,866,000	8,970,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	124,228	124,228	248,457	496,913	496,913	11,242,284	12,236,111
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	19,108,284	21,206,111
				Subtotal ThUS$	10,320	10,320	20,641	41,282	41,282	752,035	834,598
BONO 144-A REG. 2024	EUR	2.48%	2.25%	Annual	-	13,500,000	13,500,000	27,000,000	27,000,000	640,500,000	694,500,000
				Total EUR	-	13,500,000	13,500,000	27,000,000	27,000,000	640,500,000	694,500,000
				Subtotal ThUS$	-	14,229	14,229	28,457	28,457	675,067	731,981
				Total ThUS$	152,630	577,156	729,786	3,499,934	3,852,946	14,060,025	21,412,905

Nominal and effective interest rates presented above correspond to annual rates.

The present value of future lease payments for financial lease obligations are detailed in the following table:

Financial Leases	12/31/2017			12/31/2016		
	Gross ThUS$	Interest ThUS$	Present Value ThUS$	Gross ThUS$	Interest ThUS$	Present Value ThUS$
Less than 90 days	6,745	(2,857)	3,888	10,907	(2,497)	8,410
Between 90 days and 1 year	20,877	(8,401)	12,476	22,535	(7,262)	15,273
Between 1 and 2 years	23,807	(8,222)	15,585	32,335	(10,047)	22,288
Between 2 and 3 years	17,114	(5,729)	11,385	24,697	(8,574)	16,123
Between 3 and 4 years	11,733	(3,993)	7,740	32,388	(9,458)	22,930
Between 4 and 5 years	10,426	(3,196)	7,230	7,710	(1,856)	5,854
More than 5 years	57,181	(12,774)	44,407	42,706	(9,093)	33,613
Total	147,883	(45,172)	102,711	173,278	(48,787)	124,491

The total future lease payments for operating leases and rental expenses recognized in the statements of comprehensive income are summarized in the following tables:

Future lease payments for operating issues	12/31/2017 ThUS$ MUS$	12/31/2016 ThUS$ MUS$
Less than one year	536,105	591,697
Between one and five years	331,495	440,030
More than five years	47,239	32,823
TOTAL	914,839	1,064,550

Rental fees recognized in the Statement of Comprehensive Income	12/31/2017 ThUS$	12/31/2016 ThUS$
Rental expenses	228,104	230,463

15. Fair Value of financial assets and liabilities

The carrying amount of financial assets is a reasonable approximation to their fair value, therefore, no additional disclosures are required in accordance with IFRS 7.

Regarding financial liabilities, the following table shows a comparison as of December 31, 2017 between the carrying amount and the fair value of financial liabilities other than those whose carrying amount is a reasonable approximation of fair value.

Comparison value book vs fair value as of December 31, 2017	Accounting treatment for valuation	Carrying amount MUS$	Fair value MUS$
Financial liabilities:			
Bond Obligations	Amortized cost	12.249.406	13.479.716

16. Fair value hierarchy

The estimated fair value for the Corporation's portfolio of financial instruments is based on valuation te chniques and observable inputs. Considering the hierarchy of the data used in these valuation techniques, the assets and liabilities measured at fair value can be classified into the following levels:

- **Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i,e, as prices) or indirectly (i,e, derived from prices).
- **Nivel 3** Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents financial assets and liabilities measured at fair value as of December 31, 2017:

Financial instruments measured at fair value	12/31/2017			
	Level 1 ThUS$	Level 2 ThUS$	Level 3 ThUS$	Total ThUS$
Financial Assets				
Provisional price sales contracts	-	244,265	-	244,265
Cross Currency Swap	-	137,544	-	137,544
Mutual fund units	651	-	-	651
Metal futures contracts	855	-	-	855
Financial Liabilities				
Metal futures contracts	3,109	3,073	-	6,182
Cross Currency Swap	7,417	76,479		83,896

There were no transfers between the different levels for the period ended December 31, 2017.

17. Trade and other payables

The detail of trade and other current payables as of December 31, 2017 and 2016, is as follows:

Items	Currents	
	12/31/2017 ThUS$	12/31/2016 ThUS$
Trade payables	1,376,270	983,320
Dividends payables	295,842	-
Payables to employees	17,177	31,624
Withholdings	88,386	76,615
Withholding taxes	36,020	41,364
Other payables	102,073	75,203
Total	1,915,768	1,208,126

18. Other provisions

The detail of other current and non-current provisions as of December 31, 2017 and 2016, is as follows:

Other Provisions	Current		Non-current	
	12/31/2017 ThUS$	12/31/2016 ThUS$	12/31/2017 ThUS$	12/31/2016 ThUS$
Sales-related provisions (1)	4,177	14,174	-	-
Operating (2)	152,075	102,270	-	-
Law No. 13.196	134,013	99,014	-	-
Other provisions	31,166	74,076	18,790	17,176
Onerous Contract (3)	3,200	468	7,734	1,600
Decommissioning and restoration (4)	-	-	1,636,695	1,544,823
Legal proceedings	-	-	48,583	29,013
Total	324,631	290,002	1,711,802	1,592,612

(1) Corresponds to a sales-related accruals, which includes charges for freight, loading, and unloading that were not invoiced at the end of the period.
(2) Corresponds to a provision for customs duties, freight on purchases, electricity, among others.
(3) Corresponds to a provision recognized for an onerous contract with Copper Partners Investment Company Ltd, See Note 31,b).
(4) Corresponds to the provision for future decommissioning and site restoration costs primarily related to tailing dams. closures of mine operations and other mining assets. The amount of the provision is the present value of future expected cash flows discounted at a pre-tax rate of 2.01% for the obligations in Chilean currency and 1.38% for the obligations in U.S. dollar. Both, discount rates reflect the corresponding assessments of the time value of money and the risks specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been made. The discount period varies between 11 and 82 years. The Corporation determines and recognizes the liability in accordance with the accounting policies mentioned in note II.1 letter d) and II.2 letter o) of the Accounting Policies.

Changes in Other provisions, were as follows:

Changes	1/1/2017 12/31/2017			
	Other Provisions, non-current ThUS$	Provision for mine closure ThUS$	Contingencies ThUS$	Total ThUS$
Opening balance	18,776	1,544,823	29,013	1,592,612
Adjust closure provision	-	12,258	-	12,258
Financial expenses	-	24,750	-	24,750
Payment of liabilities	-	-	(9,715)	(9,715)
Foreign currency translation	39	53,500	(5,218)	48,321
Provision increase	6,133	-	-	6,133
Other increases (decreases)	1,576	1,364	34,503	37,443
Closing Balance	26,524	1,636,695	48,583	1,711,802

19. Employee benefits

A. PROVISIONS FOR POST-EMPLOYMENT BENEFITS AND OTHER LONG TERM BENEFITS

Provision for post-employment benefits mainly corresponds to employee severance indemnities and medical care plans. The provision for severance indemnities recognizes the contractual obligation that the Corporation has with its employees regardless of the reason for employee's departure. The provision for medical care plans recognizes the contractual obligation that the Corporations with its employees to cover their medical care costs.

Both long-term employee benefits are stated in the terms of employment contracts and collective bargaining agreements as agreed to by the Corporation and its employees.

These defined benefit liabilities are recognized in the statement of financial position, at the present value of the defined benefit obligation. The discount rate applied is determined by reference to the market yields of government bonds in the same currency and estimated term of the post-employment benefit obligations.

The defined benefit obligations are denominated in Chilean pesos, therefore the Corporation is exposed to foreign exchange rate risk.

Actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments are recognized in other comprehensive income and are not subsequently reclassified to profit or loss.

For the period ended December 31, 2017, there were no significant changes in post-employment benefits plans.

The following actuarial assumptions were used in the actuarial calculation of the defined benefit plans:

Assumptions	12/31/2017	
	Retirement plan	Health plan
Annual Discount Rate	4.86%	5.27%
Voluntary Annual Turnover Rate for Retirement (Men)	3.90%	3.90%
Voluntary Annual Turnover Rate for Retirement (Women)	3.30%	3.30%
Salary Increase (real annual average)	4.03%	-
Future Rate of Long-Term Inflation	3.00%	3.00%
Inflation Health Care	-	5.05%
Mortality tables used for projections	CB14-RV14	CB14-RV14
Average duration of future cash flows (years)	7,50	17,22
Expected Retirement Age (Men)	60	60
Expected Retirement Age (Women)	59	59

The discount rates correspond to the rates in the secondary market of government bonds issued in Chile. The annual inflation corresponds to the long-term expectation set by the Central Bank of Chile. The turnover rates were determined using the past three years of historical experience of the Corporation's employees departure behavior. The expected rate of salary increases has been estimated using the long-term behavior of historical salaries paid by the Corporation. The mortality tables used were those issued by the CMF, which are considered an appropriate representation of the Chilean market and given the lack of comparable statistical series to develop independent studies. The weighted average duration corresponds to weighted average maturity of estimated cash flows of the respective defined benefit plans.

B. THE DETAIL OF CURRENT AND NON-CURRENT PROVISIONS FOR POST-EMPLOYMENT BENEFITS AS OF DECEMBER 31, 2017 AND 2016, IS AS FOLLOWS:

Accrual for employee benefits	Current		Non-current	
	12/31/2017 ThUS$	12/31/2016 ThUS$	12/31/2017 ThUS$	12/31/2016 ThUS$
Employees' collective bargaining agreements	218,167	205,931	-	-
Employee termination benefit	31,468	29,521	850,622	748,185
Bonus	62,921	20,237	-	-
Vacation	176,489	157,634	-	-
Medical care programs (4)	443	408	523,206	537,829
Retirement plans (5)	7,987	8,233	9,494	14,415
Other	19,206	17,621	9,337	8,442
Total	516,681	439,585	1,392,659	1,308,871

(1) Corresponds to a provision recognized for the obligations with health care institutions as agreed with current and former employees.

(2) Correspond to the provision recognized for early retirement benefits provided to employees.

The reconciliation of the present value of the post-employment benefit obligation, is as follows:

Movements	01/31/2017 12/31/2017		01/31/2016 12/31/2016	
	Retirement plan ThUS$	Health plan ThUS$	Retirement plan ThUS$	Health plan ThUS$
Opening balance	777,706	538,237	738,013	457,989
Service cost	65,284	936	68,499	32,735
Financial cost	9,332	8,666	11,882	9,389
Paid contributions	(57,897)	(37,678)	(92,335)	(44,704)
Actuarial (gains)/losses	7,178	(31,426)	12,339	54,586
Transfer from other benefits	3,346	-	-	2,910
Subtotal	804,949	478,735	738,398	512,905
(Gains) Losses on foreign exchange rate	77,141	44,914	39,308	25,332
Final Total	882,090	523,649	777,706	538,237

The technical revaluation of the liability for compensation benefits for years of service has been made, with a net effect of ThUS $ 7,178, as of December 31, 2017, charged to equity, which is broken down into an actuarial loss of ThUS $233, corresponding to the changes in the demographic assumptions, in a loss of ThUS$2,623, due to the revaluation of the financial assumptions; and an experience loss of ThUS$4,321.

Similar to the latter case, for the obligation generated by health benefit plans, an actuarial gain of ThUS$31,426 has been determined, consisting of a loss to the changes in the demographic assumptions of ThUS$11,817, a gain in the financial assumptions of MUS$47,113; and an adjustment for experience loss of ThUS$3,871.

The balance of the defined benefit liability as of December 31, 2017, comprises a short term portion of ThUS$31,468 and ThUS$443 for the termination indemnities plan and the medical care plan, respectively. The expected amount of the defined benefit liability projected at September 30, 2018, consists of ThUS$966,760 for the termination indemnities plan and ThUS$508,095 for the medical care plan. The expected monthly average future disbursements related to defined benefit plans are of ThUS$2,622 for termination indemnities and of ThUS$37 for medical care.

The following table sets forth the sensitivity analysis of the value of the actuarial liability, from an average scenario to a low or high scenario with unit percentage change, respectively, and the two separate effects of reduction or increase of the carrying amount of the liability:

Severance Benefits for Years of Service	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.864%	4.864%	5.864%	5.40%	-4.75%
Financial effect on the real increase in income	3.530%	4.030%	4.530%	-2.19%	2.32%
Demographic effect of job rotations	3.340%	3.840%	4.340%	1.33%	-1.27%
Demographic effect on mortality tables	-25.00%	CB14-RV14. Chile	25.00%	-0.07%	0.06%

Health Benefits and Other	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	4.266%	5.266%	6.266%	14.97%	-11.80%
Financial effect on health inflation	4.550%	5.050%	5.550%	-5.80%	6.45%
Demographic effect, planned retirement age	58 / 57	60 / 59	62 / 61	3.87%	-3.84%
Demographic effect on mortality tables	-25.00%	CB14-RV14. Chile	25.00%	8.91%	-8.46%

C. TERMINATION BENEFITS

The Corporation under its operational optimization programs seeks to reduce costs and increase labor productivity, through the incorporation of modern technologies and/or best management practices, has established employee retirement programs by making corresponding modifications to employment contracts or collective bargaining agreements, with benefits encouraging early retirement. The early retirement plans are recognized as a liability and expense the Corporation can no longer withdraw the offer of those benefits.

As of December 31, 2017 and 2016, the termination benefits current balance was ThUS$7,987 and ThUS$8,233, respectively, while the non-current balance was ThUS$9,494 and ThUS$14,415, respectively. The non-current portion is associated with the provision related to the term of the collective bargaining process that Codelco's management negotiated during the month of December 2012 with the employee unions of the Chuquicamata Division. The non-current amounts recognized have been discounted using a discount rate equivalent to that used for calculating employee benefits provisions and whose outstanding balances are part of the balances as of December 31, 2017 and 2016.

D. EMPLOYEE BENEFITS EXPENSES

The employee benefit expenses recognized for the periods ended December 31, 2017 and 2016, are as follows:

Expenditure by Nature of Employee Benefits	01/31/2017 12/31/2017	01/31/2016 12/31/2016
	ThUS$	ThUS$
Benefits - Short term	1,633,536	1,573,004
Benefits - Post employment	936	32,735
Benefits - Termination	20,553	13,914
Benefits by years of service	65,284	68,499
Total	1,720,309	1,688,152

20. Equity

The Corporation's total equity as of December 31, 2017 is ThUS$10,925,338 (ThUS$9,890,409 as of December 31, 2016).

In accordance with article 6 of Decree Law 1.350 of 1976, it is established that, before March 30 of each year, the Board must approve the Corporation's Business and Development Plan for the next three-year period. Taking that plan as a reference, and keeping in mind the Corporation's balance sheet for the immediately preceding year and aiming to ensure its competitiveness, before June 30 of each year the amounts that the Corporation shall allocate to the formation of capitalization funds and reserves shall be determined by decree from the Ministries of Mining and Treasury.

Net income shown in the balance sheets, after deducting the amounts referred to in the previous paragraph, shall belong to the State and becomes part of the Nation's general income.

Pursuant to the Exempt Decree No. 184 of June 27, 2014 of the Ministry of Finance, the Corporation was authorized to capitalize US$200 million of the net profit of the financial statements as of December 31, 2013. Those resources were charged to the profits of 2014.

On October 24, 2014, the President of the Republic of Chile signed Law No. 20.790. Such Law sets forth an extraordinary capital contribution of up to US$3 billion for the Corporation during the period of 2014-2018. The resources obtained from such capital contribution, together with the capitalization of the profits obtained during such period – up to US$800 million – generated in that period, will serve to boost the Investment Plan in mining projects, sustainability, mining development and renewal of equipment and industrial plants. At December 31, 2014, there were no capitalized resources under such statute.

Pursuant to the Exempt Finance Decree (Decree No. 197 of December 31, 2015 issued by the Ministry of Finance), the Corporation was authorized to capitalize US$225 million of the net profit registered in the financial statements as of December 31, 2014.

Those resources will be taken from the profits for year 2015 for their capitalization.

Pursuant to the ORD Finance Ministry Officio No. 1410 dated on May 27, 2016, it was established that the aforementioned Decree confirms the impossibility of capitalizing the aforementioned US$225 million, consequently the capitalization fund comprised of said amount was reversed.

On October 28, 2015, it was reported that after reviewing the Development Business Plan 2014-2018 for Codelco, it was decided to make a capital contribution of US$600 million that was made effective on December 2, 2015.

On December 1, 2016, it was informed that, pursuant to Article 1 of Law No. 20.790, it was decided to make an extraordinary capital contribution of US$500 million, which was made effective on December 28, 2016.

Both capital contributions were funded by the Public Treasury through the sale of financial assets.

On January 27, 2017, Law No. 20.989 on extraordinary capitalization was enacted. The Law authorizes the transferring of funds from application of the Copper Reserved Law to the Public Treasury, allowing an extraordinary capitalization to Codelco of up to US$950 million for year 2017 aiming to reduce Codelco's indebtedness in an amount equivalent to the difference between the funds transferred as required by the Reserved Law and cash flow surpluses obtained by the Corporation.

On March 13, 2017, through Decree No. 322 it was authorized an extraordinary capital contribution under Article 2 of Law No. 20.989, for a total amount of US$475 million. The capital contribution was made effective on April 13, 2017.

By Exempt Decree of Treasury No. 1698, dated November 17, 2017, in accordance with the provisions of Article 1 of Law No. 20.790, it was decided to make an extraordinary contribution of capital for an amount of US$520 million, which were entered on December 22, 2017.

As of December 31, 2017, the dividends paid were ThUS$273,332, and there are provisions recognized for dividends payable for ThUS$295,842.

The consolidated statement of changes in equity discloses the changes in the Corporation's equity.

The movement and composition of other equity reserves is presented in the consolidated statement of changes in equity.

Reclassification adjustments from other comprehensive income to profit or loss resulted in a loss of ThUS$1,694 and ThUS$727 for the periods ended December 31, 2017 and 2016, respectively.

A) OTHER RESERVES

The detail of other reserves as of December 31, 2017 and 2016, is as follows:

Other Reserves	12/31/2017 ThUS$	12/31/2016 ThUS$
Foreign exchange differences on conversion reserves	(6,015)	(10,607)
Cash flow hedge reserves	11,336	12,342
Capitalization fund and reserves	4,962,393	4,955,966
Reserve of gains (losses) of defined benefit plans	(259,002)	(267,171)
Other reserves	626,380	626,862
Total other reserves	5,335,092	5,317,392

B) NON-CONTROLLING INTERESTS

The detail of non-controlling interests, included in equity and profit or loss, as of and for each reporting period, is as follows:

Subsidiaries	Non-controlling participation		Net equity		Gain (loss)	
	12/31/2017 %	12/31/2016 %	12/31/2017 ThUS$	12/31/2016 ThUS$	01/31/2017 12/31/2017 ThUS$	01/31/2016 12/31/2016 ThUS$
Inversiones Gacrux SpA	32.20%	32.20%	1,007,493	978,664	54,423	(58,175)
Ecosea Farming S.A.	8.68%	14.97%	-	-	(1)	6
Others	-	-	2	2	5	7
Total			1,007,495	978,666	54,427	(58,162)

For the period ended December 31, 2017, Inversiones Gacrux SpA did not distribute any dividends to non-controlling interests.

The percentage of non-controlling interest in Inversiones Mineras Becrux SpA (previously Inversiones Mineras Acrux SpA) generates a non-controlling interest in our subsidiary Inversiones Gacrux SpA, which presents the following figures relating to its statement of financial position, statement of comprehensive income and cash flows:

Assets and liabilities	12/31/2017 ThUS$	12/31/2016 ThUS$
Current Assets	306,496	113,993
Non-current assets	2,959,114	3,014,897
Current liabilities	158,455	152,607
Non-current liabilities	676,208	670,771

Results	01/31/2017 12/31/2017	01/31/2016 12/31/2016
	ThUS$	ThUS$
Revenues	832,668	303,216
Expenses	(687,537)	(519,810)
Profit (loss) of the period	145,131	(216,594)

Cash flow	01/31/2017 12/31/2017	01/31/2016 12/31/2016
	ThUS$	ThUS$
Net cash flow from operating activities	204,342	5,348
Net cash flow from investing activities	(38,049)	256
Net cash flow from financing activities	(25,512)	(55,523)

21. Revenue

Revenues As of December 31, 2017 and 2016, are as follows:

Item	01/31/2017 12/31/2017	01/31/2016 12/31/2016
	ThUS$	ThUS$
Revenue from sales of own copper	11,636,279	8,774,061
Revenue from sales of third-party copper	2,005,974	1,753,491
Revenue from sales of molybdenum	502,382	419,474
Revenue from sales of other products	498,207	584,331
(Loss) Gain in futures market	(1,287)	5,394
Total	14,641,555	11,536,751

22. Expenses by nature

Expenses by nature As of December 31, 2017 and 2016, are as follows:

Item	01/31/2017 12/31/2017	01/31/2016 12/31/2016
	ThUS$	ThUS$
Short-term benefits to employees	1,633,536	1,573,004
Depreciation	1,152,803	1,036,500
Amortization	948,298	899,652
Total	3,734,637	3,509,156

23. Impairment of Assets

As of December 31, 2017 and 2016, there were no impairment losses or reversals of impairment losses previously recognized. Consequently, there have been not adjustments to the carrying amount of the assets of the Corporation's CGUs.

24. Other income and expenses by function

Other income and expenses by function for periods ended December 31, 2017 and 2016, are as follows:

a) Other income by function

Item	42736	42370
	12/31/2017	12/31/2016
	ThUS$	ThUS$
Penalties to suppliers	10,926	7,607
Delegated Administration	4,458	4,071
Miscellaneous sales (net)	33,243	13,763
Insurances recoveries by incidents	16,757	24,813
Gain from intragroup transactions	-	14,283
Other income	88,948	73,937
Totals	154,332	138,474

b) Other expenses by function

Item	42736	42370
	12/31/2017	12/31/2016
	ThUS$	ThUS$
Law No. 13.196	(1,098,556)	(865,655)
Research expenses	(110,942)	(85,884)
Bonus for the end of collective bargaining	(28,577)	(64,375)
Expenses plan	(20,553)	(13,914)
Write-off of investment projects	(74,655)	(28,836)
Write-off of property, plant & equipment	(11,824)	(56,945)
Medical care plan	(936)	(32,735)
Additional bonuses to contractors	(161)	-
Write-off inventories	(14,187)	(13,739)
Lost due to onerous contract	(10,279)	(3,275)
Write-off receivables	(21,851)	-
Extraordinary gratification	(3,149)	(17,954)
Contingency expenses	(23,046)	(7,270)
Other	(138,757)	(133,567)
Totales	(1,557,473)	(1,324,149)

25. Finance costs

The detail of finance costs for the periods ended December 31, 2017 and 2016, is as follows:

Item	42736	42370
	12/31/2017	12/31/2016
	ThUS$	ThUS$
Bond interests	(333,717)	(374,754)
Bank loan interests	(74,583)	(71,548)
Exchange differences on severance indemnity provision	(12,301)	(9,969)
Exchange differences on other non-current provisions	(34,751)	(52,536)
Finance costs (Note 14)	(139,331)	(17,009)
Other	(49,927)	(21,531)
Total	(644,610)	(547,347)

26. Operating segments

The Corporation has defined its Divisions as its operating segments in accordance with the requirements of IFRS 8, Operating Segments. The revenues and expenses of the Head Office are allocated among the defined operating segments.

The mining deposits in operation, where the Corporation conducts its extractive and processing activities are managed by the following Divisions: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina and El Teniente. In addition, the smelting and refining activities are managed at the Ventanas Division. All these Divisions have a separate operational management, which report to the Chief Executive Officer, through the North and South Central Vice-President of Operations, respectively.

- **Chuquicamata**

Types of mine sites: Open pit mines
Operating: since 1915
Location: Calama – Region II
Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

- **Radomiro Tomic**

Types of mine sites: Open pit mines
Operating: since 1997,
Location: Calama – Region II
Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

- **Ministro Hales**

Type of mine: Open pit mine
Operating: since 2014
Location: Calama – Region II
Products: Calcined copper, copper concentrates

- **Gabriela Mistral**

Type of mine: Open pit mine
Operating: since 2008
Location: Calama – Region II
Products: Electrolytic (electro-obtained) cathodes

- **Salvador**

Type of mine: Underground mine and open pit mine
Operating: since 1926
Location: Salvador – Region III

Products: Electro refined and electrolytic (electro-obtained) copper cathodes and copper concentrate

- **Andina**

Type of mines: Underground and open pit mines
Operating: since 1970
Location: Los Andes – Region V
Product: Copper concentrate

- **El Teniente**

Type of mine: Underground mine
Operating: since 1905
Location: Rancagua – Region VI
Products: Fire-refined copper and copper anodes

A) ALLOCATION OF HEAD OFFICE REVENUE AND EXPENSES

Revenue and expenses controlled by the Head Office are allocated to the Divisions based on following criteria.

Revenue and Cost of Sales of Head Office commercial transactions

- Allocation to the operating segments is made in proportion to revenues of each Division.

Other income, by function

- Other income by function, associated and identified with each Division, is directly allocated.
- Recognition of realized profits and other income by function of subsidiaries are allocated in proportion to the revenues of each Division.
- The remaining other income is allocated in proportion to the aggregate of balances of "other income" and "finance income" of each Division.

Distribution costs

- Expenses associated and identified with each Division are directly allocated.
- Distribution costs of subsidiaries are allocated in proportion to the revenues each Division.

Administrative Expenses

- Administrative expenses associated and identified with each Division are directly allocated,
- Administrative expenses recorded in cost centers associated with the sales function and administrative expenses of subsidiaries are allocated in proportion to the revenues of each Division.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in proportion to inventory balances in warehouse in each Division.
- The remaining administrative expenses are allocated in proportion to operating cash outflows of each Division.

Other Expenses, by function

- Other expenses associated and identified with each Division are directly allocated.
- Expenses for pre-investment studies and other expenses by function of subsidiaries are allocated in proportion to the revenues of each Division.

Other gains

- Other gains associated and identified with each Division are directly allocated.
- Other gains of subsidiaries are allocated in proportion to the revenues of each Division.

Finance Income

- Finance income associated and identified with each Division are directly allocated.
- Finance income of subsidiaries is allocated in proportion to the revenues of each Division.
- The remaining finance income is allocated in relation to the operating cash outflows of each Division.

Finance costs

- Finance costs associated and identified with each Division are directly allocated.
- Finance costs of subsidiaries are allocated in proportion to the revenues of each Division.

Share in profit (loss) of associates and joint ventures accounted for using the equity method

- Share in profit or loss of associates and joint ventures identified for each Division is directly allocated.

Foreign exchange differences

- Foreign exchange differences identifiable with each Division are directly allocated.
- Foreign exchange difference of subsidiaries is allocated in proportion to the revenues of each Division.
- The remaining foreign exchange differences are allocated in relation to operating cash outflows of each Division.

Contribution to the Chilean Treasury under Law No. 13.196

- The amount of the contribution is allocated and accounted for in proportion to the invoiced and recorded amounts for copper and sub-product exports of each Division, that are subject to the surcharge.

Income tax income (expenses)

- Corporate income tax under D.L. 2.398 and specific mining tax are allocated based on the income before income taxes of each Division, considering for this purpose the income and expenses allocation criteria of the Head Office and subsidiaries mentioned above.

- Other tax expenses are allocated in proportion to the corporate income tax, specific mining tax and tax under D.L. 2.398 of each Division.

Impairment losses

- The impairment loss recognized as of December 31, 2016 for the investment in Anglo American Sur S. A. (see Note 9) has been allocated directly to Head Office expenses, and has not been allocated to any of the operating segments.

B) TRANSACTIONS BETWEEN SEGMENTS

Transactions between segments mainly related to products processing services (or tolling services), are recognized as revenue for the segment rendering the tolling services and as the cost of sales for the segment that receives the service. Such recognition is made in the period in which these services are rendered, as well as its elimination in the consolidated corporate financial statements.

C) CASH FLOWS BY SEGMENTS

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

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

D) IMPAIRMENT

As of December 31, 2017, there were no impairment losses or reversals of impairment losses previously recognized, Consequently, there have been not adjustments to the carrying amount of the assets of the Corporation's CGUs. As of December 31, 2017, the Corporation recognized a reversal of an impairment loss previously recognized in its investment Anglo American Sur (See Explanatory Note 9).

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

From 1/1/2017 to 12/31/2017											
Segments	Chuquicamata ThUS$	R. Tomic ThUS$	Salvador ThUS$	Andina ThUS$	El Teniente ThUS$	Ventanas ThUS$	G. Mistral ThUS$	M. Hales ThUS$	Total Segments ThUS$	Subsidiaries, associates and Head Office, net ThUS$	Total Consolidated ThUS$
Revenue from sales of own copper	2,823,439	2,009,715	502,181	1,326,314	2,850,926	12,206	798,407	1,344,509	11,667,697	(31,418)	11,636,279
Revenue from sales of third-party copper	(1,165)	-	(104)	-	-	32,392	-	237,708	268,831	1,737,143	2,005,974
Revenue from sales of molybdenum	276,868	40,654	16,005	65,908	101,571	-	-	-	501,006	1,376	502,382
Revenue from sales of other products	128,696	-	44,254	7,500	69,083	196,513	-	52,161	498,207	-	498,207
Revenue from futures market	(124)	40	29	35	571	(1,772)	42	(111)	(1,290)	3	(1,287)
Revenue between segments	117,638	-	82,308	801	194	102,564	-	-	303,505	(303,505)	-
Revenue	3,345,352	2,050,409	644,673	1,400,558	3,022,345	341,903	798,449	1,634,267	13,237,956	1,403,599	14,641,555
Cost of sales of own copper	(2,063,065)	(1,290,391)	(440,523)	(937,786)	(1,562,246)	(9,193)	(546,845)	(970,282)	(7,820,331)	27,456	(7,792,875)
Cost of sales of copper third-party copper	-	-	-	-	-	(32,961)	-	(237,770)	(270,731)	(1,728,913)	(1,999,644)
Cost of sales of molybdenum	(84,777)	(28,807)	(9,656)	(24,030)	(40,445)	-	-	-	(187,715)	(1,345)	(189,060)
Cost of sales of other products	(72,475)	-	(22,953)	(814)	(84,159)	(206,512)	-	(11,900)	(398,813)	(11)	(398,824)
Cost of sales between segments	(283,468)	80,943	(58,990)	16,388	11,131	(125,547)	-	56,038	(303,505)	303,505	-
Cost of sales	(2,503,785)	(1,238,255)	(532,122)	(946,242)	(1,675,719)	(374,213)	(546,845)	(1,163,914)	(8,981,095)	(1,399,308)	(10,380,403)
Gross profit	841,567	812,154	112,551	454,316	1,346,626	(32,310)	251,604	470,353	4,256,861	4,291	4,261,152

	From 1/1/2017 to 12/31/2017										
Segments	Chuquicamata ThUS$	R. Tomic ThUS$	Salvador ThUS$	Andina ThUS$	El Teniente ThUS$	Ventanas ThUS$	G. Mistral ThUS$	M. Hales ThUS$	Total Segments ThUS$	Subsidiaries, associates and Head Office, net ThUS$	Total Consolidated ThUS$
Other income, by function	17,249	22,136	18,044	14,861	28,357	1,361	4,174	5,645	111,827	42,505	154,332
Distribution costs	(1,614)	(186)	(610)	(299)	(561)	(560)	-	(960)	(4,790)	(5,613)	(10,403)
Administrative expenses	(46,703)	(26,316)	(16,763)	(24,352)	(63,480)	(10,201)	(25,947)	(20,419)	(234,181)	(193,959)	(428,140)
Other expenses, by function	(96,986)	(18,370)	(49,178)	(77,191)	(50,258)	(11,176)	(5,583)	(6,546)	(315,288)	(143,629)	(458,917)
Law No. 13.196	(269,112)	(196,289)	(51,423)	(124,627)	(255,957)	(15,459)	(76,530)	(109,159)	(1,098,556)	-	(1,098,556)
Other gains (losses)	-	-	-	-	-	-	-	-	-	32,605	32,605
Finance income	1,083	549	381	139	2,518	313	393	305	5,681	24,155	29,836
Finance costs	(116,215)	(53,270)	(16,894)	(105,146)	(215,611)	(10,012)	(13,626)	(56,324)	(587,098)	(57,512)	(644,610)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	529	-	427	(585)	413	-	-	-	784	184,644	185,428
Exchange differences	(64,137)	(60,635)	(19,278)	(19,500)	(68,197)	(9,067)	(8,686)	(7,838)	(257,338)	51,280	(206,058)
Profit (loss) before taxes	265,661	479,773	(22,743)	117,616	723,850	(87,111)	125,799	275,057	1,877,902	(61,233)	1,816,669
Income tax expenses	(189,709)	(320,426)	18,324	(91,965)	(485,743)	57,108	(81,170)	(194,326)	(1,287,907)	94,840	(1,193,067)
Profit (loss)	75,952	159,347	(4,419)	25,651	238,107	(30,003)	44,629	80,731	589,995	33,607	623,602

Segments		R. Tomic ThUS$	Salvador ThUS$	Andina ThUS$	El Teniente ThUS$	Ventanas ThUS$	G. Mistral ThUS$	M. Hales ThUS$	Total Segments ThUS$	Subsidiaries, associates and Head Office, net ThUS$	Total Consolidated ThUS$
	From 1/1/2016 to 12/31/2016										
Revenue from sales of own copper	1,692,052	1,565,865	507,168	869,197	2,344,595	110,342	609,058	1,046,392	8,744,669	29,392	8,774,061
Revenue from sales of third-party copper	(13,688)	-	(124)	-	-	47,610	-	372,742	406,540	1,346,951	1,753,491
Revenue from sales of molybdenum	222,591	20,584	11,768	65,561	96,316	-	-	-	416,820	2,654	419,474
Revenue from sales of other products	111,562	-	58,818	5,165	92,089	212,848	-	103,849	584,331	-	584,331
Revenue from futures market	1,695	1,603	(270)	1,261	1,213	(872)	537	59	5,226	168	5,394
Revenue between segments	195,700	-	81,640	860	141	98,058	-	-	376,399	(376,399)	-
Revenue	2,209,912	1,588,052	659,000	942,044	2,534,354	467,986	609,595	1,523,042	10,533,985	1,002,766	11,536,751
Cost of sales of own copper	(1,316,910)	(1,207,848)	(504,108)	(904,483)	(1,499,721)	(108,326)	(514,329)	(1,025,790)	(7,081,515)	(58,455)	(7,139,970)
Cost of sales of copper third-party copper	437	-	-	-	-	(51,669)	-	(379,032)	(430,264)	(1,336,258)	(1,766,522)
Cost of sales of molybdenum	(83,214)	(25,745)	(9,276)	(23,852)	(40,441)	-	-	-	(182,528)	(2,799)	(185,327)
Cost of sales of other products	(34,558)	-	(30,192)	(56)	(74,632)	(213,677)	-	(4,734)	(357,849)		(357,849)
Cost of sales between segments	(328,044)	50,576	(51,809)	6,712	14,967	(103,277)	-	34,476	(376,399)	376,399	-
Cost of sales	(1,762,289)	(1,183,017)	(595,385)	(921,679)	(1,599,827)	(476,949)	(514,329)	(1,375,080)	(8,428,555)	(1,021,113)	(9,449,668)
Gross profit	447,623	405,035	63,615	20,365	934,527	(8,963)	95,266	147,962	2,105,430	(18,347)	2,087,083
Other income, by function	27,243	578	34,703	7,224	15,726	612	12,109	(1,865)	96,330	42,144	138,474
Distribution costs	(2,564)	(127)	(678)	(348)	(452)	(972)	-	(1,100)	(6,241)	(5,650)	(11,891)
Administrative expenses	(51,106)	(27,016)	(11,891)	(24,778)	(59,602)	(9,646)	(25,942)	(25,473)	(235,454)	(179,941)	(415,395)
Other expenses, by function	(160,224)	(30,710)	(51,425)	(51,425)	(53,062)	(8,515)	(5,617)	(15,340)	(376,318)	(82,176)	(458,494)
Law No. 13.196	(178,767)	(154,201)	(52,547)	(79,412)	(202,360)	(26,107)	(59,255)	(113,006)	(865,655)	-	(865,655)
Other gains (losses)	-	-	-	-	-	-	-	-	-	29,400	29,400
Finance income	1,422	921	405	300	1,746	216	(185)	293	5,118	18,284	23,402
Finance costs	(115,370)	(41,927)	(16,906)	(85,739)	(164,854)	(6,377)	(12,249)	(52,523)	(495,945)	(51,402)	(547,347)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	222	-	630	(887)	(1,451)	-	-	-	(1,486)	(175,872)	(177,358)
Exchange differences	(65,623)	(24,378)	(20,867)	(14,996)	(63,904)	(4,638)	(10,180)	(23,901)	(228,487)	(4,408)	(232,895)
Profit (loss) before taxes	(97,144)	128,175	(54,961)	(229,696)	406,314	(64,390)	(6,053)	(84,953)	(2,708)	(427,968)	(430,676)
Income tax expenses	44,270	(93,078)	22,192	135,078	(279,274)	38,741	(1,633)	39,684	(94,020)	191,116	97,096
Profit (loss)	(52,874)	35,097	(32,769)	(94,618)	127,040	(25,649)	(7,686)	(45,269)	(96,728)	(236,852)	(333,580)

The assets and liabilities related to each operating segment, including the Corporation's head office as of December 31, 2017 and 2016, are detailed in the following tables:

12/31/2017										
Category	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries, associates and Head Office, net	Total Consolidated
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	1,209,431	747,780	222,573	262,381	796,357	103,143	248,431	336,608	2,284,349	6,211,053
Non-current assets	6,493,203	2,011,892	699,810	4,326,237	6,143,112	342,980	1,172,667	3,499,326	5,455,861	30,145,088
Current liabilities	727,862	181,996	140,431	202,925	433,947	62,748	87,669	99,511	1,378,367	3,315,456
Non-current liabilities	939,029	206,376	216,712	475,508	957,596	60,991	124,334	90,884	19,043,917	22,115,347

12/31/2016										
Category	Chuquicamata	Radomiro Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Subsidiaries, associates and Head Office, net	Total Consolidated
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Current assets	953,971	605,154	229,135	292,710	746,672	135,869	217,749	437,085	1,072,073	4,690,418
Non-current assets	5,349,989	2,156,765	717,540	3,998,820	5,828,982	349,229	1,260,025	3,602,612	5,466,750	28,730,712
Current liabilities	567,733	112,502	122,596	170,520	414,811	58,474	81,686	107,128	827,003	2,462,453
Non-current liabilities	918,652	227,952	285,138	298,700	916,632	67,643	127,021	65,092	18,161,438	21,068,268

The revenue segregated per geographical areas are the following:

Revenue per geographical areas	1/1/2017 12/31/2017	1/1/2016 12/31/2016
	ThUS$	ThUS$
Total revenue from domestic customers	1,141,762	745,089
Total revenue from foreign customer	13,499,793	10,791,662
Total	14,641,555	11,536,751

Revenue per geographical areas	1/1/2017 12/31/2017	1/1/2016 12/31/2016
	ThUS$	ThUS$
China	3,231,719	2,123,055
Rest of Asia	1,990,528	1,328,971
Europa	1,353,503	2,551,270
América	3,453,366	1,464,017
Otros	4,612,439	4,069,438
Total	14,641,555	11,536,751

Principal Customers	Country	1/1/2017 12/31/2017
		ThUS$
Trafigura Pte. Ltd.	Singapore	802,499
Southwire Company	USA	718,806
Glencore International Ag.	Switzerland	653,430
Nexans France	France	539,121
Red Kite Master Fund Ltd.	USA	369,056
Glencore Chile S.A.	Chile	360,416
Jiangxi Copper Company Ltd.	Japan	353,857
Wanxiang Resources (Singapore)	Singapore	347,057
Mrod Corp.	USA	296,375
Concord Resources Limited	England	250,220
Total		4,690,837

27. Foreign exchange differences

The detail of foreign exchange differences As of December 31, 2017 and 2016, is as follows:

Gain (loss) from foreign exchange differences recognized in income	1/1/2017 12/31/2017	1/1/2016 12/31/2016
	ThUS$	ThUS$
Gain from foreign exchange differences	74,782	57,722
Loss from foreign exchange differences	(280,840)	(290,617)
Total exchange difference, net	(206,058)	(232,895)

28. Statement of cash flows

The following table shows the items that comprise other collections and payments from operating activities in the Statement of Cash Flows:

Other collections from operating activities	1/1/2017 12/31/2017	1/1/2016 12/31/2016
	ThUS$	ThUS$
VAT Refund	1,373,195	1,294,642
Other	283,909	342,299
Total	1,657,104	1,636,941

Other payments from operating activities	1/1/2017 12/31/2017	1/1/2016 12/31/2016
	ThUS$	ThUS$
Contribution to the Chilean Treasury (Law No. 13.196)	(1,062,496)	(916,735)
Finance hedge and sales	(5,090)	28,699
VAT and other similar taxes paid	(1,155,782)	(1,126,098)
Total	(2,223,368)	(2,014,134)

As of December 31, 2017 and 2016, as specified in the equity note, have been received capitalizations of ThUS$995,000 and ThUS$500,000 respectively. These are presented in Other cash inflows corresponding to net cash flows from (used in) financing activities.

29. Financial risk management, objectives and policies

Codelco has committees within its organization to set out strategies allowing to reduce the financial risks to which it may be exposed.

The risks to which Codelco is exposed and a brief description of the management procedures that are carried out in each case, are described below:

A) FINANCIAL RISKS

• Exchange rate risk:

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

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

The majority of transactions in currencies other than US$ are denominated in Chilean pesos. Also, there is another portion in Euro, which corresponds mainly to a long-term loan issued through the international market, which exchange rate risk is mitigated with hedging instruments.

Taking into consideration the financial assets and liabilities as of December 31, 2017 as the base, a fluctuation (positive or negative) of 10 Chilean pesos against the U,S, dollar (keeping the other variables constant), could affect profits before taxes by US$38 million in gains or losses, respectively. This result is obtained by identifying the main items (including assets and financial liabilities) denominated foreign currencies in order to measure the impact on profit or loss that a variation of +/- 10 Chilean pesos would have in terms of US$, with respect to the closing exchange rate at the end of the reporting period.

As of December 31, 2017, the balance of time deposits denominated in Chilean pesos was ThUS$252,161 (ThUS$11,624 as of December 31, 2016).

• Interest rate risk:

This risk arises from interest rate fluctuations in Codelco's investment and financing activities. This movement can affect future cash flows or the market value of fixed rate financial instruments.

These rate variations refer to U,S, dollar variations, mostly with respect to the LIBOR rate. To manage this risk, Codelco maintains an adequate combination of fixed and variable rate debt, which is complemented by the possibility of using interest-rate derivatives to meet the strategic guidelines defined by Codelco's Corporate Finance Department.

It is estimated that, on the basis of net debt balance as of December 31, 2017, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US$23 million change in finance costs, before tax. This estimation is made by identifying the liabilities assigned to variable interest, accrued at the end of the financial statements, which may vary with a change of one percentage point in variable interest rates.

Total fixed and variable interest rate obligations maintained by Codelco as of December 31, 2017 and 2016 corresponds to an amounts of ThUS$12,934,734 and ThUS$1,749,775, respectively.

B) MARKET RISKS

• Commodity price risk:

As a result of its commercial operations and activities, the Corporation's income is mainly exposed to the volatility of copper prices and certain sub-products such as gold and silver.

Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing based on the monthly average market price for specified future periods. The host contract is the sale of metals contained in the concentrate or cathode at the provisional invoice price, and the embedded derivative is the forward contract for which the provisional sale is subsequently adjusted. At the reporting date, the provisionally priced metal sales are marked-to-market, with adjustments (both gains and losses) being recorded in revenues in the consolidated statements of comprehensive income. Forward prices at the period-end are used for copper sales, while period-end average prices are used for molybdenum concentrate sales due to the absence of assets futures market.

As of December 31, 2017, if the future price of copper fluctuates by + / - 5% (with the other variables constant), the result would vary + / - US$217 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect as of December 31, 2017 (MTMF 682). For the estimate indicated, all of those physical sales contracts were valued according to the monthly average immediately following the close of the financial statements, and proceeds to be estimated regarding what the final settlement price will be if there is a difference of + / - 5% with respect to the future price known to date to this period.

In order to protect its cash flow and adjust it, where necessary, its sales contracts to its trade policy, the Corporation holds operations in futures markets. At the end of the reporting period, these contracts are adjusted to fair value, recording this effect, at the settlement date of the hedging transactions as part of net product sales.

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

As of December 31, 2017, a variation of U,S, ¢ 1 in the price per pound of copper, considering derivatives contracted by the Corporation, involves a change in income or payments for existing contracts (exposures) of US$2,8 million before taxes. This calculation is obtained from a simulation curves of future copper prices, which are used to assess the subscribed derivative instruments by the Corporation; estimations would vary the exposure of these instruments if there is an increase / U,S, ¢ 1 decrease in the price per pound of copper.

The Corporation has not entered into any hedging transactions with the specific purpose of hedging the price risk caused by fluctuations in prices of production inputs.

C) LIQUIDITY RISK

The Corporation ensures that it has sufficient resources, such as pre-approved credit lines (including refinancing), in order to meet short-term requirements, after considering the necessary working capital for its operations and any other commitments it has.

In this sense, Codelco Chile maintains resources at its disposal sufficient to meet its obligations, whether in cash, liquid financial instruments or credit facilities.

In addition, the Finance Department constantly monitors the Corporation's cash flow projections based on short and long term projections and available financing alternatives. In addition, the Corporation estimates that it has enough room to increase the level of borrowing for the normal requirements of its operations and investments established in its development plan.

In this context, according to current existing commitments with creditors, the cash requirements to cover financial liabilities classified by maturity and presented in the statement of financial position are detailed as follows:

Maturity of financial liabilities as of 12/31/2017	Less than one year	Between one and five years	More than five years
	ThUS$	ThUS$	ThUS$
Loans from financial institutions	130,727	1,703,300	626,357
Bonds	165,784	2,161,105	9,922,517
Finance leases	16,364	41,940	44,407
Derivatives	10,526	-	79,552
Other financial liabilities	987	68,826	-
Total	324,388	3,975,171	10,672,833

D) CREDIT RISK

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

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

The indications with respect to the payment conditions to the Corporation are detailed in every sales contract and the negotiation management is in charge of the Vice Presidency of Commercialization.

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

The maximum exposure to credit risk as of December 31, 2017 is represented by the financial asset items presented in the Corporation's Statement of Financial Position.

The Corporation's accounts receivable do not include customers with balances that could be classified as a significant concentration of debt and would represent a material exposure for Codelco. This exposure is distributed among a large number of clients and other counterparties.

The client items include allowances, which are not significant, designed to cover possible insolvencies. These provisions are determined based on review of the debt balances and the clients' characteristics, to cover possible insolvencies.

In explanatory note 2, trade and other receivables presents past due balances that have not been impaired.

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

As of December 31, 2017 and 2016, there are no receivable balances that have been renegotiated.

Codelco works with major banks, which have high national and international ratings, and continually assesses them; therefore, the risk that could affect the availability of the Corporation's funds and financial instruments is not significant.

Also, in some cases, to minimize credit risk, the Corporation has contracted credit insurance policies through which it transfers to third parties the commercial risk associated with some aspects of its business.

During the periods ended December 31, 2017 and 2016, no guarantees have been executed to ensure the collection of third party debt.

Personnel loans mainly related to mortgage loans, according to programs included in union agreements, which are paid for through payroll discounts.

30. Derivatives contracts

The Corporation has entered into transactions to hedge cash flows, to minimize the risk of foreign exchange rate variations and sales price variations, detailed as follows:

A) EXCHANGE RATE HEDGES

The Corporation has taken measures to protect itself from exchange rate variations, whose negative exposure, net of taxes, amounts to ThUS$12,954.

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

December 31, 2017

Hedge item	Bank	Type of derivative contract	Maturity	Currency	Amount ThUS$	Financial obligation: hedging instrument ThUS$	Exposure ThUS$	Asset ThUS$	Liability ThUS$
Bond UF Mat. 2025	Credit Suisse (EE. UU)	Swap	04/01/2025	US$	300,784	208,519	101,158	361,056	(259,898)
Bond EUR Mat. 2024	Santander (Chile)	Swap	07/09/2024	US$	360,708	409,650	(38,485)	415,241	(453,726)
Bond EUR Mat. 2024	Deustche Bank (Inglaterra)	Swap	07/09/2024	US$	360,708	409,680	(37,989)	415,241	(453,230)
Bond UF Mat. 2026	Santander (Chile)	Swap	08/24/2026	US$	435,919	406,212	36,387	483,784	(447,397)
Total					1,458,120	1,434,061	61,071	1,675,323	(1,614,252)

As of December 31, 2017, the balance for cash deposit guarantees amount to ThUS$4.

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

B) CASH FLOWS HEDGING CONTRACTS AND COMMERCIAL POLICY ADJUSTMENT

The Corporation enters into metals hedging activities. The results of such hedges are recorded at its maturity or when the instruments are sold. Such results increase or decrease the total sales revenue based on the market prices of the metals. As of December 31, 2017, these operations generated a gain of ThUS$5,111.

B.1.) COMMERCIAL FLEXIBILITY OPERATIONS OF COPPER CONTRACTS

The purpose of these contracts is to adjust the price of shipments to the price defined in the Corporation's related policy, defined in accordance with the London Metal Exchange (LME). As of December 31, 2017, the Corporation performed derivative market transactions of copper that represent 359,050 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

The current contracts as of December 31, 2017, present a negative exposure of ThUS$4,800 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 settled during the period ended December 31, 2017 resulted in a net negative effect on net income of ThUS$2,810, which is comprised of the amounts received for sales contracts for ThUS$482 and the values paid for purchases contracts for ThUS$2,328.

B.2.) COMMERCIAL TRANSACTIONS OF CURRENT GOLD AND SILVER CONTRACTS

As of December 31, 2017, the Corporation maintains derivative contracts for the sale of gold for MOZT 28.4 and silver for MOZT 64.8.

The contracts outstanding as of December 31, 2017 show a positive exposure of ThUS$527. The final result will only be known at the expiration of such operations, after offsetting between hedging and income from the sale of the goods.

The transactions settled during the period ended December 31, 2017 resulted in a negative effect on net income of ThUS$2,301, which is comprised of the negative amounts received for sales contracts for ThUS$1,772 and the negative values paid for purchases contracts for ThUS$529. These hedging transactions mature in April y 2018.

B.3.) CASH FLOW HEDGING OPERATIONS BACKED BY FUTURE PRODUCTION

The Corporation does not pose cash flow hedges backed by future production as of December 31, 2017.

The following tables set forth the maturities of metal hedging activities, as referred to in point b above:

December 31, 2017	Maturity date						
ThUS$	2018	2019	2020	2021	2022	Upcoming	Total
Flex Com Cobre (Asset)	-	855	-	-	-	-	855
Flex Com Cobre (Liability)	(2,582)	(2,598)	(474)	-	-	-	(5,655)
Flex Com Gold/Silver	(527)	-	-	-	-	-	(527)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	(3,109)	(1,743)	(474)	-	-	-	(5,327)

December 31, 2016	Maturity date						
ThUS$	2016	2017	2018	2019	2020	Upcoming	Total
Flex Com Cobre (Asset)	7,563	190	-	-	-	-	7,753
Flex Com Cobre (Liability)	-	(576)	(54)	-	-	-	(630)
Flex Com Gold/Silver	(112)	-	-	-	-	-	(112)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	7,451	(386)	(54)	-	-	-	7,011

December 31, 2017	Maturity date						
ThTM/Ounces	2018	2019	2020	2021	2022	Upcoming	Total
Copper Futures [MT]	282,600,0	71,350,0	5,100,0	-		-	359,050,0
Gold/Silver Futures [ThOZ]	93,2	-	-	-		-	93,2
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

December 31, 2016	Maturity date						
ThTM/Ounces	2016	2017	2018	2019	2020	Upcoming	Total
Copper Futures [MT]	246,990	84,175	8,000	-		-	339,165
Gold/Silver Futures [ThOZ]	527,655	-	-	-		-	527,655
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

31. Contingencies and restrictions

A) LITIGATIONS AND CONTINGENCIES

There are various lawsuits and legal actions initiated by or against the Corporation, which derive from its operations and the industry in which it operates. In general, these are civil, tax, labor and mining litigations, all related to the Corporation's activities.

In the opinion of Management and its legal advisors, the lawsuits in which the Corporation is being sued and could have negative results do not represent significant loss contingencies or cash flows. Codelco defends its rights and employs all corresponding relevant legal instances, resources and procedures.

The most significant lawsuits that involve Codelco are related to the following matters:

• **Tax Lawsuits:** There are several tax lawsuits due to IRS tax assessments, for which the Corporation has filed the corresponding opposition.

In connection with the long-term sale contract which Codelco held with its associated company Copper Partners Investment Company (CuPIC), the IRS has issued to the Corporation: (i) for the fiscal year 2006 and 2007, the Settlements No, 1 and No. 2, and the Assistant Director-Control (SDF) Ex, Resolution No.1, all of them issued on July 30, 2010, (ii) for the fiscal year 2008 and 2009, the Settlements No. 45, No. 46 and No. 47, all of them issued on June 29, 2012, (iii) for the fiscal year 2010 and 2011, the Settlements No. 7 and No. 8, both of them issued on September 27, 2014, (iv) for the fiscal year 2012, the Settlements No. 92 and No. 93, both of them issued on June 30, 2015. In addition, the IRS issued payment vouchers No. 478211, No. 478143 and No. 478179, all of them issued on June 12, 2015 which is associated with settlements No, 45, No. 46 and No. 47, previously mentioned.

The previously mentioned settlements were contested by the Corporation through several administrative and judicial means. As a part of such procedures, the Corporation and the IRS agreed to make certain adjustments to the tax basis. At August 31, 2015, the IRS notified to the Corporation the Exempted Resolutions No. 53247/2015; No. 25058/2015; SDF No,3496/2015, which were issued taking into account certain legal aspects, background and information provided by the Corporation to the IRS during the tax audit period. The Resolutions provide evidence of the adjustment to the tax basis and cancel the Liquidations previously mentioned, Instead, the IRS issued the tax collection No. 531137; 531125; 531117; 531103, amounting to ThUS$148,935, paid on August 31, 2015, (Composition of the taxes calculated: ThUS$110,000 for Specific Tax for Mining, ThUS$16,000 for First Category Tax, ThUS$23,000 for Specific Tax for State-Owned Companies 40%). Such agreement has enabled the calculated and collected differences due to this same concept is foreseen for the years 2012, 2013 and 2014. Finally, through Resolution No.17020000038 issued on September 8, 2015 and Exempt Resolution DGC 17600 No.118/2015, the IRS cancels the collections Nos. 478211, 478143 and 478179.

• **Labor proceedings:** Labor proceedings brought by the workers of the Andina Division against the Corporation with regard to occupational diseases (silicosis).

• **Mining proceedings and others arising from the Operation:** Mining proceedings and others arising from the Operation: The Corporation has been participating, and will probably continue to participate, as plaintiff and defendant in given court proceedings involving its mining operation and activities, through which it seeks to exercise certain actions or set up certain defenses in relation to given mining concessions that have been established or are in the process of being established, as well as also with regard to its other activities. These proceedings currently do not involve any given amount and do not have any essential effect on Codelco's development.

A case by case analysis of these proceedings has shown that there are a total of 228 cases involving estimated amounts. 195 of them, representing 85.53% of the total and involving ThUS$ 43,642, are estimated to possibly have a negative result for the Corporation. There are also 21 proceedings, representing 9.21% and involving ThUS$436, where there is no certainty that the ruling will go against Codelco. The Corporation's legal counsel considers that there is a remote possibility that the remaining 12 proceedings involving ThUS$33,711 could have an unfavorable outcome. There are also 12 proceedings involving an indeterminate amount, 7of them are estimated whose ruling could go against Codelco.

• **Lawsuit under administrative law:** On August 2, 2017, a Nullity in Public Law claim was filed in the 25th Civil Court of Santiago against Audit Report No. 900 of 2016, issued by the General Comptrollership of the Republic on May 10, 2017. At this date, the discussion stage has been completed and the evidence submitting stage should start soon.

For litigations with a probable unfavorable outcome for the Corporation, the necessary provisions has been recognized as “provisions for legal proceedings”.

B) OTHER COMMITMENTS

I. On January 21, 2016, in an Extraordinary Session, the Committee Management Board proposed a segmented view of the Salvador Division, subject to KPIs which will be monitored semiannually and their compliance will be measured at the end of 2016, Regarding the Rajo Inca Project, a preliminary assessment was proposed during June 2016 and another one during March 2017, which must provide the information to make the decision about the Salvador Division continuity, It should be noted that the above depends on the copper market conditions and the financing capacity of the Corporation.

On the same date January 21, 2016, at the Ordinary Season of the Board, it was proposed:

- To take a segmented view of the Division, by analyzing Mine Concentrator, Smelter and Refinery.
- Any future decision must necessarily consider the direct cost of the closure for each one of the business units.

At the Ordinary Session of June 30, 2016, the Board agreed to approve the study to evaluate the alternative of opening the Rajo Inca mine and the ore processing in the current concentrator plant.

II. On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, CuPIC, in which both companies have an equal equity interest. A 15-year copper cathode sales contract to that associated company was agreed upon, as well as a purchase contract from Minmetals to the latter for the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid by the buyer at a price formed by a fixed re-adjustable component plus a variable component, which depends on current copper prices at the time of shipment.

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

With regard to financial obligations incurred by the associate CuPIC with the China Development Bank, Codelco Chile and Codelco International Ltd, must meet certain commitments, mainly relating to the delivery of financial information. In addition, Codelco Chile must maintain 51% ownership of Codelco International Limited.

According to the Sponsor Agreement, dated March 8, 2006, the Codelco International Ltd. subsidiary gave its participation in CuPIC as a guarantee to the China Development Bank.
Subsequently, on March 14, 2012, CuPIC paid off its debt to the abovementioned bank. As of December 31, 2017. Codelco does not hold any indirect guarantee regarding its participation in this associated company.

On December 17, 2015, the Codelco administration presented a restructuration for the Supply Contract, which implies its removal of the share in CUPIC.

On April 7, 2016, the Corporation formalized the removal of its share in CUPIC, of which Codelco retained 50% ownership through the subsidiary Codelco International. Until that date, Codelco shared the ownership of the Company in the same proportion with the company Album Enterprises Limited (a subsidiary of Minmetals).

In order to realize the above mentioned term of the shareholding, Codelco signed a set of agreements which formalized primarily the following issues:

- Copper sales contract modifications from Codelco to

CUPIC signed in 2006, which establishes the reduction of half of the outstanding tonnage to deliver to said company and in which Codelco pays to CUPIC the amount of ThUS$99,330.

• Reduction of share capital in CuPIC, equivalent to the 50% of the Codelco International shares in said company and by which CuPIC repays to Codelco the amount of ThUS$99,330.

• Waiver of Codelco to any dividends associated to the profits generated by CuPIC from January 1, 2016 and the date of signing the agreement.

• Additionally, the cessation of dividends reception as a consequence of the removal of the Codelco share in the ownership of CuPIC since 2016, led to a reduction of the net profit estimated to Codelco until the end of the contract signed with that company (year 2021). This implied that such contract qualifies as an onerous contract, according to IAS 37, which negatively impacts on earnings before tax of Codelco in ThUS$22,184 (negative net tax effect of ThUS6,599 as of April 7, 2016).

III. Regarding the financing agreement signed on August 23, 2012, between the subsidiary, Gacrux Inversiones SpA and Mitsui & Co. Ltd. for the acquisition of the 24,5% stake in Anglo American Sur S.A. which was subsequently amended on October 31, 2012, a pledge is included over the shares that the subsidiary has on Acrux Inversiones SpA (shared participation with Mitsui and minority shareholder in Anglo American Sur S.A.), in order to ensure compliance with the obligations that the financial agreement contemplates.

This pledge extends to the right to collect and receive from Acrux, dividends which have been agreed in the corresponding meetings of shareholders of the company and any other distributions paid or payable to Gacrux respect of the pledged shares.

On December 22, 2017 according to repertoire N ° 12.326 / 2017, where it establishes that, Gacrux, the Creditor and the Guarantee Agent, the latter representing the Guaranteed Parties, come to modify, by virtue of the Merger, the Contract of Pledge and the Modified Pledge Agreement as to the pledge on transferable securities and the commercial pledge, as well as the restrictions and prohibitions established in the Pledge Contract and in the Modified Pledge Contract, shall be subject, by virtue of the Merger, to two thousand thirteen million two hundred and forty-five thousand four hundred and seventy-three shares issued by Becrux, owned by Gacrux, hereinafter the "Pledged Becrux Shares".

VI. Law 19.993 dated December 17, 2004, which authorized the purchase of the Refinery and Smelter Las Ventanas assets from ENAMI, established that the Corporation must ensure that the smelting and refining capacity required is maintained, without any restriction and limitation, for treating the products of the small and medium mining sector sent by ENAMI, under the form of toll production mode or another form agreed upon by the parties.

V. Obligations with the public for bond issues means that the Corporation must meet certain restrictions related to limits on pledges and leaseback transactions on its principal assets and on its ownership interest in subsidiaries.

The Corporation has complied with these conditions as of December 31, 2017 and 2016.

VI. On January 20, 2010, the Corporation signed two energy supply contracts with Colbún S.A., which includes energy and power sales and purchases for a total of 510 MW of power. The contract provides a discount for that energy consumption due to lower demand from Codelco's SIC divisions with respect to the amount of contracted power. The discount is equivalent to the value of the sale of that energy on the spot market.

The contracted power for supply these Divisions is comprised by two contracts:

- Contract No.1 for 176 MW, current until December 2030
- Contract No.2 for 334 MW, current until December 2045. This contract is based on energy production from

Colbún's Santa María thermal power station, which is currently in operation. This plant is coal-fired, and therefore the electric energy tariff rate applied for the energy supplied to Codelco is linked to the price of coal.

The both of these contracts adapt to Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

Through these contracts, which operate through take or pay, the Corporation agrees to pay for the contracted energy and Colbún undertakes to return at market price the energy not consumed by Codelco.

These contracts have maturity date in 2030 and 2045.

VII. On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA S.A. (associate until January 2011), with a maturity in 2017:

- This replaces the one signed on November 22, 1995, for the supply of electricity to the Chuquicamata work center, for a 15-year term beginning in January 2010 for between 200 and 280 MW in power and all associated electric energy. The approximate cost of the contract is US$1,380 million for the whole period.

- Modification of the contract dated December 21, 1995 for the Radomiro Tomic work center, for a maximum power of 110 MW, in which new prices are established, for the power and energy contemplated in the contract as well as their new adjustment formulas from January 2010.

VIII. On November 11, 2011, Law No. 20.551 was published in the Official Journal, which regulates the tasks and closure of mining facilities. Additionally, on November 22, 2012, the Supreme Decree No, 41 of the Minister of Mining, which approves the Regulations of this Law, was published in the Diario Oficial.

This law requires the Corporation, among other requirements, to provide financial guarantees to the State to ensure the implementation of closure plans. It also establishes the obligation to make contributions to a fund which aims to cover the costs of post-closure activities.

The Corporation, in accordance with the mentioned regulation, provided to SERNAGEOMIN the Mine Closure Plan (ARO) for all of the Codelco operating divisions in 2014, which were approved in 2015 in accordance with the provisions of the Act.

The mine closure plans delivered to SERNAGEOMIN were developed by invoking the transitional regime of the Act, which was specified for the affected mining companies under the general application procedure (extraction capacity > 10,000 tons per month), and which, at the date of enactment of the Law, will abide in operation and move forward with a mine closure plan previously approved under Mine Safety Regulations Supreme Decree No. 132.

The Corporation considers that the accounting liability record caused by this obligation differs from the law's requirement, mainly by differences concerning the horizon that is considered for the projection of flows, in which the law requires the determination of the obligations in terms of mineral reserves, while the financial-accounting approach incorporates some of its mineral resources. Therefore, the discount rate established by law, may differ from that used by the Corporation under the criteria set out in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and described in Note 2, letter o) of Main Accounting Policies. As of December 31, 2017, the Corporation has agreed guarantees for an annual amount of U.F. 27,234,262 to comply with the aforementioned Law N°20.551. The following table details the main given guarantees:

Transmitter	Mine site	Amount	Currency	Date	Maturity date	Emission rate	ThUS$
Banco Estado	Ventana	333,069	UF	03/16/2017	03/18/2018	0.09	14,508
Banco Estado	Radomiro Tomic	2,691,723	UF	10/05/17	10/05/18	0.07	117,248
Banco Estado	Ministro Hales	1,453,078	UF	10/05/17	05/13/2018	0.07	63,294
Banco Bci	Chuquicamata	2,957,857	UF	05/23/2017	05/26/2018	0.15	128,840
Banco Itau	Chuquicamata	3,900,000	UF	05/17/2017	05/26/2018	0.13	169,879
Banco Itau	Chuquicamata	610,000	UF	05/23/2017	05/26/2018	0.13	26,571
Banco Chile	El Teniente	2,632,299	UF	05/06/17	01/06/18	0.15	114,659
Banco Santander	El Teniente	5,000,000	UF	01/06/17	01/06/18	0.15	217,793
Banco Estado	Gabriela Mistral	1,513,907	UF	12/06/17	04/06/18	0.07	65,944
Banco Chile	Salvador	2,921,605	UF	11/08/17	08/18/2018	0.12	127,261
Banco Estado	Andina	3,310,724	UF	02/11/17	03/11/18	0.07	144,211
Total		27,324,262					1,190,207

XI. On August 24, 2012, Codelco through its subsidiary Inversiones Mineras Nueva Acrux SpA (Nueva Acrux) (which minority shareholder is Mitsui), signed a contract with Anglo American Sur S.A. Under this contract, Codelco agreed to sell a portion of its annual copper production to the mentioned subsidiary, who in turn agrees to purchase such production.

Such annual portion is determined by the share of Codelco's indirect subsidiary, Inversiones Mineras Becrux SpA (also shared ownership with Mitsui), maintained for the shares of Anglo American Sur S.A.

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

The contract expiration will occur when the shareholders agreement of Anglo American Sur S.A ends or other events related to the completion of mining activities of the company take place.

32. Guarantees

The Corporation as a result of its activities has received and given guarantees.
The following tables list the main guarantees given to financial institutions:

Direct Guarantees provided to Financial Institutions					
Creditor of the Guarantee	Type of Guarantee	12/31/2017			12/31/2016
		Currency	Maturity	ThUS$	ThUS$
Urban Regional Manager, Metropolitan	Building project	UF	Mar/17	-	9
Urban Regional Manager, Metropolitan	Building project	UF	Mar/18	10	-
Urban Regional Manager, Metropolitan	Building project	UF	Aug-18	10	-
Urban Regional Manager, Valparaíso	Building project	UF	Jan-17	-	43
Urban Regional Manager, Valparaíso	Building project	UF	Jan-17	-	28
Urban Regional Manager, Valparaíso	Building project	UF	Jan-17	-	47
Ministry of Public Works	Building project	US$	Jun/18	209	209
Ministry of Public Works	Building project	UF	Oct/18	25,339	-
Ministry of Public Works	Building project	UF	Oct/18	28,399	-
Ministry of Public Works	Building project	UF	Oct/19	566	-
Oriente Copper Netherlands B.V.	Pledge on shares	US$	Nov/32	877,813	877,813
Sernageomin	Environmental	US$	Mar/17	-	8,500
Sernageomin	Environmental	UF	May/17	-	11,390
Sernageomin	Environmental	UF	May/17	-	84,981
Sernageomin	Environmental	UF	May/17	-	42,053
Sernageomin	Environmental	UF	Jun/17	-	41,122
Sernageomin	Environmental	UF	Nov/18	139,589	107,561
Sernageomin	Environmental	UF	Aug-17	-	94,538
Sernageomin	Environmental	UF	Jun/17	-	38,994
Sernageomin	Environmental	UF	Jun/17	-	197,419
Sernageomin	Environmental	UF	May/17	-	153,987
Sernageomin	Environmental	UF	May/17	-	83,812
Sernageomin	Environmental	UF	Mar/18	13,156	-
Sernageomin	Environmental	UF	May/18	106,936	-
Sernageomin	Environmental	UF	May/18	57,302	-
Sernageomin	Environmental	UF	Jun/18	104,598	-
Sernageomin	Environmental	UF	Jun/18	199,215	-
Sernageomin	Environmental	UF	Jun/18	60,716	-
Sernageomin	Environmental	UF	May/18	118,924	-
Sernageomin	Environmental	UF	May/18	156,804	-
Sernageomin	Environmental	UF	May/18	24,526	-
Sernageomin	Environmental	UF	Aug-08	119,414	-
Sernageomin	Environmental	UF	Aug-08	852	-
Total				2,034,381	1,742,507

As for the documents received as collateral, they cover mainly obligations of suppliers and contractors related to the various development projects. Below are given the amounts received as collateral, grouped according to the Operating Divisions that have received these amounts:

Guarantees received from third parties		
Division	12/31/2017	12/31/2016
	ThUS$	ThUS$
Andina	8,228	21,905
Chuquicamata	7,614	21,621
Casa Matriz	737,160	703,173
Radomiro Tomic	-	5,352
Salvador	7,295	30,893
Ministro Hales	6	5
El Teniente	19,064	58,602
Ventanas	778	5,044
Gabriela Mistral	-	721
Total	780,145	847,316

33. Balances in foreign currency

A) ASSETS BY TYPE OF CURRENCY

Category	12/31/2017 ThUS$	12/31/2016 ThUS$
Liquid assets	1,450,162	586,587
US Dollars	1,378,521	540,977
Euros	3,472	7,892
Other currencies	4,245	4,282
Non-indexed Ch$	63,002	30,795
U.F.	922	2,641
Cash and cash equivalents	1,448,835	576,726
US Dollars	1,378,247	531,946
Euros	3,472	7,640
Other currencies	4,245	4,282
Non-indexed Ch$	62,779	30,422
U.F.	92	2,436

Category	12/31/2017 ThUS$	12/31/2016 ThUS$
Other current financial assets	1,327	9,861
US Dollars	274	9,031
Euros	-	252
Other currencies	-	-
Non-indexed Ch$	223	373
U.F.	830	205
Short and long term receivables	2,996,968	2,385,429
US Dollars	2,473,589	1,635,971
Euros	59,297	92,701
Other currencies	1,625	1,347
Non-indexed Ch$	406,589	631,582
U.F.	55,868	23,828
Trade and other receivables	2,815,352	2,254,731
US Dollars	2,383,415	1,600,589
Euros	57,992	92,701
Other currencies	1,625	1,316
Non-indexed Ch$	317,819	537,292
U.F.	54,501	22,833
Rights receivables, non-current	91,442	95,316
US Dollars	-	-
Euros	1,305	-
Other currencies	-	31
Non-indexed Ch$	88,770	94,290
U.F.	1,367	995
Due from related companies, current	64,344	13,669
US Dollars	64,344	13,669
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Due from related companies, non-current	25,830	21,713
US Dollars	25,830	21,713
Euros	-	-
Other currencies	-	-
Non-indexed Ch$	-	-
U.F.	-	-
Rest of assets	31,909,011	30,449,114
US Dollars	31,025,279	29,990,703
Euros	26,952	49,273
Other currencies	367	222
Non-indexed Ch$	119,690	137,356
U.F.	736,723	271,560

Category	12/31/2017 ThUS$	12/31/2016 ThUS$
Total assets	36,356,141	33,421,130
US Dollars	34,877,389	32,167,651
Euros	89,721	149,866
Other currencies	6,237	5,851
Non-indexed Ch$	589,281	799,733
U.F.	793,513	298,029

B) LIABILITY BY TYPE OF CURRENCY

Current liability by currency	12/31/2017		12/31/2016	
	Up to 90 days	90 days to 1 year	Up to 90 days	90 days to 1 year
	ThUS$	ThUS$	ThUS$	ThUS$
Current liabilities	3,126,371	189,085	2,206,764	255,689
US Dollars	1,821,173	150,417	1,755,127	186,464
Euros	119,851	-	132,463	33,820
Other currencies	9,668	-	9,261	-
Non-indexed Ch$	1,155,722	32,964	265,106	29,714
U.F.	19,957	5,704	44,807	5,691
Other current financial liabilities	166,557	157,831	127,616	224,994
US Dollars	124,107	150,402	111,045	184,204
Euros	32,182	-	6,729	33,820
Other currencies	-	-	-	-
Non-indexed Ch$	1,269	1,725	1,401	1,494
U.F.	8,999	5,704	8,441	5,476
Bank loans	26,819	103,908	4,550	161,744
US Dollars	2,223	103,908	3,892	127,924
Euros	24,400	-	-	33,820
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	359	-
U.F.	196	-	299	-
Obligations	134,864	30,920	112,741	37,822
US Dollars	120,277	30,920	99,765	37,822
Euros	7,782	-	6,729	-
Other currencies	-	-	-	-
Non-indexed Ch$	-	-	-	-
U.F.	6,805	-	6,247	-

Current liability by currency	12/31/2017		12/31/2016	
	Up to 90 days	90 days to 1 year	Up to 90 days	90 days to 1 year
	ThUS$	ThUS$	ThUS$	ThUS$
Finance lease	3,888	12,476	8,410	15,273
US Dollars	1,347	5,047	6,044	8,303
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	543	1,725	471	1,494
U.F.	1,998	5,704	1,895	5,476
Others	986	10,527	1,915	10,155
US Dollars	260	10,527	1,344	10,155
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch$	726	-	571	-
U.F.	-	-	-	-
Other current liabilities	2,959,814	31,254	2,079,148	30,695
US Dollars	1,697,066	15	1,644,082	2,260
Euros	87,669	-	125,734	-
Other currencies	9,668	-	9,261	-
Non-indexed Ch$	1,154,453	31,239	263,705	28,220
U.F.	10,958	-	36,366	215

Non-current liability by currency	12/31/2017				12/31/2016			
	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$
Non-Current liabilities	6,200,324	2,773,522	5,534,293	6,882,499	5,993,933	2,866,846	5,893,456	6,314,033
US Dollars	5,755,523	2,619,881	4,461,270	6,501,948	5,613,354	2,728,331	4,916,894	5,307,827
Euros	89	-	(9,682)	-	22	-	(10,015)	-
Other currencies	1	-	-	-	6	-	-	-
Non-indexed Ch$	423,022	148,258	291,395	360,111	360,111	130,378	268,192	514,850
U.F.	21,689	5,383	791,310	20,440	20,440	8,137	718,385	491,356
Other non-current financial liabilities	1,349,908	2,625,264	5,226,237	2,334,118	2,334,118	2,736,469	5,604,973	4,255,909
US Dollars	1,334,855	2,619,881	4,444,609	2,315,498	2,315,498	2,728,332	4,896,603	4,255,909
Euros	-	-	(9,682)	-	-	-	(10,015)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	2,996	-	-	5,927	5,927	-	-	-
U.F.	12,057	5,383	791,310	12,693	12,693	8,137	718,385	-

Non-current liability by currency	12/31/2017				12/31/2016			
	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	5 to 10 years ThUS$	More than 10 years ThUS$
Bank loans	406,167	1,297,133	-	626,357	1,626,564	575,514	143,227	643,142
US Dollars	406,103	1,297,133	-	626,357	1,626,564	575,132	143,227	643,142
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	64	-	-	-	-	382	-	-
Obligations	847,944	1,313,161	5,102,279	4,820,238	596,805	2,132,171	5,266,514	3,612,767
US Dollars	847,944	1,313,161	3,613,723	4,820,238	596,805	2,132,171	3,940,127	3,612,767
Euros	-	-	711,734	-	-	-	622,361	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	-	-	-	-
U.F.	-	-	776,822	-	-	-	704,026	-
Finance Lease	26,970	14,970	44,407	-	38,411	28,784	33,613	-
US Dollars	11,981	9,587	29,919	-	20,392	21,029	19,254	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	2,996	-	-	-	5,326	-	-	-
U.F.	11,993	5,383	14,488	-	12,693	7,755	14,359	-
Others	68,827	-	79,551	-	72,338	-	161,619	-
US Dollars	68,827	-	800,967	-	71,737	-	793,995	-
Euros	-	-	(721,416)	-	-	-	(632,376)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch$	-	-	-	-	601	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other liabilities non-current	4,850,416	148,258	308,056	2,160,613	3,659,817	130,377	288,482	2,058,123
US Dollars	4,420,668	-	16,661	1,055,353	3,297,857	-	20,291	1,051,918
Euros	89	-	-	-	22	-	-	-
Other currencies	1	-	-	-	6	-	-	-
Non-indexed Ch$	420,026	148,258	291,395	527,887	354,185	130,378	268,192	514,850
U.F.	9,632	-	-	577,373	7,748	-	-	491,356

34. Sanctions

As of December 31, 2017 and 2016, neither Codelco Chile nor its Directors and Managers have been sanctioned by the CMF or any other administrative authorities.

35. Environmental Expenditures

Each of Codelco's operations is subject to national, regional and local regulations related to protection of the environment and natural resources, including standards relating to water, air, noise and disposal and transportation of dangerous residues, among others. Chile has introduced environmental regulations that have obligated companies, including Codelco, to carry out programs to reduce, control or eliminate relevant environmental impacts. Codelco has executed and shall continue to execute a series of environmental projects to comply with these regulations.

Pursuant to the Letter of Values approved in 2010, Codelco is governed by a series of internal policies and regulations that frame its commitment to the environment, including the Sustainable Development Policy (2003) and the Corporate Security, Occupational Health and Environmental Management Policy (2007).

The environmental management systems of the divisions and the Head Office, structure their efforts in order to comply with the commitments assumed by the corporation's environmental policies, incorporating planning, operating, verifying and reviewing elements. As of December 31, 2017, they have received ISO 14001 certification for the environmental management of Chuquicamata, Radomiro Tomic, Andina, Salvador, El Teniente, Ventanas, Gabriela Mistral and the Head Office.

To comply with the Circular No. 1,901 of 2008 of the SVS, the details of the Corporation's main expenditures related to the environment during the periods ended December 31, 2017 and 2016, respectively, and the projected future expenses are stated below.

Entity	Proyect name	Disbursements 12/31/2017				12/31/2016	Future committed disbursements	
		Proyect Status	Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
Chuquicamata			345,256			101,023	785,686	
Codelco Chile	Talambre tranque extension, 7th stage	Finished	-	Asset	P, P & E	-	-	-
Codelco Chile	Talambre dam capacity extension, 8th stage	In Progess	86,757	Asset	P, P & E	14,614	246,043	2020
Codelco Chile	Emergency restoration system dust control crushing plant 2/3	In Progess	6,114	Asset	P, P & E	4,299	304	2018
Codelco Chile	Extension of 5th cps smelting	Finished	-	Asset	P, P & E	14,505	-	2016
Codelco Chile	Replacement of circulation pot 1A and 2A	In Progess	21,447	Asset	P, P & E	7,485	24,433	2019
Codelco Chile	Standarization sampling and weighing system	In Progess	-	Asset	P, P & E	1,027	-	-
Codelco Chile	Construction installation surplus management	In Progess	6,644	Asset	P, P & E	7,445	822	2018
Codelco Chile	Replacement of water treatment plant	In Progess	24,318	Asset	P, P & E	5,367	17,283	2018
Codelco Chile	Replacement gas management system	In Progess	849	Asset	P, P & E	10	9,978	2019
Codelco Chile	Acid plant tranformation 3-4 DC/DA	In Progess	115,588	Asset	P, P & E	-	319,364	2019
Codelco Chile	Enablement refining gas treatment system	In Progess	10,163	Asset	P, P & E	-	67,250	2019
Codelco Chile	Dryer replacement n ° 5 fuco	In Progess	11,373	Asset	P, P & E	-	53,997	2019
Codelco Chile	Management feeding and transport powders	In Progess	620	Asset	P, P & E	-	2,127	2018
Codelco Chile	Construction Relle Res Dom-Asim Montec	In Progess	22	Asset	P, P & E	-	11,014	2019
Codelco Chile	Construction IX stage Talambre tranque	In Progess	78	Asset	P, P & E	-	17,514	2019
Codelco Chile	Construction 8 Seg Montecristo	In Progess	70	Asset	P, P & E	-	15,558	2019
Codelco Chile	Acid plants	In Progess	23,514	Expenditure	Adm. Expense	23,124	-	2017
Codelco Chile	Solid waste	In Progess	2,910	Expenditure	Adm. Expense	1,367	-	2017
Codelco Chile	Tailings	In Progess	17,894	Expenditure	Adm. Expense	21,062	-	2017
Codelco Chile	Water treatment plant	In Progess	15,999	Expenditure	Adm. Expense	248	-	2017
Codelco Chile	Environmental monitoring	In Progess	896	Expenditure	Adm. Expense	470	-	2017

Entity	Proyect name	Disbursements 12/31/2017				12/31/2016	Future committed disbursements	
		Proyect Status	Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
Salvador			112,588			95,987	190,526	
Codelco Chile	Improved integration of the gas process	In Progess	76,785	Asset	P, P & E	54,904	172,416	2019
Codelco Chile	Concentrator filter plant construction	In Progess	10,994	Asset	P, P & E	10,746	-	2017
Codelco Chile	Building minor works	In Progess	543	Asset	P, P & E	-	-	2017
Codelco Chile	Water capture improvement	In Progess	807	Asset	P, P & E	-	222	2017
Codelco Chile	Tailings	In Progess	2,490	Expenditure	Adm. Expense	1,918	-	2017
Codelco Chile	Acid plants	In Progess	19,403	Expenditure	Adm. Expense	26,269	-	2017
Codelco Chile	Solid waste	In Progess	798	Expenditure	Adm. Expense	1,311	-	2017
Codelco Chile	Water treatment plant	In Progess	548	Expenditure	Adm. Expense	839	-	2017
Codelco Chile	Overhaul thickeners tailings sal-proy	In Progess	220	Asset	P, P & E	-	17,888	2019

Entity	Proyect name	Disbursements 12/31/2017				12/31/2016	Future committed disbursements	
		Proyect Status	Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
Andina			221,475			155,634	80,390	
Codelco Chile	Drain water treatment	In Progess	11,236	Asset	P, P & E	15,143	-	-
Codelco Chile	Water Normative Phase 2	In Progess	4,095	Asset	P, P & E	3,918	1,378	2018
Codelco Chile	Building evacuation and capturing towers, ovejería	Finished	-	Asset	P, P & E	280	-	2016
Codelco Chile	Construction site emergency plan	In Progess	22,127	Asset	P, P & E	-	12,558	2018
Codelco Chile	Construction site emergency plan	Finished	27,670	Asset	P, P & E		6,447	2018
Codelco Chile	Construction adduction Los Leones	Finished	-	Asset	P, P & E	66	-	-
Codelco Chile	Level 640 tranque	In Progess	-	Asset	P, P & E	36,644	-	2017
Codelco Chile	Improved water internal tip E2	In Progess	2,906	Asset	P, P & E	6,200	2,654	2018
Codelco Chile	Replacement Ovejeria line tailings	Finished	-	Asset	P, P & E	492	-	2016
Codelco Chile	Improvement of power supply	Finished	-	Asset	P, P & E	1,208	-	2016
Codelco Chile	Water rights and lands early acquisition	Finished	-	Asset	P, P & E	381	-	2016
Codelco Chile	Construction of emergency transport system works	In Progess	-	Asset	P, P & E	10,028	-	2018
Codelco Chile	Siphon river white	In Progess	-	Asset	P, P & E	4,049	-	-
Codelco Chile	Construction early alert plan	In Progess	303	Asset	P, P & E	1,529	-	2017
Codelco Chile	Implementation in RCA compliance wells (Hydraulic Barrier)	In Progess	868	Asset	P, P & E	-	3,408	2018
Codelco Chile	Catchment water drainage hill black	In Progess	329	Asset	P, P & E	-	3,163	2019
Codelco Chile	Construction canal outline DL east	In Progess	843	Asset	P, P & E	-	23,974	2020
Codelco Chile	Standard fuel supply system	In Progess	18	Asset	P, P & E	-	249	2018
Codelco Chile	Construction site emergency plan	In Progess	63	Asset	P, P & E	-	12,376	2019
Codelco Chile	Oo Sbr Level 640 Msnm Tranq	In Progess	63,195	Asset	P, P & E	-	14,185	2018
Codelco Chile	Construction site emergency plan	In Progess	8,908	Asset	P, P & E	-	-	2017
Codelco Chile	Solid waste	In Progess	2,034	Expenditure	Adm. Expense	2,183	-	2017
Codelco Chile	Water treatment plant	In Progess	3,109	Expenditure	Adm. Expense	2,866	-	2017
Codelco Chile	Trailing	In Progess	52,943	Expenditure	Adm. Expense	67,239	-	2017
Codelco Chile	Acid drainage	In Progess	18,342	Expenditure	Adm. Expense	3,408	-	2017
Codelco Chile	Environmental monitoring	In Progess	943	Expenditure	Adm. Expense	-	-	2017
Codelco Chile	Sustainability and external matters management	In Progess	1,543	Expenditure	Adm. Expense	-	-	2017
Subtotal			679,319			352,644	1,056,603	

Entity	Proyect name	Disbursements 12/31/2017				12/31/2016	Future committed disbursements	
		Proyect Status	Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
El Teniente			254,302			221,292	595,332	
Codelco Chile	Construction of 7th phase of Carén	In Progess	2,436	Asset	P, P & E	2,707	256,684	2022
Codelco Chile	Construction of 6th phase of Carén	Finished	7,550	Asset	P, P & E	28,213	-	2017
Codelco Chile	Acquisition flow meters	Finished	-	Asset	P, P & E	-	-	2016
Codelco Chile	Reinforcement structure sector critics and others	Finished	-	Asset	P, P & E	-	-	2016
Codelco Chile	Scale and bridges replacement	Finished	-	Asset	P, P & E	122	-	-
Codelco Chile	Coya module acquisition	Finished	-	Asset	P, P & E	309	-	-
Codelco Chile	Construction of slag treatment plant	In Progess	42,919	Asset	P, P & E	6,092	197,323	2019
Codelco Chile	Construction of slag treatment plant	In Progess	23,214	Asset	P, P & E	6,092	17,378	2018
Codelco Chile	Smelting emissions network	In Progess	60,058	Asset	P, P & E	41,880	72,825	2019
Codelco Chile	Installation of Powder control	In Progess	2,744	Asset	P, P & E	-	5,574	2018
Codelco Chile	Installation of Powder control	In Progess	6,693	Asset	P, P & E		42,151	2019
Codelco Chile	Construction of slag treatment plant	In Progess	455	Asset	P, P & E	6,092	3,397	2018
Codelco Chile	Acid plants	In Progess	54,256	Expenditure	Adm. Expense	61,240	-	2017
Codelco Chile	Solid waste	In Progess	4,320	Expenditure	Adm. Expense	4,079	-	2017
Codelco Chile	Water treatment plant	In Progess	11,353	Expenditure	Adm. Expense	12,886	-	2017
Codelco Chile	Tailings	In Progess	38,304	Expenditure	Adm. Expense	51,580	-	2017
Gabriela Mistral			8,524			11,237	5,753	
Codelco Chile	Installation of gravel dump phase VI	In Progess	6,446	Asset	P, P & E	-	-	2017
Codelco Chile	Installation of gravel dump phase VII	In Progess	262	Asset	P, P & E	-	-	2017
Codelco Chile	Installation of modular pool cover	Finished	-	Asset	P, P & E	691	-	-
Codelco Chile	Improved automatic disconnection system	Finished	12	Asset	P, P & E	-	-	-
Codelco Chile	Replacement three tracked tractors	In Progess	154	Asset	P, P & E	-	5,753	2018
Codelco Chile	Installationof gravel dump	Finished	-	Asset	P, P & E	7,682	-	-
Codelco Chile	Environmental monitoring	In Progess	65	Expenditure	Adm. Expense	1,668	-	2016
Codelco Chile	Solid waste	In Progess	1,546	Expenditure	Adm. Expense	51	-	2016
Codelco Chile	Water treatment plant	In Progess	1	Expenditure	Adm. Expense	1,145	-	-
Codelco Chile	Environmental consultancy	In Progess	38	Expenditure	Adm. Expense	-	-	2017

Entity	Proyect name	Disbursements 12/31/2017				12/31/2016	Future committed disbursements	
		Proyect Status	Amount ThUS$	Asset/ Expense	Asset / Expenditure Item	Amount ThUS$	Amount ThUS$	Estimated date
Ventanas			43,035			65,497	2,032	
Codelco Chile	Capturing of second gases	In Progess	723	Asset	P, P & E	15,034	-	2017
Codelco Chile	Capturing of racking gases	Finished	-	Asset	P, P & E	2,044	-	2016
Codelco Chile	Treatment of gases in line	Finished	-	Asset	P, P & E	1,828	-	2016
Codelco Chile	Eliminating visible smokes	In Progess	3,634	Asset	P, P & E	10,170	-	2017
Codelco Chile	Fugitive gas treatment	In Progess	3,432	Asset	P, P & E	10,063	-	2017
Codelco Chile	Treatment of secundary gases	Finished	-	Asset	P, P & E	14	-	2016
Codelco Chile	Reparation of exchanger	In Progess	-	Asset	P, P & E	30	-	2017
Codelco Chile	Second gas collection CT	In Progess	3,589	Asset	P, P & E	-	-	2017
Codelco Chile	Fugitive gas treatment CT	In Progess	2,270	Asset	P, P & E	-	-	2017
Codelco Chile	Construction new warehouse of concentrate	In Progess	518	Asset	P, P & E	-	2,032	2018
Codelco Chile	Acid plants	In Progess	21,435	Expenditure	Adm. Expense	18,030	-	2017
Codelco Chile	Solid waste	In Progess	2,645	Expenditure	Adm. Expense	1,643	-	2017
Codelco Chile	Environmental monitoring	In Progess	2,435	Expenditure	Adm. Expense	1,529	-	2017
Codelco Chile	Water treatment plant	In Progess	2,354	Expenditure	Adm. Expense	5,112	-	2017
Radomiro Tomic			2,216			3,014	-	
Codelco Chile	Application of monitoring system	In Progess	209	Asset	P, P & E	127	-	2017
Codelco Chile	Solid waste	In Progess	845	Expenditure	Adm. Expense	1,199	-	2017
Codelco Chile	Environmental monitoring	In Progess	340	Expenditure	Adm. Expense	764	-	2017
Codelco Chile	Water treatment plant	In Progess	822	Expenditure	Adm. Expense	924	-	2017
Ministro Hales			2,256			15,669	-	
Codelco Chile	Improving accessibility and integration villas	Finished	-	Asset	P, P & E	12,496	-	2017
Codelco Chile	Solid waste	In Progess	1,377	Expenditure	Adm. Expense	1,726	-	2017
Codelco Chile	Environmental monitoring	In Progess	592	Expenditure	Adm. Expense	669	-	2017
Codelco Chile	Water treatment plant	In Progess	287	Expenditure	Adm. Expense	778	-	2017
Ecometales Limited			731			217	-	
Ecometales Limited	Smelting plant of foundry dust	In Progess	731	Expenditure	Adm. Expense	217	-	2017
Subtotal			311,064			316,926	603,117	
Total			990,383			669,570	1,659,720	

36. Subsequent events

On January 19, 2018, Codelco Chile through a subsidiary Codelco Kupferhandel GmbH (CK) signed a share sale agreement with Aurubis AG, with respect to the shareholding held by CK in the company Deutsche Giessdraht GmbH. The execution of this agreement is subject to the authorization of the German antitrust authority.

On February 28, 2018, it was reported as essential fact, the retirement of the Corporation of Mr. Rodrigo Toro, Vice President of Marketing and Mr. Juan Carlos Avendaño, General Manager Salvador Division. As of April 1, 2018, Mr. Roberto Ecclefield Escobar, current Copper Sales Manager, will assume the position of Vice President of Marketing, while Mr. Christian Toutin Navarro, current Operations Manager of the Chuquicamata Division, will assume the position of General Manager of the Salvador Division. as of March 1 of this year.

On March 9, 2018, the subsidiary Salar de Maricunga SpA signed a special lithium operation contract with the Ministry of Mining (CEOL). Which, at the closing date of the financial statements, is processed by the General Comptroller of the Republic. The aforementioned CEOL will allow exploring, exploiting and benefiting mining properties constituted as of 1979, which by law has no right to take advantage of lithium.

The Corporation management of the is not aware of other significant events of a financial kind or of any other kind that could affect these states, which occurred between January 1, 2018 and the date of issuance of these consolidated financial statements. March 29, 2018.

Nelson Pizarro Contador
Chief Executive Officer

Alejandro Rivera Stambuk
Chief Financial Officer

Gonzalo Zamorano Martinez
Accounting and Finance Control Manager

Javier Tapia Avila
Accountant Director

RATIO ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

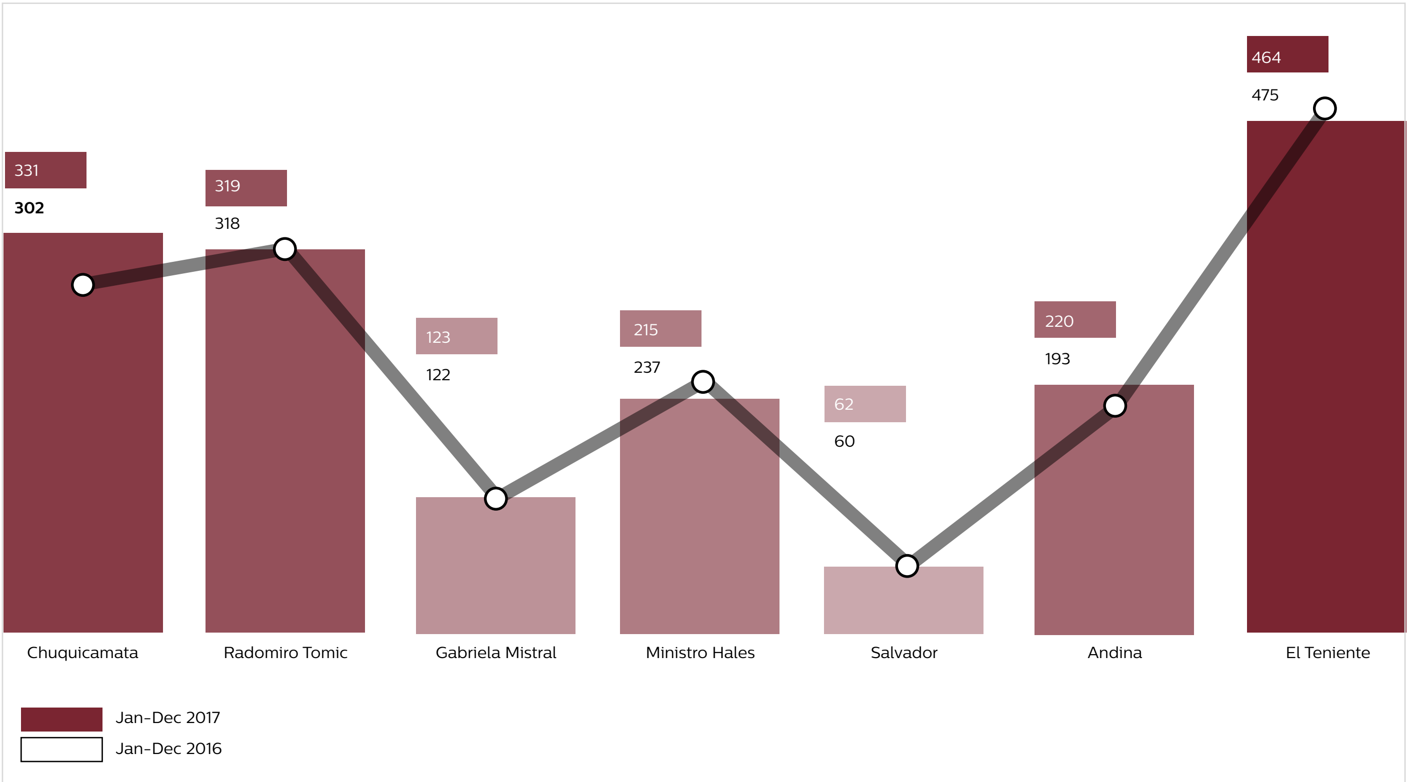
As of December 31, 2017

The purpose of this document is to provide the analysis of the Consolidated Financial Statements of Corporación Nacional del Cobre de Chile (Codelco) for the year 2017 and its comparison to the year 2016.

This report is to be understood as a supplement to the consolidated financial statements and its explanatory notes and should be read together with such information to obtain a more comprehensive conclusion on the topics recorded therein.

I. ANALYSIS OF RESULTS OF OPERATIONS

1. Production.



Graphic 1: Plant Production of FMT.

As of December 31, 2017, the total production of fine copper of Codelco Chile, from its operating Divisions, which represents 79% of total revenues, amounted to ThFMT 1,734, which reflects an increase in production of 1.5% compared to the production generated in 2016.

At divisional level, the positive variance is recorded in the Chuquicamata Division (-9.6%), Andina Division (14%), Salvador Division (3.3%), Gabriela Mistral Division (1%) and Radomiro Tomic Division (0.3%) the aggregate incremental contribution of which (ThFMT 60) exceeds the decreases in production generated in El Teniente Division (-2%) and Ministro Hales Division (-9%), which represented ThFMT 33 of lower production.

A significant factor for such aggregate production behavior is attributed to a significant management effort and ongoing management actions and/or improvements in productivity of the resources used, where the Corporation looks for offsetting adverse factors presented in mining operations; such as the decline in ore grades, higher rock hardness, greater depth of deposits, among others, which is in particular present in divisions with older deposits.

2. Physical sales volume

Sales, expressed in fine metric tons of own and third party copper and molybdenum are detailed as follows:

Deliveries	12-31-2017	12-31-2016	Variance	Variance %
	FMT	FMT	FMT	
Own copper	1,704,662	1,748,634	(43,972)	-2.5%
Own copper, third party minerals	141,790	111,831	29,959	26.8%
Sales of own copper, own and third party minerals	1,846,452	1,860,465	(14,013)	-0.8%
Copper acquired from third parties	304,026	401,966	(97,940)	-24.4%
Total own and third party copper sales	2,150,478	2,262,431	(111,953)	-4.9%
Own molybdenum	28,918	29,823	(905)	-3.0%

Table 2: Total Physical Sales of Copper and Molybdenum.

As of December 31, 2017, total physical sales of own copper (ThFMT 1,846.5) processed in Codelco's plants mainly from own minerals (92.3%) and to a lower proportion from third party minerals (7.7%), decreased by 0.8% compared to 2016. With respect to this, total deliveries of own copper produced using Codelco's own mineral resources reflected a decrease of 2.5% (ThFMT -44), whereas own physical copper sales with minerals from third parties increased by 26.8%

Adding to this figure copper acquired from third parties, the total physical sales volume amounts to ThFMT 2,150.5, which compared to the prior year represents a decrease of 4.9% compared to 2016 (ThFMT -112).

In addition, during 2017, the delivery volume of molybdenum decreased by 3.0% (ThFMT -0.9).

3. Profit for the period (expressed in millions of U.S. dollars, MUS$)

The table below shows the behavior of the statement of income for the years between January and December 31, 2017 and 2016.

Concept	12-31-2017	12-31-2016	Variance
	MUS$	MUS$	(%)
Revenue from sales of own copper	11,636	8,774	33%
Revenue from sales of third party copper	2,006	1,753	14%
Revenue from sales of molybdenum	502	419	20%
Revenue from sales of other products and services	498	584	-15%
Results from future market	(1)	5	-120%
Total Revenue	14,641	11,536	27%
Cost of own copper sold	(7,793)	(7,140)	9%
Cost of third party copper sold	(2,000)	(1,766)	13%
Cost of molybdenum sold	(189)	(185)	2%
Cost of other products and services sold	(398)	(358)	11%
Total Cost of Sales	(10,380)	(9,449)	10%
Gross Profit	4,261	2,087	104%
Other income and other expenses per function (without Law No. 13.196)	(304)	(320)	-5%
Law No. 13.196	(1,099)	(866)	27%
Distribution expenses	(10)	(12)	-17%
Administrative expenses	(428)	(415)	3%
Other gains (losses)	33	29	14%
Gains (losses) from operating activities	2,452	503	388%
Finance income	30	23	30%
Finance costs	(645)	(547)	18%
Share of profit of associates and joint ventures accounted for using the equity method of accounting	185	(177)	205%
Foreign currency translation differences	(206)	(233)	-12%
Profit (loss) before taxes	1,817	(431)	521%
Income tax (benefit) expense	(1,193)	97	1330%
Consolidated profit (loss)	624	(334)	287%
Profit (loss) attributable to non-controlling interests	54	(58)	193%
Codelco net profit (loss)	569	(275)	307%
Profit (loss) before income taxes and Law No. 13.196 attributable to Codelco Chile (Surplus)	2,885	500	477%
Profit (loss) before income tax and Law No. 13.196, Consolidated (Surplus)	2,915	435	570%
EBIT (Earnings Before Interests and Taxes)	2,462	116	2022%
EBITDAL (Earnings Before Interests, Taxes, Depreciation, Amortization and Law No. 13.196)	5,661	2,918	94%
EBITDA Margin	39%	25%	

Table 3: Consolidated profit or loss as of December 31, 2017 and 2016.

As of December 3, 2017, profit before taxes and Law No. 13.196 (Surplus) attributable to Codelco Chile, generated profit of MUS$ 2,885, which is greater than the Surplus attributable to Codelco Chile recognized in 2016 (variance: +MUS$ 2,385).

The main aspect explaining such increase in surplus generated is the effect on profit or loss from greater operating income, generated by the positive influence of copper price and by products (molybdenum).

Additionally, the positive variance is reflected by the result obtained in investments in subsidiaries and affiliates, which exceed the increase recognized in finance costs and other expenses.

Gross Profit amounted to MUS$ 4,261, which is higher by MUS$ 2,174 compared to 2016. Such positive variance is mainly explained – as indicated above – by revenue from sales obtained, the effect of which relate to the higher price of copper1 and by-products (mainly molybdenum) recorded in 2017.

In addition, the variance in production costs for the 2017 and 2016 is noted in the following table:

Cost Category (US¢/lb)	Jan - Dec 2017	Jan - Dec 2016	Var (%)
Total costs	227.2	214.6	5.9%
Net cost to cathode (C3)	218.1	204.1	6.9%
Direct cash cost (C1)	135.9	126.1	7.8%

Table 4: Production costs as of December 31, 2017 and 2016

At cash cost (C1) level, the main indicator for the industry, an increase of 7.8% is reflected, which is mainly explained by the higher price of inputs, the lower value of the exchange rate, at total cost level and net cost to cathode level there was an increase of 5.9% and 6.5%, respectively compared to the prior year.

4. Other income and expenses per function

As of December 31, 2017, Other income and expenses per function (which also add the reserved law) amount to net expense of MUS$ 1,403, which was higher by 18% (variance of +MUS$ 217) compared to 2016.

Such increase is mainly explained by the increase in accrued expense associated with tax under Law No.13.196, which imposes a rate of 10% on the return from exports of own copper and by-products. As of December 31, 2017 and 2016, the expense for such concept amounted to MUS$ 1,099 and MUS$ 866, respectively (Variance: +MUS$ 233).

In addition, other income and expenses (net effect) decreased by 5% compared to 2016 (decrease in expenses of MUS$ 16).

5. Surplus – profit (loss) before taxes and net profit (loss)

As of December 31, 2017, profit before income taxes and income under Law No.13.196 (Surplus) attributable to Codelco-Chile was MUS$ 2,885, which is higher than the surplus generated in 2016 (MUS$ 500).

The positive variance in comparing both results is mainly explained by the greater result in revenue and operating costs and the share of profit from investments maintained.

In addition, the profit before income taxes and specific tax on mining activities (royalty) amounted to MUS$ 1,817; whereas the profit for the year attributable to Codelco-Chile amounted to MUS$569. During the year ended December 31, 2017, a positive result was recognized because of the non-controlling interests of MUS$ 54.

**[1] Average copper price in the LME for Jan-Dec 2017 and Jan-Dec 2016: US$₵ /lb 279.7 and US$₵/lb 220.6, respectively (variance: 27%).
Average molybdenum Price for Jan-Dec 2017: US$/Kg. 18.1 and for Jan-Dec 2016: US$/Kg. 14.3 (Variance: 26.3%).**

The return on assets and equity for the year ended December 31, 2017 without considering the tax burden, Law No.v13196, interest, depreciation and amortization increased to 15.57% and 54.35%, respectively.

II. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Caption	12-31-2017	12-31-2016	Variance
	MUS$	MUS$	%
Current assets	6,211	4,690	32.4%
Non-current assets	30,145	28,731	4.9%
Total Assets	36,356	33,421	8.8%
Current liabilities	3,316	2,462	34.7%
Non-current liabilities	22,115	21,069	5.0%
Total Liabilities	25,431	23,531	8.1%
Equity	10,925	9,890	10.5%
Total Liabilities and Equity	36,356	33,421	8.8%

Table 5: Consolidated statement of financial position as of December 31, 2017 and 2016.

From total assets as of December 31, 2017, items of current assets represent 17% and the remaining percentage relates to non-current assets where property, plant and equipment has the highest percentage (84%).

From total liabilities and equity as of December 31, 2017, current liabilities represent 9%. Non-current liabilities and equity represent 61% and 30%, respectively.

1. Assets

As of December 31, 2017, current assets amounted to MUS$ 6,211, mainly composed of Inventories, current of MUS$ 1,830 (29%), Trade and other receivables of MUS$ 2,815 (45%), Cash and cash equivalents of MUS$ 1,449 (23%), and the difference is composed of other current asset accounts.

Inventories, current recorded a net increase of MUS$ 30, resulting from the greater volume recorded in the inventories of products in process, mainly own copper minerals, which is partially offset by decreases in materials in warehouse. The negative variance of MUS$ 27 is added from the inventories from the affiliates.

As of December 31, 2017, inventories, current are detailed as follows:

Inventory	December 2017 MUS$	December 2016 MUS$	Variance D17/D16 MUS$
Finished products	324	323	1
Products in process	1,096	1,004	92
Warehouse	370	406	(36)
Total Inventories - Codelco	1,790	1,733	57
Consolidation of subsidiaries	40	67	(27)
Total Inventories	1,830	1,800	30

Table 6: Inventories as of December 31, 2017 and 2016.

The table below presents items of Property, plant and equipment as of December 31, 2017:

Property, plant and equipment	12-31-2017 MUS$	12-31-2016 MUS$	Var. D17/D16
Construction in progress, gross	7,005	6,266	12%
Land, gross	175	151	16%
Buildings, gross	5,375	5,141	5%
Plant and equipment, gross	15,151	14,296	6%
Facilities and fixtures, gross	59	51	16%
Motor vehicles, gross	2,019	1,978	2%
Land improvements, gross	5,296	4,915	8%
Mining operations, gross	6,785	5,824	17%
Mine development, gross	4,184	3,980	5%
Other assets, gross	1,347	1,368	-2%
Total property, plant and equipment, gross	47,396	43,970	8%
Total accumulated depreciation	22,120	19,993	11%
NET VALUE	25,276	23,977	5%

Table 7: Property, plant and equipment as of December 31, 2017 and 2016.

In net terms, there was an increase of MUS$ 1,299 in the caption property, plant and equipment representing an increase of 5% (increase in such assets of MUS$ 3,426 less accumulated depreciation of MUS$ 2,127) compared to the prior year. Such variance in property, plant and equipment relates to the performance of Codelco's investment program, highlighting expenses involved in its structural projects aiming at maintaining and/or replenishing or increasing production capacities of the operating divisions (mainly reflected in the Chuquicamata, Andina and El Teniente Divisions).

2. Liabilities

As of December 31, 2017, current liabilities amounted to MUS$ 3,316 (MUS$ 2,462 as of December 31, 2016) and is composed of other current financial liabilities of MUS$ 324 (10%), trade and other payables of MUS$ 1,916 (58%), current provisions for employee benefits of MUS$ 517 (10%), other current provisions of MUS$ 325 (10%), trade payables due to related parties of MUS$ 124 (4%) plus other miscellaneous liabilities.

As of December 31, 2017, non-current liabilities amounted to MUS$ 22,115 (MUS$ 21,069 as of December 31, 2016), mainly composed of other non-current financial liabilities of MUS$ 14,648 (66%), deferred tax liabilities of MUS$ 4,314 (20%), other long-term provisions of MUS$ 1,712 (8%), non-current provisions for employee benefits of MUS$ 1,393 (6%), plus other non-current liabilities.

Other current and non-current financial liabilities within liabilities include financial obligations with banks, financial institutions and bonds payable issued mainly in the international market and, to a lower extent, in the local market.

Movements in obligations with banks and financial institutions for the period between January 1 and December 31, 2017 mainly relate to the increases in bank borrowings, payments and accruals of financial interest, foreign currency translation difference and others.

Movements in bank borrowings	Current	Non-current
	MUS$	
Initial balance of bank borrowings	166	2,988
Increases	-	316
Postponement of borrowings	-	300
Refinancing	-	(300)
Repayment of borrowings	(746)	(300)
Transfer to the current portion	700	(700)
Foreign currency translation difference, accrual of interest and other	11	26
Total movements	(35)	(658)
Closing balance of bank borrowings	131	2,330

Table 8: Movements in Bank borrowings as of December 31, 2017

3. Equity

As of December 31, 2017, equity amounted to MUS$ 10,925 (MUS$ 9,890 as of December 31, 2016), which represents an increase of 10.5%, equivalent to a positive variance of MUS$ 1,035.

Such positive variance is mainly explained by the extraordinary capital contributions received in 2017; of MUS$ 475 received on April 13, 2017, through Decree No. 322 authorizing an extraordinary capital contribution in conformity with Article 2 of Law No. 20.989 and MUS$ 520 received on December 22, 2017, through Exempt Decree issued by the Ministry of Finance No. 1.698 in accordance with article 1 of Law No. 20.790.

In addition, profit attributable to Codelco Chile during 2017 amounted to MUS$ 569, where a provision for dividends payable of MUS$ 296 has been made. Dividends paid during 2017 amounted to MUS$ 273.

Finally, profit attributable to non-controlling interests of MUS$ 54 and the negative effect of other comprehensive income and other movements recognized during the year are added with a net effect of MUS$ 14.

III. FINANCIAL RATIOS

Liquidity	12-31-2017	12-31-2016	Variance (%)
Current liquidity: Current assets / current liabilities	1.87	1.90	-2%
Acid test: (Current assets-inventories-prepayments)/current liabilities	1.31	1.16	12.9%
Indebtedness	**12-31-2017**	**12-31-2016**	**Variance (%)**
Indebtedness ratio: Total liabilities/equity (times)	2.33	2.38	-2.1%
Short-term to total debt: Current liabilities/total liabilities	0.13	0.10	30.0%
Long-term to total debt: Non-current liabilities/total liabilities	0.87	0.90	-3.3%
Hedges and profitability ratios	**12-31-2017**	**12-31-2016**	**Variance (%)**
Profit before taxes and interest / finance cost (times)	3.82	0.21	-1719%
Annualized return on assets before taxes %	5.0%	-1.3%	488%
Annualized return on equity before taxes %	17.5%	-4.4%	498%
Annualized return on operating assets before taxes %	7.1%	-1.8%	484%
Activity ratios	**12-31-2017**	**12-31-2016**	**Variance (%)**
Accounts receivable turnover (times)	7.68	7.16	7.3%
Collection recovery (based on 360 days)	47	50	-6.8%
Inventory turnover (times)	5.41	4.09	32.5%
Inventory permanence (based on 360 days)	66	88	-24.5%
Assets	**12-31-2017**	**12-31-2016**	**Variance (%)**
Total assets (millions of US$)	36,356	33,421	8.8%

Table 9: Financial Ratios

As of December 31, 2017, the current liquidity ratio was 1.87 times, whereas for 2016 it was 1.9 times, maintaining its payment capacity stable for both years. The decrease with respect to the prior year (-2%) is explained mainly because of the increase in obligations with third parties maturing at short-term, which showed a variance at a greater proportional amount (variance: +34.7%) than current assets (+32.4%).

As of December 31, 2017, Codelco Chile's total indebtedness amounted to MUS$ 25,431 (MUS$ 23,531 as of December 31, 2016), which generates an increase of MUS$ 1,900 in such ratio.

Such positive variance is recorded because of an increase in other trade payables, obligations with third parties and new financial liabilities assumed (note the placement of bonds of MUS$ 2,750 under this item), offset by repayments of financial debt made (paid).

The decrease in the percentage of indebtedness ratio (variance: -2.1%), is mainly explained by the positive variance recorded in equity (+10.5% / MUS$ 1,035) in an effect related to the extraordinary capital contributions received and the profit obtained in 2017.

IV. STATEMENT OF CASH FLOWS

As of December 31, 2017, net cash flows from operating activities presented a positive movement of MUS$ 4,720, which is higher by MUS$ 2,817 compared to 2016.

In terms of revenues, such positive variance is presented because of the collection of sales revenue obtained by Codelco, in an effect generated by a higher price of copper and molybdenum; and because of the dividends received in 2017 from associates, which exceed the increase recorded for the concept of payments to suppliers and contractors and income taxes and sales taxes.

Cash flows from operating activities highlight the following items:

Concept	12-31-2017 MUS$	12-31-2016 MUS$
Cash receipts from sales of goods and rendering of services	14,522	11,255
Other cash receipts from operating activities	1,657	1,637
Cash payments to suppliers for the supply of goods and services	(7,822)	(7,364)
Finance hedges and sales	(5)	29
Dividends received	232	78
Cash payments for Law No. 13.196	(1,062)	(917)
Income taxes paid	(31)	(25)
Other cash payments for operating activities	(2,771)	(2,790)
Total cash flows generated from operating activities	4,720	1,903

Table 10: Cash flows from operating activities as of December 31, 2017 and 2016

In addition, as of December 31, 2017 cash flows from financing activities had a negative balance of MUS$ 421, reflecting negative variance of MUS$ 349 compared to the prior year.

Such variance is mainly composed of two effects: 1) a negative variance because of payments made during the year for the concept of bank borrowings and interest and bonds, finance leases and other (MUS$ 2,737) and dividends paid (MUS$ 273); which exceeds: 2) the positive variance for proceeds received for the concept of borrowings and bonds (note the issuance of bonds of MUS$ 2,750 performed in July 2017 at 10 and 30 years) and the extraordinary capital contributions totaling MUS$995 received in 2017 (in 2016, proceeds from borrowings and bonds amounted to MUS$ 884 and the extraordinary capital contribution received amounted to MUS$ 500).

As part of the cash flows from financing activities, we may highlight the following items:

Concept	12-31-2017 MUS$	12-31-2016 MUS$
Proceeds from capital contributions	995	500
Payments for other interests in equity	0	1
Total proceeds from bank borrowings	3,050	884
Repayment of bank borrowings	(3,375)	(852)
Payment of liabilities under finance lease arrangements	(26)	(17)
Interest paid	(582)	(588)
Other cash inflows (outflows)	(210)	0
Dividends paid	(273)	0
Total cash flows (used in) from financing activities	(421)	(72)

Table 11: Cash flows from financing activities as of December 31, 2017 and 2016

Finally, investing activities generated a net negative cash flow of MUS$ 3,446 as of December 31, 2017, which represents a net increase of MUS$ 450 compared to December 31, 2016 (negative cash flows of MUS$ 2,996).

Considering cash flows indicated above and the effect on the variance in the exchange rate on cash and cash equivalents (positive cash flows of MUS$ 19 and negative cash flows of MUS$ 6 as of December 31, 2017 and 2016, respectively) and the initial cash balances (MUS$ 577 and MUS$ 1,748 as of December 31, 2016 and 2015, respectively), Codelco Chile obtained a closing balance of cash and cash equivalents of MUS$ 1,449, which is higher than the balance of MUS$ 577 determined at end of 2016.

V. MAIN DIFFERENCES BETWEEN THE CARRYING AMOUNT AND THE MARKET OR ECONOMIC VALUE OF CODELCO CHILE'S ASSETS

Codelco Chile's deposits are recorded in the accounting records in conformity with the industry's customary policies at a nominal value of US$1 each, which naturally implies a significant difference in their carrying amount compared to the actual economic value of these deposits.
This generates the effect that equity for accounting purposes and assets are a subgroup of Codelco's economic value.

The exception from the above-mentioned concept is the valuation of Codelco's interest in Anglo American Sur S.A., which is regulated by the fair value concept in accordance with IFRS as it is an acquisition regulated by market parameters.

VI. INFORMATION ON MARKET AND COMPETITION

Codelco Chile is the World's biggest producer of mine copper. Its main commercial product is grade A copper cathode, copper concentrates and copper blister among other products and by-products.

During 2017, its production totaled ThFMT 1,842 (including the share of production in El Abra and Anglo American Sur), a record figure which represents 9% of the World's production and a 33% of the domestic production. In addition, Codelco has 6% of the World's copper reserves, contained in world-class deposits and with a share of 9% is the second biggest producer of molybdenum.

Codelco has seven mining divisions: Radomiro Tomic, Chuquicamata, Gabriela Mistral, Ministro Hales, Salvador, Andina and El Teniente. The Ventanas Division, with Smelter and Refinery facilities, is added to these divisions.

In addition, Codelco has interest of 49% in Sociedad Contractual Minera El Abra and since 2012 is the owner of 20% of Anglo America Sur S.A.

In addition, Codelco also has interest in different companies focused on exploration and technology research and development both in Chile and abroad. In international exploration operations, Codelco's activities are focused on Ecuador and Brazil.

As of December 2017, Codelco had consolidated assets of US$ 36.4 million and consolidated equity of US$ 10.9 billion, both figures at carrying amount.

Since the nationalization of copper in 1971 up to 2017, Codelco's deposits and operations have generated surpluses of US$ 110 billion, expressed in currency of 2017. Thanks to the high prices of copper, over 60% of this amount was generated during the period between 2004 and 2017. During the last fourteen years, Codelco's contributions to the Chilean Treasury have represented 9% of the Main Government revenue, its exports represented 18% of Chilean exports and its investments represented in the order of 5% of total investment performed in Chile.

During 2017, the surplus attributable to Codelco Chile recorded US$ 2,885 million, which is equivalent to six times the amount of surplus attributable to Codelco Chile recorded in 2016. Such significant increase is mainly explained by the behavior of copper price which, with an average of 279.7 c/lb, grew 27% compared to the prior year.

Causes explaining the increase in copper price include the dynamism, above that expected, in the consumption of refined copper in China, the weakening in U.S. dollar value at international level, expectations for a global economic recovery, which would be consolidating and adjustments in production because of postponed projects and operating interruptions.

In term of costs, at cash cost C1 level, as of December 31, 207, Codelco showed an average of 135.9 c/lb, with an increase of 7.8% compared to the same period of prior year. Such increase is mainly explained by the higher price of inputs, lower exchange rate and lower copper and molybdenum production volumes.

With respect to production, this increased by 1% despite the decreases in production at El Abra and Anglo American Sur (-10%).

In addition to the generation of cash surpluses, Codelco contributes to the development of Chile through multiple production clusters. Codelco permanently uses goods and services in its operations, projects and investments. For such purposes, Codelco performs acquisition and contracting processes and establishes collaborating relationships mainly with domestic supply contractor companies. As a reference, during 2017, Codelco's consumption of goods and services amounted to US$ 7,468 million.

Looking at the long-term, market foundations continue to be attractive. The expected growth in China, India and other emerging economies, which are at development stages, with more intense use of copper, and the emergence of new uses and applications of copper; e.g., electric cars, support the future growth in consumption. For the supply side, the aging and declining richness of the current deposits, the new environmental requirements and requirements for the relations with the communities, the greater capitalized expenditure and complexities of new projects, the absence of relevant tech breaks, and greater geopolitical risks of the new mining districts set up a challenging outlook for producers.

Considering such outlook and its own challenges, Codelco has defined seven strategic keys for its future:

- Financial strength through price cycles.
- Control of operating costs with a focus on operating excellence and production increases in all units.
- Robust mining plans with a district look on business.
- Optimized investment program to reduce risk and maximize the capture of value of the resource basis.
- Strong commitment with research & development with a focus on resolving production challenges.
- Attracting, developing and retaining talent.
- Long-term program for Codelco to become a benchmark on sustainable copper production.

A review of the most significant developments and milestones in Codelco's recent management are included below.

For Safety and occupational health during the period from January through December 2017, Codelco regrets two fatalities. Together with a profound regret for such tragic events, Codelco reiterated its commitment for securing and detecting the basic causes for potential accidents on a timely basis, correcting the designs and making the improvements necessary in a constant effort for privileging safety above all, within the framework of installing a preventive and self-care culture.

In the Environment, Codelco has persevered in its work towards the reduction of environmental vulnerabilities, as well as contributing to the development of communities and territories where its operations are located. During 2017, the investment in sustainability initiatives amounted to US$ 782 million. Compliance with capturing standards for smelter emissions established by Decree No. 28 is among the challenges faced by Codelco in environmental matters. Codelco will invest approximately US$ 2,000 million to comply with the new regulation in 2018. During 2017, Codelco recorded no serious or very serious environmental incidents.

With respect to cost control and increase in productivity, Codelco has established a Strategic Agenda which contemplates the following challenging goals:

- Increasing productivity by 18% at the end of 2018 and by 20% at 2020.
- Decreasing direct cash cost C1.
- Generating savings of US$ 2,000 million by 2020.

The 2020 Strategic Agenda for Productivity and Costs considers 8 topics around which a number of initiatives have been defined in all Divisions and the Head Office.

With respect to people management and talent development, a highlight refers to the increase in feminine involvement within the headcount, achieving 9.5% as at December 2017, a figure that is greater than the average in the domestic industry (8.4% as at December 2017). In March 2017, Codelco lunched its Gender Diversity Policy, establishing among other goals, achieving 11% of feminine involvement in the total headcount as at 2025. In August 2017, the Ministro Hales Division obtained certification in Chilean Standard 3262 on Gender Equity and Personal, Family and Labor Life Reconciliation, adding to the Head Office, the Ventanas and Gabriela Mistral Divisions, which had already obtained their certification in prior years. In addition, in December 2017, the Woman's National Service and Gender Equity awarded the Ministro Hales, Ventanas Divisions and the Head Office with the Equity – Reconciliation Seal recognizing their efforts for developing good labor practices with a gender approach. The Gabriela Mistral Division had already received such Seal award in 2016.

Another aspect that should be highlighted is that for the third year in a row, Codelco led the Corporate Monitor ranking on Corporate Reputation, Merco, which recognizes the most attractive companies to work for in Chile, considering such factors as labor quality, employer brand and talent retention.

In terms of innovation and technology, Codelco has defined three lines of action:

- Digital Transformation: focused on automation, remote operation and data analysis to achieve production and security improvements.
- Incremental innovation: focused on maintaining the Divisions in the state of the art with respect to technology, incorporating improvements on an ongoing basis.
- Disruptive Innovation: devoted to resolve strategic issues at medium and long-term.

  Hundreds of projects are in progress with respect to such lines.

  With respect to corporate governance, Codelco has implemented a number of actions to perfect such aspect while making progress to greater transparency and integrity in Codelco's management. In June 2017, Codelco was recognized as the number one Government company in transparency and accountability by the Natural Resource Governance Institute, an international, independent, not for profit body based in London. In August 2017, Codelco received for the first time the "Ethical Boardroom Corporate Governance Award" granted to companies leading the duty of rising the corporate governance and transparency standards in different world zones. In November, thanks to the importance assigned to the timely and clear delivery of information to the company, Codelco was ranked the ninth in the Merco Companies ranking, also leading for the seventh year the ranking for the mining sector.

Codelco looking for improving the profitability of its mining base is currently developing an optimized investment program highlighting the Structural Projects. Through the present date, the Chuquicamata Underground Mine, Andina Transfer and New Mine Level at El Teniente projects are currently under construction. To such projects, the Andina Future Development under review for the feasibility study, Rajo Inca (Inca Open Pit) for which the feasibility study has been authorized and the Northern District Desalination Plant are added where the incorporation of the subsidiary Aguas del Desierto SpA was approved and the tender process is still in process.

The materialization of this group of projects requires large investments. In 2017, Codelco invested US$3,146 million, including projects, deferred expenses and contributions to companies

The financing of the investments which ensure Codelco's leadership in the industry has been achieved thanks to the support provided by the Chilean Government and its credit rating. In April and June, Codelco refinanced two bilateral loans for US$ 300 million each, extending the maturity from 2018 through 2022. In July, bonds were issued for US$ 2,750 million, at 10 and 30 years becoming the highest corporate Chilean issuance in history. Simultaneously to the issuance, bonds maturing between 2019 and 2025 were refinanced for a total of US$ 2,367 million. Such transaction allowed decreasing the financial burden in periods of high need for investment funds, structuring consistent debt maturity profile with the structural projects coming into force and leveraging from attractive market rates. Finally, in September and December, two bilateral bank borrowings with maturities foreseen for 2018 were prepaid also contributing to decompress the short-term debt maturity profile. The total prepayment amounted to US$ 600 million.

In January 2017, Law No. 20.989 was enacted, which authorizes transferring resources from the application of the Reserved Copper Act to the Chilean Treasury, allowing extraordinary capitalization by Codelco for up to an additional sum of US$ 950 million in the 2016 – 2017 period, subject to the annual transfers for the concept of the reserved copper act being higher than the surplus generated during the same period. In April, US$ 475 million of capitalization was received for this concept.

Within the framework of the Codelco multiple-year capitalization law (Law No. 20.790), in December Codelco received US$ 520 million as capital injection supplementing a total of US$ 1,620 million of contributions for such concept from 2014

Capitalization received contribute to the objective of providing sustainable financing for the investment portfolio.

Finally and looking to make progress towards a new paradigm, which places in the center of its business the social and environmental aspects, generating shared value for the community, the citizenship, the environment and Codelco, at the end of December 2016 Codelco launched its Sustainability Master Plan, which contains efforts and initiatives with respect to occupational safety & health, environment.

Communities and territories, business results, corporate governance, people development and innovation. The main purpose of this plan is to develop and impose in the market the Codelco seal to become a decommoditised copper producer with environmental community awareness, respect for human rights and responsible use of the resources thanks to the application of sustainable and traceable processes, cutting-edge technology and supported by an efficient, inclusive, dialog-enabling and innovating organization. To achieve such ambitious objective, goals have been established for 2020, 2030 and 2040 which will guide Codelco´s management actions within the framework of a business model based on sustainability

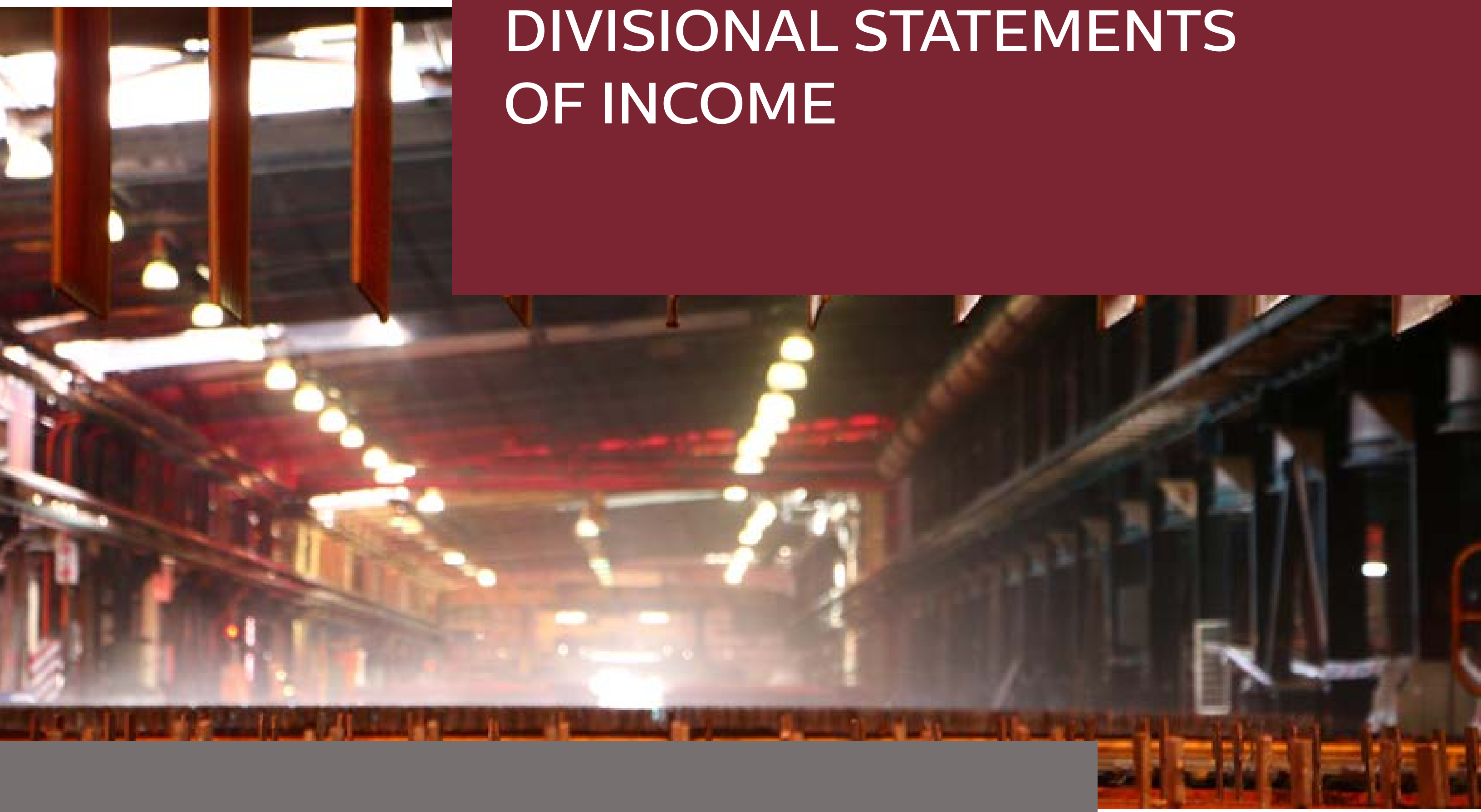
A highlight within this context is the responsible, sustainable and traceable copper initiative (CobReST) promoting an environmental and social commitment throughout the copper value chain, developing sustainability standards to ensure the performance in the copper industry and valuation by the end user and multiple stakeholders.

VII. MARKET RISK ANALYSIS

Corporación Nacional del Cobre de Chile (Codelco-Chile) has created instances within its organization which search for generating strategies to minimize market risks to which the Corporation may be exposed.

For further analysis on this subject, please refer to Notes 29 and 30 to the Financial Statements.

DIVISIONAL STATEMENTS OF INCOME



For the year ended December 31, 2017

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the consolidated financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries (the “Company” or “Codelco”) as of and for the year ended December 31, 2017, and have issued our report thereon dated March 29, 2018, which contained an unmodified opinion on those consolidated financial statements.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Statement of Allocation of Income and Expenses Controlled by Head Office and Affiliates to the Division is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. This supplementary information is the responsibility of the Codelco's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in Chile. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplementary information Statement of Allocatoin of Income and Expenses Controlled by Head Office and Affiliates to the Division have been translated into English solely for the convenience of readers outside of Chile.

Deloitte

March 29, 2018
Santiago, Chile

Mario Muñoz V.

Divisional Statement of Income

Chuquicamata

For the year ended December 31, 2017
Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	2,815,376
Sale of copper bought from third parties	437,830
Income from sale of by-products and other	405,909
Income from transfers	117,638
TOTAL INCOME FROM ORDINARY ACTIVITIES	3,776,753
COST OF SALES	
Cost of sale of own copper	(2,056,127)
Cost of sale of copper bought from third parties	(436,912)
Cost of sale of by-products and other	(157,595)
Cost of sale from transfers	(283,468)
TOTAL COST OF SALES	(2,934,102)
GROSS INCOME	842,651
Other income by function	26,380
Distribution costs	(3,032)
Administrative expenses	(101,122)
Other expenses by function	(400,723)
Other gains (losses)	8,240
Finance income	8,152
Finance costs	(130,994)
Share of profit of associates and joint ventures	
accounted for using the equity method	32,783
Foreign exchange differences	(48,970)
PRE-TAX PROFIT (LOSS)	233,365
Income tax expense	(162,330)
PROFIT (LOSS)	71,035
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	61,920
Profit (loss) attributable to non-controlling interests	9,115
PROFIT (LOSS)	71,035

Divisional Statement of Income

Radomiro Tomic

For the year ended December 31, 2017
Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	2,004,889
Sale of copper bought from third parties	269,065
Income from sale of by-products and other	40,865
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	2,314,819
COST OF SALES	
Cost of sale of own copper	(1,286,138)
Cost of sale of copper bought from third parties	(267,789)
Cost of sale of by-products and other	(29,017)
Income from transfers	80,943
TOTAL COST OF SALES	(1,502,001)
GROSS INCOME	812,818
Other income by function	29,364
Distribution costs	(1,056)
Administrative expenses	(53,446)
Other expenses by function	(229,229)
Other gains (losses)	5,050
Finance income	3,784
Finance costs	(62,049)
Share of profit of associates and joint ventures	
accounted for using the equity method	19,770
Foreign exchange differences	(53,850)
PRE-TAX PROFIT (LOSS)	471,156
Income tax expense	(310,543)
PROFIT (LOSS)	160,613
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	155,028
Profit (loss) attributable to non-controlling interests	5,585
PROFIT (LOSS)	160,613

Divisional Statement of Income

Salvador

For the year ended December 31, 2017

Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	500,680
Sale of copper bought from third parties	84,495
Income from sale of by-products and other	60,324
Income from transfers	82,308
TOTAL INCOME FROM ORDINARY ACTIVITIES	727,807
COST OF SALES	
Cost of sale of own copper	(439,186)
Cost of sale of copper bought from third parties	(84,196)
Cost of sale of by-products and other	(32,675)
Cost of sale from transfers	(58,990)
TOTAL COST OF SALES	(615,047)
GROSS INCOME	112,760
Other income by function	21,913
Distribution costs	(884)
Administrative expenses	(28,816)
Other expenses by function	(110,088)
Other gains (losses)	1,588
Finance income	1,968
Finance costs	(19,799)
Share of profit of associates and joint ventures	
accounted for using the equity method	6,643
Foreign exchange differences	(15,841)
PRE-TAX PROFIT (LOSS)	(30,556)
Income taxes	23,670
PROFIT (LOSS)	(6,886)
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(8,643)
Profit (loss) attributable to non-controlling interests	1,757
PROFIT (LOSS)	(6,886)

Divisional Statement of Income

Andina

For the year ended December 31, 2017
Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	1,323,025
Sale of copper bought from third parties	183,788
Income from sale of by-products and other	73,553
Income from transfers	801
TOTAL INCOME FROM ORDINARY ACTIVITIES	1,581,167
COST OF SALES	
Cost of sale of own copper	(934,881)
Cost of sale of copper bought from third parties	(182,916)
Cost of sale of by-products and other	(24,987)
Income from transfers	16,388
TOTAL COST OF SALES	(1,126,396)
GROSS INCOME	454,771
Other income by function	19,714
Distribution costs	(893)
Administrative expenses	(43,827)
Other expenses by function	(226,801)
Other gains (losses)	3,450
Finance income	2,560
Finance costs	(111,196)
Share of profit of associates and joint ventures	
accounted for using the equity method	12,919
Foreign exchange differences	(14,383)
PRE-TAX PROFIT (LOSS)	96,314
Income tax expense	(76,687)
PROFIT (LOSS)	19,627
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	15,806
Profit (loss) attributable to non-controlling interests	3,821
PROFIT (LOSS)	19,627

Divisional Statement of Income

El Teniente

For the year ended December 31, 2017
Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	2,844,325
Sale of copper bought from third parties	396,608
Income from sale of by-products and other	170,965
Income from transfers	194
TOTAL INCOME FROM ORDINARY ACTIVITIES	3,412,092
COST OF SALES	
Cost of sale of own copper	(1,555,978)
Cost of sale of copper bought from third parties	(394,726)
Cost of sale of by-products and other	(124,914)
Income from transfers	11,131
TOTAL COST OF SALES	(2,064,487)
GROSS INCOME	1,347,605
Other income by function	38,628
Distribution costs	(1,842)
Administrative expenses	(105,453)
Other expenses by function	(345,750)
Other gains (losses)	7,444
Finance income	7,708
Finance costs	(228,659)
Share of profit of associates and joint ventures	
accounted for using the equity method	29,553
Foreign exchange differences	(57,233)
PRE-TAX PROFIT (LOSS)	692,001
Income tax expense	(457,119)
PROFIT (LOSS)	234,882
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	226,647
Profit (loss) attributable to non-controlling interests	8,235
PROFIT (LOSS)	234,882

Divisional Statement of Income

Ventanas

For the year ended December 31, 2017
Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	11,395
Sale of copper bought from third parties	77,258
Income from sale of by-products and other	194,777
Income from transfers	102,564
TOTAL INCOME FROM ORDINARY ACTIVITIES	385,994
COST OF SALES	
Cost of sale of own copper	(8,484)
Cost of sale of copper bought from third parties	(77,615)
Cost of sale of by-products and other	(206,547)
Cost of sale from transfers	(125,547)
TOTAL COST OF SALES	(418,193)
GROSS INCOME	(32,199)
Other income by function	2,264
Distribution costs	(705)
Administrative expenses	(16,996)
Other expenses by function	(30,106)
Other gains (losses)	842
Finance income	1,280
Finance costs	(11,586)
Share of profit of associates and joint ventures	
accounted for using the equity method	3,296
Foreign exchange differences	(6,957)
PRE-TAX PROFIT (LOSS)	(90,867)
Income taxes	59,694
PROFIT (LOSS)	(31,173)
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(32,103)
Profit (loss) attributable to non-controlling interests	930
PROFIT (LOSS)	(31,173)

Divisional Statement of Income

Gabriela Mistral

For the year ended December 31, 2017
Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	796,554
Sale of copper bought from third parties	104,777
Income from sale of by-products and other	82
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	901,413
COST OF SALES	
Cost of sale of own copper	(545,189)
Cost of sale of copper bought from third parties	(104,280)
Cost of sale of by-products and other	(82)
Cost of sale from transfers	-
TOTAL COST OF SALES	(649,551)
GROSS INCOME	251,862
Other income by function	6,385
Distribution costs	(338)
Administrative expenses	(38,172)
Other expenses by function	(86,808)
Other gains (losses)	1,967
Finance income	1,855
Finance costs	(17,096)
Share of profit of associates and joint ventures	
accounted for using the equity method	7,698
Foreign exchange differences	(5,582)
PRE-TAX PROFIT (LOSS)	121,771
Income tax expense	(77,648)
PROFIT (LOSS)	44,123
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	41,948
Profit (loss) attributable to non-controlling interests	2,175
PROFIT (LOSS)	44,123

Divisional Statement of Income

Ministro Hales

For the year ended December 31, 2017
Expressed in thousands of dollars - ThUS$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	1,340,520
Sale of copper bought from third parties	452,166
Income from sale of by-products and other	52,329
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	1,845,015
COST OF SALES	
Cost of sale of own copper	(966,892)
Cost of sale of copper bought from third parties	(451,210)
Cost of sale of by-products and other	(12,067)
Income from transfers	56,038
TOTAL COST OF SALES	(1,374,131)
GROSS INCOME	470,884
Other income by function	9,684
Distribution costs	(1,653)
Administrative expenses	(40,308)
Other expenses by function	(127,968)
Other gains (losses)	4,024
Finance income	2,529
Finance costs	(63,231)
Share of profit of associates and joint ventures	
accounted for using the equity method	15,757
Foreign exchange differences	(3,242)
PRE-TAX PROFIT (LOSS)	266,476
Income tax expense	(185,641)
PROFIT (LOSS)	80,835
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	76,383
Profit (loss) attributable to non-controlling interests	4,452
PROFIT (LOSS)	80,835

Consolidated Divisional Statement of Income

For the year ended December 31, 2017

Expressed in thousands of dollars – ThUS$

	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	H.OFFICE	CONSOLIDATED	ADJUSTMENTS	Total
INCOME FROM ORDINARY ACTIVITIES												
Income from sale of own copper	2,815,376	2,004,889	500,680	1,323,025	2,844,325	11,395	796,554	1,340,520	-	11,636,764	-	11,636,764
Sale of copper bought from third parties	437,830	269,065	84,495	183,788	396,608	77,258	104,777	452,166	-	2,005,987	-	2,005,987
Income from sale of by-products and other	405,909	40,865	60,324	73,553	170,965	194,777	82	52,329	-	998,804	-	998,804
Income from transfers	117,638	-	82,308	801	194	102,564	-	-	-	303,505	(303,505)	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	3,776,753	2,314,819	727,807	1,581,167	3,412,092	385,994	901,413	1,845,015	-	14,945,060	(303,505)	14,641,555
COST OF SALES												
Cost of sale of own copper	(2,056,127)	(1,286,138)	(439,186)	(934,881)	(1,555,978)	(8,484)	(545,189)	(966,892)	-	(7,792,875)	-	(7,792,875)
Cost of sale of copper bought from third parties	(436,912)	(267,789)	(84,196)	(182,916)	(394,726)	(77,615)	(104,280)	(451,210)	-	(1,999,644)	-	(1,999,644)
Cost of sale of by-products and other	(157,595)	(29,017)	(32,675)	(24,987)	(124,914)	(206,547)	(82)	(12,067)	-	(587,884)	-	(587,884)
Income (Cost of sales) from transfers	(283,468)	80,943	(58,990)	16,388	11,131	(125,547)	-	56,038	-	(303,505)	303,505	-
TOTAL COST OF SALES	(2,934,102)	(1,502,001)	(615,047)	(1,126,396)	(2,064,487)	(418,193)	(649,551)	(1,374,131)	-	(10,683,908)	303,505	(10,380,403)
GROSS INCOME	842,651	812,818	112,760	454,771	1,347,605	(32,199)	251,862	470,884	-	4,261,152	-	4,261,152
Other income by function	26,380	29,364	21,913	19,714	38,628	2,264	6,385	9,684	-	154,332	-	154,332
Distribution costs	(3,032)	(1,056)	(884)	(893)	(1,842)	(705)	(338)	(1,653)	-	(10,403)	-	(10,403)
Administrative expenses	(101,122)	(53,446)	(28,816)	(43,827)	(105,453)	(16,996)	(38,172)	(40,308)	-	(428,140)	-	(428,140)
Other expenses by function	(400,723)	(229,229)	(110,088)	(226,801)	(345,750)	(30,106)	(86,808)	(127,968)	-	(1,557,473)	-	(1,557,473)
Other gains (losses)	8,240	5,050	1,588	3,450	7,444	842	1,967	4,024	-	32,605	-	32,605
Finance income	8,152	3,784	1,968	2,560	7,708	1,280	1,855	2,529	-	29,836	-	29,836
Finance costs	(130,994)	(62,049)	(19,799)	(111,196)	(228,659)	(11,586)	(17,096)	(63,231)	-	(644,610)	-	(644,610)
Share of profit of associates and joint ventures accounted for using the equity method	32,783	19,770	6,643	12,919	29,553	3,296	7,698	15,757	57,009	185,428	-	185,428
Foreign exchanges differences	(48,970)	(53,850)	(15,841)	(14,383)	(57,233)	(6,957)	(5,582)	(3,242)	-	(206,058)	-	(206,058)
PRE-TAX PROFIT (LOSS)	233,365	471,156	(30,556)	96,314	692,001	(90,867)	121,771	266,476	57,009	1,816,669	-	1,816,669
Income tax expenses	(162,330)	(310,543)	23,670	(76,687)	(457,119)	59,694	(77,648)	(185,641)	(6,463)	(1,193,067)	-	(1,193,067)
PROFIT (LOSS)	71,035	160,613	(6,886)	19,627	234,882	(31,173)	44,123	80,835	50,546	623,602	-	623,602
PROFIT (LOSS) ATTRIBUTABLE TO												
Profit (loss) attributable to owners of the parent	61,920	155,028	(8,643)	15,806	226,647	(32,103)	41,948	76,383	32,189	569,175	-	569,175
Profit (loss) attributable to non-controlling interests	9,115	5,585	1,757	3,821	8,235	930	2,175	4,452	18,357	54,427	-	54,427
PROFIT (LOSS)	71,035	160,613	(6,886)	19,627	234,882	(31,173)	44,123	80,835	50,546	623,602	-	623,602

GUIDELINES FOR THE PREPARATION OF DIVISIONAL STATEMENTS OF INCOME

Pursuant to the Corporation's by-laws, the Divisional Statements of Income are prepared in accordance with the International Financial Reporting Standards and the following internal guidelines:

Note 1, Inter-divisional transfers. The interdivisional transfers of products and services were carried out and recorded at negotiated prices similar to those prevailing in the market. Therefore, these divisional statements of income include the following concepts:

- Income from sales shows, on separate lines, sales to third parties of products received from other divisions and the divisional income from transfers made to other divisions.
- Consequently, the Cost of sales also show, on separate lines, the costs corresponding to products received from other divisions and sold to third parties, and the costs allocated to divisional income from transfers to other divisions.

Note 2. Allocation of Corporate Income and Expenses. Income and expenses controlled by the Head Office and affiliates are added to the direct income and expenses of the divisions, according to current guidelines established for the year, as shown in the Statement of Allocation of Income and Expenses Controlled by the Head Office and affiliates to the Division.

Other expenses by function includes the expense for Law No, 13196, which taxes the Corporation on 10% upon returns in foreign currency for the sale of its copper production abroad, including by-products, and its allocation by Division is as follows:

Division	ThUS$
Chuquicamata	269,112
Radomiro Tomic	196,289
Salvador	51,423
Andina	124,627
El Teniente	255,957
Ventanas	15,459
Gabriela Mistral	76,530
Ministro Hales	109,159
Total Law No. 13196	1,098,556

STATEMENT OF ALLOCATIONS OF INCOME AND EXPENSES

Controlled by Head Office and Affiliates to the Divisions
For the year ended December 31, 2017 .

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the consolidated financial statements of Corporación Nacional del Cobre de Chile and its subsidiaries (the "Company" or "Codelco") as of and for the year ended December 31, 2017, and have issued our report thereon dated March 29, 2018, which contained an unmodified opinion on those consolidated financial statements.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Divisional Statements of Income is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. This supplementary information is the responsibility of the Codelco's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in Chile. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplementary information Divisional Statements of Income have been translated into English solely for the convenience of readers outside of Chile.

March 29, 2018
Santiago, Chile

Mario Muñoz V.

Statement of Allocation of Income and Expenses Controlled by Head Office and Affiliates to the Division

Corresponding to the period between January 1 and December 31, 2017

Expressed in thousands of U.S. dollars - ThUS$

	TOTAL	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	HEAD OFFICE
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Sales operations Head Office and affiliates	1,707,104	431,401	264,410	83,134	180,609	389,747	44,091	102,964	210,748	-
Cost of sales Head Office and affiliates	(1,702,813)	(430,317)	(263,746)	(82,925)	(180,154)	(388,768)	(43,980)	(102,706)	(210,217)	-
Other income by function	42,505	9,131	7,228	3,869	4,853	10,271	903	2,211	4,039	-
Distribution costs	(5,613)	(1,418)	(870)	(274)	(594)	(1,281)	(145)	(338)	(693)	-
Administrative expenses	(193,959)	(54,419)	(27,130)	(12,053)	(19,475)	(41,973)	(6,795)	(12,225)	(19,889)	-
Other expenses by function	(143,629)	(34,625)	(14,570)	(9,487)	(24,983)	(39,535)	(3,471)	(4,695)	(12,263)	-
Other gains (losses) by function	32,605	8,240	5,050	1,588	3,450	7,444	842	1,967	4,024	-
Finance income (losses)	24,155	7,069	3,235	1,587	2,421	5,190	967	1,462	2,224	-
Finance costs	(57,513)	(14,779)	(8,779)	(2,905)	(6,050)	(13,048)	(1,574)	(3,470)	(6,907)	-
Participation in the gains (losses) of										
Share of profit of associates and joint ventures accounted for using the equity method	184,644	32,254	19,770	6,216	13,504	29,140	3,296	7,698	15,757	57,009
Foreign exchange differences	51,280	15,167	6,785	3,437	5,117	10,964	2,110	3,104	4,596	-
Income taxes	94,840	27,379	9,883	5,346	15,278	28,624	2,586	3,522	8,685	(6,463)
Total income (expenses) controlled by the Head Office and affiliates	33,607	(4,917)	1,266	(2,467)	(6,024)	(3,225)	(1,170)	(506)	104	50,546
Total income (expenses) controlled by the Head Office and affiliates attributable to non-controlling interests	54,427	9,115	5,585	1,757	3,821	8,235	930	2,175	4,452	18,357
Total income (expenses) controlled by the Head Office and affiliates attributable to the owners of the parent company	(20,820)	(14,032)	(4,319)	(4,224)	(9,845)	(11,460)	(2,100)	(2,681)	(4,348)	32,189
Total income (expenses) controlled by the Head Office and affiliates	33,607	(4,917)	1,266	(2,467)	(6,024)	(3,225)	(1,170)	(506)	104	50,546

CRITERIA FOR THE ALLOCATION OF INCOME AND EXPENSES CONTROLLED BY THE HEAD OFFICE AND AFFILIATES TO THE DIVISION

Income and expenses controlled by the Head Office and affiliates are allocated to the Divisions according to the criteria indicated for each category in the income accounts:

1. Commercial operations income and costs of the Head Office and affiliates.

Allocation to Divisions is made in proportion to the ordinary income of each Division.

2. Other income, by function

- Other income, by function, associated and identified with each particular Division is directly allocated.
- The recognition of realized profits and other income by function of affiliates is allocated to in proportion to the ordinary income of each Division.
- The remaining other income is allocated in proportion to the aggregate of the balances within line items "other income" and "finance income" of the respective Divisions.

3. Distribution costs

- Expenses associated and identified with each Division are directly allocated.
- Distribution costs of affiliates are allocated in proportion to the ordinary income of each Division.

4. Administrative expenses

- Administrative expenses recorded in cost centers identified with each Division are directly allocated.
- Administrative expenses recorded in cost centers associated with the sales function and administrative expenses of affiliates are allocated in proportion to the ordinary income of each Division.
- Administrative expenses recorded in cost centers associated with the supply function are allocated in relation to the accounting balances of materials in the warehouse of each Division.

  The remaining expenses recorded in cost centers are allocated in relation to the operational cash expenditures of the respective Divisions.

5. Other expenses, by function

- Other expenses associated and identified with each Division in particular are directly allocated.
- Pre-investment study expenses and other expenses by function of affiliates are allocated in proportion to the ordinary income of each Division.

6. Other profits

- Other profits associated and identified with each Division in particular are directly allocated.
- Other affiliate profits are allocated in proportion to the ordinary income of each Division.

7. Finance income

- Finance income associated and identified with each Division in particular is directly allocated.
- Finance income of affiliates is allocated in proportion to the ordinary income of each Division.
- Remaining finance income is allocated in relation to the operational cash expenditures of each Division.

8. Finance costs

- Finance costs associated and identified with each Division in particular are directly allocated.
- Finance costs of affiliates are allocated in proportion to the ordinary income of each Division.
- Finance costs of affiliates and Head Office are allocated in proportion to the administrative costs of each Division.

9. Share of profit of associates and joint ventures, recorded using the equity method

- Participation in the profits or losses of related companies and joint ventures identified with each Division in particular are directly allocated.
- Participation in the profits or losses of related companies and joint ventures of affiliates is allocated in proportion to the ordinary income of each Division.

10. Foreign exchange differences

- Foreign exchange differences identifiable with each Division in particular is directly allocated.
- Foreign exchange differences of affiliates is allocated in proportion to the ordinary income of each Division.
- Remaining Foreign exchange differences is allocated in relation to the operational cash expenditures of each Division.

11. Chilean tax contribution Law No. 13196

- The contribution amount is allocated and recognized based on the taxable billed amounts and the export of copper and by-products recorded at each Division (See Note 2 of the Consolidated Divisional Statements of Income).

12. Income (expenses) from income taxes

- First category income tax, D.L. 2398 tax, and the specific tax on mining activities, are allocated based on the pre-tax income of each Division, considering for these purposes the abovementioned allocated of income and expenses of the Head Office and affiliates.
- Other tax expenses are allocated in proportion to the first category income tax, the specific tax on mining activities and the D.L. 2398 tax assigned to each Division.

SUMMARIZED STATEMENT OF FINANCIAL POSITION

As of December 31, 2017
Expressed in thousands of dollars - ThUS$

SUMMARIZED STATEMENT OF FINANCIAL POSITION

As of December 31, 2017

2017	CHILE COPPER LTD. CONSOLIDATED	CODELCO KUPFERHANDEL GMBH CONSOLIDATED	CODELCO USA GROUP CONSOLIDATED	CODELCO INTERNACIONAL LIMITED CONSOLIDATED	CODELCO SHANGHAI COMPANY LIMITED	CÍA. CONTRACTUAL MINERA LOS ANDES	CÍA. MINERA PICACHO SCM	SANTIAGO DE RÍO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES MINERAS GACRUX SPA CONSOLIDATED	COMPLEJO PORTUARIO MEJILLONES S.A.
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENT OF FINANCIAL POSITION													
ASSETS													
Total current assets	19,349	62,346	3,182	30,219	5,099	309	-	-	13,244	918	2,638	306,496	18,625
Total non-current assets	107	8,354	21	112,099	209	432	-	-	689	82	15,143	2,959,114	95,226
TOTAL ASSETS	19,456	70,700	3,203	142,318	5,308	741	-	-	13,933	1,000	17,781	3,265,610	113,851
LIABILITIES								-					
Total current liabilities	15,420	38,983	147	6,891	405	46	-	-	10,138	86	2,898	140,746	6,287
Total non-current liabilities	-	-	-	4,731	-	5,247	-	-	708	-	8,620	676,208	73,179
TOTAL LIABILITIES	15,420	38,983	147	11,622	405	5,293	-	-	10,846	86	11,518	816,954	79,466
EQUITY													
Equity attributable to owners of the parent	3,671	31,717	3,056	130,696	4,903	(4,552)	-	-	3,080	914	6,267	1,423,454	34,385
Non-controlling interests	365	-	-	-	-	-	-	-	7	-	(4)	1,025,202	-
TOTAL EQUITY	4,036	31,717	3,056	130,696	4,903	(4,552)	-	-	3,087	914	6,263	1,423,454	34,385
TOTAL LIABILITIES AND EQUITY	19,456	70,700	3,203	142,318	5,308	741	-	-	13,933	1,000	17,781	3,265,610	113,851
SUMMARIZED STATEMENTS OF INCOME													
Gross Profit	3	3,204	1,851	8,742	2,239	-			4,387	-	908	5,941	8,713
Other incomes (expenses) and profits (losses)	145	24,773	1,530	11,989	1,789	5,024	-	-	1,831	30	4,506	(123,710)	5,047
Profit (loss) for the period before tax	(142)	(21,569)	321	(3,247)	450	(5,024)	-	-	2,556	(30)	(3,598)	129,651	3,666
Income tax expense	24	7,836	(128)	-	(116)	-	-	-	(489)	-	1,256	15,480	(929)
PROFIT (LOSS)	(118)	(13,733)	193	(3,247)	334	(5,024)	-	-	2,067	(30)	(2,342)	145,131	2,737
SUMMARIZED STATEMENTS OF CASH FLOWS – DIRECT METHOD													
Cash flow provided by (used in) operating activities	(290)	15,727	(1,521)	2,456	(315)	(3,778)			4,721	-	2,069	222,766	315
Cash flows provided by (used in) investing activities	10	(45)	(4)	(4,680)	(12)	-			-	-	(302)	(38,171)	240
Cash flows provided by (used in) financing activities	-	(15,671)	-	5,192	-	3,802			-	-	(1,536)	(43,814)	-
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	(280)	11	(1,525)	2,968	(327)	24			4,721	-	231	140,781	555
Effects of exchange rate changes on cash and cash equivalents	375	(11)	-	1,178	-	-			7,889	-	916	-	15,342
Net increase (decrease) in cash and cash equivalents	95	-	(1,525)	4,146	(327)	24			12,610	-	1,147	140,781	15,897
Cash and cash equivalents at beginning of period	4,085	1	4,442	14,983	3,453	269			-	-	-	13,462	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,180	1	2,917	19,129	3,126	293			12,610	-	1,147	154,243	15,897

2017	IM2 S.A.	CODELCO TEC	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RÍO BLANCO LTDA.	ISAPRE CHUQUICAMATA LTDA.	CLÍNICA SAN LORENZO LTDA. CONSOLIDATED	FUSAT CONSOLIDATED	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA.
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENT OF FINANCIAL POSITION													
ASSETS													
Total current assets	-	9,295	310	4,851	873	4,541	5,238	6,469	4,610	29,899	-	5	67,769
Total non-current assets	-	776	675	8,174	1,263	7,983	2,306	3,904	1,085	40,023	-	3,438	482,157
TOTAL ASSETS	-	10,071	985	13,025	2,136	12,524	7,544	10,373	5,695	69,922	-	3,443	549,926
LIABILITIES													
Total current liabilities	-	3,774	108	2,109	4,294	4,563	4,180	5,271	5,116	25,433	-	94	12,525
Total non-current liabilities	-	823	664	13,259	1,318	7,983	441	775	677	47,949	-	-	479,127
TOTAL LIABILITIES	-	4,597	772	15,368	5,612	12,546	4,621	6,046	5,793	73,382	-	94	491,652
EQUITY													
Equity attributable to owners of the parent	-	5,474	211	(2,343)	(3,476)	(22)	2,923	4,327	(98)	(3,460)	-	3,349	58,274
Non-controlling interests	-	-	2	-	-	-	0	-	-	-	-	-	-
TOTAL EQUITY	-	5,474	213	(2,343)	(3,476)	(22)	2,923	4,327	(98)	(3,460)	-	3,349	58,274
TOTAL LIABILITIES AND EQUITY	-	10,071	985	13,025	2,136	12,524	7,544	10,373	5,695	69,922	-	3,443	549,926
SUMMARIZED STATEMENTS OF INCOME													
Gross Profit	-	1,748	6	1,522	(189)	-	375	2,074	2,130	20,174	-	-	(9,580)
Other incomes (expenses) and profits (losses)	-	1,755	24	1,800	511	5	133	1,507	1,396	19,041	-	(71)	3,221
Profit (loss) for the period before tax	-	(7)	(18)	(278)	(700)	(5)	242	567	734	1,132	-	71	(12,801)
Income tax expense	-	(135)	-	95	130	-	(67)	(363)	(307)	(714)	-	-	3,071
PROFIT (LOSS)	-	(142)	(18)	(183)	(570)	(5)	175	204	427	418	-	71	(9,730)
SUMMARIZED STATEMENTS OF CASH FLOWS – DIRECT METHOD													
Cash flow provided by (used in) operating activities		(2,163)	(24)	(168)	(6)	-	573	1,566	1,773	7,665	(11)	1	51,067
Cash flows provided by (used in) investing activities		-	-	278	1	-	-	(886)	(1,166)	(508)	-	-	(32,579)
Cash flows provided by (used in) financing activities		-	-	(693)	-	-	-	-	(261)	(6,527)	11	-	424
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	-	(2,163)	(24)	(583)	(5)	-	573	680	346	630	-	1	18,912
Effects of exchange rate changes on cash and cash equivalents		182	(69)	106	(39)	-	41	245	90	5,083	-	-	1,533
Net increase (decrease) in cash and cash equivalents	-	(1,981)	(93)	(477)	(44)	-	614	925	436	5,713	-	1	20,445
Cash and cash equivalents at beginning of period		3,771	315	1,507	395	-	103	2,250	804	10	-	4	4,248
CASH AND CASH EQUIVALENTS AT END OF PERIOD	-	1,790	222	1,030	351	-	717	3,175	1,240	5,723	-	5	24,693

SUMMARIZED STATEMENT OF FINANCIAL POSITION

As of December 31, 2017

2017	CHILE COPPER LTD. CONSOLIDATED	CODELCO KUPFERHANDEL GMBH CONSOLIDATED	CODELCO USA GROUP CONSOLIDATED	CODELCO INTERNACIONAL LIMITED CONSOLIDATED	CODELCO SHANGHAI COMPANY LIMITED	CÍA. CONTRACTUAL MINERA LOS ANDES	CÍA. MINERA PICACHO SCM	SANTIAGO DE RÍO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES MINERAS GACRUX SPA CONSOLIDATED	COMPLEJO PORTUARIO MEJILLONES S.A.	IM2 S.A.	BIOSIGMA S.A.	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RÍO BLANCO LTDA.	ISAPRE CHUQUICAMATA LTDA.	CLÍNICA SAN LORENZO LTDA. CONSOLIDATED	FUSAT CONSOLIDATED	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA.	ANGLO AMERICAN SUR S.A. (1)
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENTS OF CHANGES IN EQUITY																											
Initial Balance as of 1/1/2017																											
Issued Capital	1	3,607	-	120,493	2,000	21,635	-	-	236	1,000	15,978	167,784	32,596	-	53,913	-	3,880	431	358	873	1,244	16	165	-	4,628	105,220	1,240,736
Other Reserves	80	-	-	3,173	185	-	-	-	274	-	(3)	3,508,511	-	-	4,715	-	(263)	(13)	-	-	-	(117)	10,087	-	-	(144)	(42,068)
Accumulated retained earnings	3,590	28,110	1,350	7,030	2,718	(26,187)	-	-	2,570	(86)	(9,708)	(2,252,841)	1,789	-	(53,154)	211	(5,960)	(3,894)	(380)	2,050	3,083	3	(13,712)	-	(1,279)	(46,802)	2,697,350
Equity attributable to owners of the parent	3,671	31,717	1,350	130,696	4,903	(4,552)	-	-	3,080	914	6,267	1,423,454	34,385	-	5,474	211	(2,343)	(3,476)	(22)	2,923	4,327	(98)	(3,460)	-	3,349	58,274	3,896,018
Non-controlling interests	365	-	-	-	-	-	-	-	7	-	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	4,036	31,717	1,350	130,696	4,903	(4,552)	-	-	3,087	914	6,263	1,423,454	34,385	-	5,474	211	(2,343)	(3,476)	(22)	2,923	4,327	(98)	(3,460)	-	3,349	58,274	3,896,018
Changes in equity																											
Issued Capital	-	377	-	(20,633)	-	-	1,213	-	-	-	(709)	-	-	-	(1,333)	-	571	60	-	129	183	-	-	-	(1,355)	(63,200)	-
Other Reserves	230	-	-	1,385	122	-	-	-	-	-	(127)	8,153	-	-	(343)	(20)	(17)	3	-	224	-	(33)	1,151	-	-	(13)	8,576
Accumulated retained earnings	(185)	3,374	117	27,986	(711)	1,109	(984)	1	715	19	4,254	127,365	(2,636)	(322)	1,608	47	1,131	527	(17)	(172)	83	(77)	3,312	3,257	279	9,500	(428,106)
Equity attributable to owners of the parent	45	3,751	117	8,738	(589)	1,109	229	1	715	19	3,418	135,518	(2,636)	(322)	(68)	27	1,685	590	(17)	181	266	(110)	4,463	3,257	(1,076)	(53,713)	(419,530)
Non-controlling interests	(2)	-	-	-	-	-	-	-	(4)	-	107	14,407	-	-	(33)	2	-	-	-	-	-	(7)	-	-	-	-	-
TOTAL EQUITY	43	3,751	117	8,738	(589)	1,109	229	1	711	19	3,525	149,925	(2,636)	(322)	(101)	29	1,685	590	(17)	181	266	(117)	4,463	3,257	(1,076)	(53,713)	(419,530)
Final Balance as of 12/31/2017																											
Issued Capital	1	3,607	-	120,493	2,000	21,635	-	-	236	1,000	15,978	167,784	32,596	-	53,913	-	3,880	431	358	873	1,244	16	165	-	4,628	105,220	1,240,736
Other Reserves	80	-	1,706	3,173	185	-	-	-	274	-	(3)	3,508,511	-	-	4,715	-	(263)	(13)	-	-	-	(117)	10,087	-	-	(144)	(33,492)
Accumulated retained earnings	3,590	28,110	1,350	7,030	2,718	(26,187)	-	-	2,570	(86)	(9,708)	(2,252,841)	1,789	-	(53,154)	211	(5,960)	(3,894)	(380)	2,050	3,083	3	(13,712)	-	(1,279)	(46,802)	2,269,244
Equity attributable to owners of the parent	3,671	31,717	3,056	130,696	4,903	(4,552)	-	-	3,080	914	6,267	1,423,454	34,385	-	5,474	211	(2,343)	(3,476)	(22)	2,923	4,327	(98)	(3,460)	-	3,349	58,274	3,476,488
Non-controlling interests	365	-	-	-	-	-	-	-	7	-	(4)	1,025,202	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	4,036	31,717	3,056	130,696	4,903	(4,552)	-	-	3,087	914	6,263	2,448,656	34,385	-	5,474	213	(2,343)	(3,476)	(22)	2,923	4,327	(98)	(3,460)	-	3,349	58,274	3,476,488

SUMMARIZED STATEMENT OF FINANCIAL POSITION

As of December 31, 2016

2016	CHILE COPPER LTD. CONSOLIDATED	CODELCO KUPFERHANDEL GMBH CONSOLIDATED	CODELCO USA GROUP CONSOLIDATED	CODELCO INTERNACIONAL LIMITED CONSOLIDATED	CODELCO SHANGHAI COMPANY LIMITED	CÍA. CONTRACTUAL MINERA LOS ANDES	CÍA. MINERA PICACHO SCM	SANTIAGO DE RÍO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES MINERAS GACRUX SPA CONSOLIDATED	COMPLEJO PORTUARIO MEJILLONES S.A.
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENT OF FINANCIAL POSITION													
ASSETS													
Total current assets	21,554	148,997	8,008	24,790	4,742	283		-	8,305	918	2,026	113,993	18,270
Total non-current assets	100	4,036	24	114,484	118	462		-	554	82	22,155	3,014,897	97,348
TOTAL ASSETS	21,654	153,033	8,032	139,274	4,860	745	-	-	8,859	1,000	24,181	3,128,890	115,618
LIABILITIES								-					
Total current liabilities	17,831	112,320	5,169	7,946	566	4,222		-	6,276	56	4,371	152,607	5,903
Total non-current liabilities	19	69	-	2,302	-	-		-	707	-	9,027	670,771	74,905
TOTAL LIABILITIES	17,850	112,389	5,169	10,248	566	4,222	-	-	6,983	56	13,398	823,378	80,808
EQUITY													
Equity attributable to owners of the parent	3,431	40,644	2,863	129,026	4,294	(3,477)		-	1,876	944	10,805	1,326,848	34,810
Non-controlling interests	373	-	-	-	-	-		-	-	-	(22)	978,664	-
TOTAL EQUITY	3,804	40,644	2,863	129,026	4,294	(3,477)	-	-	1,876	944	10,783	2,305,512	34,810
TOTAL LIABILITIES AND EQUITY	21,654	153,033	8,032	139,274	4,860	745	-	-	8,859	1,000	24,181	3,128,890	115,618
SUMMARIZED STATEMENTS OF INCOME													
Gross Profit	168	3,933	1,666	14,593	2,492	-	-	-	1,491	-	-	8,953	9,350
Other incomes (expenses) and profits (losses)	64	2,612	1,436	16,682	1,074	4,067	-	-	798	11	6,476	225,674	4,978
Profit (loss) for the period before tax	104	1,321	230	(2,089)	1,418	(4,067)	-	-	693	(11)	(6,476)	(216,721)	4,372
Income tax expense	(24)	393	(90)	-	(359)	-	-	-	(444)	-	1,790	127	(1,209)
PROFIT (LOSS)	80	1,714	140	(2,089)	1,059	(4,067)	-	-	249	(11)	(4,686)	(216,594)	3,163
SUMMARIZED STATEMENTS OF CASH FLOWS – DIRECT METHOD													
Cash flow provided by (used in) operating activities	315	(15,071)	2,057	(960)	554	(3,577)			3,712	-	168	5,348	3,865
Cash flows provided by (used in) investing activities	12	(2)	-	93,626	1	-			(38)	-	(682)	256	95
Cash flows provided by (used in) financing activities	-	15,066	-	(98,041)	-	3,679			-	-	853	(55,523)	-
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	327	(7)	2,057	(5,375)	555	102			3,674	-	339	(49,919)	3,960
Effects of exchange rate changes on cash and cash equivalents	(788)	7	-	1,133	(28)	-			2	-	(1)	-	11
Net increase (decrease) in cash and cash equivalents	(461)	-	2,057	(4,242)	527	102			3,676	-	338	(49,919)	3,971
Cash and cash equivalents at beginning of period	4,546	1	2,385	19,225	2,926	167			3,910	918	566	63,381	11,278
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,085	1	4,442	14,983	3,453	269			7,586	918	904	13,462	15,249

2016	IM2 S.A.	CODELCO TEC	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RÍO BLANCO LTDA.	ISAPRE CHUQUICAMATA LTDA.	CLÍNICA SAN LORENZO LTDA. CONSOLIDATED	FUSAT CONSOLIDATED	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA.
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENT OF FINANCIAL POSITION													
ASSETS													
Total current assets	-	9,130	307	5,038	1,363	4,208	4,225	5,442	3,252	23,012	-	2,818	78,578
Total non-current assets	-	708	611	7,642	1,239	9,922	2,390	3,243	1,379	42,702	-	547	487,699
TOTAL ASSETS	-	9,838	918	12,680	2,602	14,130	6,615	8,685	4,631	65,714	-	3,365	566,277
LIABILITIES													
Total current liabilities	-	3,678	93	2,896	4,111	4,225	3,439	3,301	3,873	19,603	-	87	20,487
Total non-current liabilities	-	544	601	11,810	1,045	9,922	672	1,617	827	43,904	-	-	477,429
TOTAL LIABILITIES	-	4,222	694	14,706	5,156	14,147	4,111	4,918	4,700	63,507	-	87	497,916
EQUITY													
Equity attributable to owners of the parent	-	5,616	222	(2,026)	(2,554)	(17)	2,504	3,767	(69)	2,207	-	3,278	68,361
Non-controlling interests	-	-	2	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	-	5,616	224	(2,026)	(2,554)	(17)	2,504	3,767	(69)	2,207	-	3,278	68,361
TOTAL LIABILITIES AND EQUITY	-	9,838	918	12,680	2,602	14,130	6,615	8,685	4,631	65,714	-	3,365	566,277
SUMMARIZED STATEMENTS OF INCOME													
Gross Profit	911	2,552	8	1,259	(520)	-	242	1,138	2,239	14,708	-	-	1,079
Other incomes (expenses) and profits (losses)	695	4,604	40	1,794	527	(1)	(221)	900	1,392	16,431	6	(23)	27,551
Profit (loss) for the period before tax	216	(2,052)	(32)	(535)	(1,047)	1	463	238	847	(1,723)	(6)	23	(26,472)
Income tax expense	51	(166)	-	110	304	1	(185)	-	(216)	279	-	-	6,886
PROFIT (LOSS)	267	(2,218)	(32)	(425)	(743)	1	278	238	631	(1,444)	(6)	23	(19,586)
SUMMARIZED STATEMENTS OF CASH FLOWS – DIRECT METHOD													
Cash flow provided by (used in) operating activities		1,723	(36)	(1,225)	(54)	-	241	(399)	1,825	541	-	91	(182,144)
Cash flows provided by (used in) investing activities		(103)	-	(78)	1	-	(275)	666	(223)	(669)	-	(87)	-
Cash flows provided by (used in) financing activities		1,190	-	2,583	-	-	-	-	(893)	2,451	-	-	149,256
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	-	2,810	(36)	1,280	(53)	-	(34)	267	709	2,323	-	4	(32,888)
Effects of exchange rate changes on cash and cash equivalents		961	14	22	24	-	7	109	7	64	-	-	3,515
Net increase (decrease) in cash and cash equivalents	-	3,771	(22)	1,302	(29)	-	(27)	376	716	2,387	-	4	(29,373)
Cash and cash equivalents at beginning of period		-	248	205	424	-	130	1,874	88	2,258	-	-	33,621
CASH AND CASH EQUIVALENTS AT END OF PERIOD	-	3,771	226	1,507	395	-	103	2,250	804	4,645	-	4	4,248

SUMMARIZED STATEMENT OF FINANCIAL POSITION

As of December 31, 2016

2016	CHILE COPPER LTD. CONSOLIDATED	CODELCO KUPFERHANDEL GMBH CONSOLIDATED	CODELCO USA GROUP CONSOLIDATED	CODELCO INTERNACIONAL LIMITED CONSOLIDATED	CODELCO SHANGHAI COMPANY LIMITED	CÍA. CONTRACTUAL MINERA LOS ANDES	CÍA. MINERA PICACHO SCM	SANTIAGO DE RÍO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES MINERAS GACRUX SPA CONSOLIDATED	COMPLEJO PORTUARIO MEJILLONES S.A.	IM2 S.A.	BIOSIGMA S.A.	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RÍO BLANCO LTDA.	ISAPRE CHUQUICAMATA LTDA.	CLÍNICA SAN LORENZO LTDA. CONSOLIDATED	FUSAT CONSOLIDATED	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA.	ANGLO AMERICAN SUR S.A. (1)
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
SUMMARIZED STATEMENTS OF CHANGES IN EQUITY																											
Initial Balance as of 1/1/2016																											
Issued Capital	1	3,272	-	110,198	2,000	17,655	-	24	236	1,000	14,987	167,784	32,596	3,298	34,201	-	3,354	355	358	757	1,079	20	200	25,002	1,356	79,086	1,240,736
Other Reserves	(1)	-	1,706	2,943	38	-	-	4	96	-	86	3,508,916	-	29	(438)	-	(95)	19	-	1,316	-	640	10,027	-	-	(32)	(35,641)
Accumulated retained earnings	4,013	37,098	1,017	21,787	1,464	(17,065)	-	(83)	1,283	(45)	(569)	(2,188,987)	123	1,700	(32,424)	216	(6,196)	(2,239)	(376)	33	2,260	(1,135)	(7,310)	(25,323)	(1,373)	(17,174)	3,066,715
Equity attributable to owners of the parent	4,013	40,370	2,723	134,928	3,502	590	-	(55)	1,615	955	14,504	1,487,713	32,719	5,027	1,339	216	(2,937)	(1,865)	(18)	2,106	3,339	(475)	2,917	(321)	(17)	61,880	4,271,810
Non-controlling interests	446	-	-	-	-	-	-	-	4	-	138	1,042,171	-	-	669	7	-	-	-	-	-	7	1	-	-	-	-
TOTAL EQUITY	4,459	40,370	2,723	134,928	3,502	590	-	(55)	1,619	955	14,642	2,529,884	32,719	5,027	2,008	223	(2,937)	(1,865)	(18)	2,106	3,339	(468)	2,918	(321)	(17)	61,880	4,271,810
Changes in equity																											
Issued Capital	-	(335)	-	(10,295)	-	(3,980)	-	24	-	-	(991)	-	-	3,298	(19,712)	-	(526)	(76)	-	(116)	(165)	4	35	25,002	(3,272)	(26,134)	-
Other Reserves	(81)	-	1,706	(230)	(147)	-	-	4	(178)	-	89	405	-	29	(5,153)	-	168	32	-	1,316	-	757	(60)	-	-	112	6,427
Accumulated retained earnings	423	8,988	(333)	14,757	(1,254)	9,122	-	(83)	(1,287)	41	9,139	63,854	(1,666)	1,700	20,730	5	(236)	1,655	4	(2,017)	(823)	(1,138)	6,402	(25,323)	(94)	29,628	369,365
Equity attributable to owners of the parent	342	8,653	1,373	4,232	(1,401)	5,142	-	(55)	(1,465)	41	8,237	64,259	(1,666)	5,027	(4,135)	5	(594)	1,611	4	(817)	(988)	(377)	6,377	(321)	(3,366)	3,606	375,792
Non-controlling interests	81	-	-	-	-	-	-	-	(3)	-	142	1,042,171	-	-	669	7	-	-	-	-	-	7	1	-	-	-	-
TOTAL EQUITY	423	8,653	1,373	4,232	(1,401)	5,142	-	(55)	(1,468)	41	8,379	1,106,430	(1,666)	5,027	(3,466)	12	(594)	1,611	4	(817)	(988)	(370)	6,378	(321)	(3,366)	3,606	375,792
Final Balance as of 12/31/2016																											
Issued Capital	1	3,607	-	120,493	2,000	21,635	-	-	236	1,000	15,978	167,784	32,596	-	53,913	-	3,880	431	358	873	1,244	16	165	-	4,628	105,220	1,240,736
Other Reserves	80	-	-	3,173	185	-	-	-	274	-	(3)	3,508,511	-	-	4,715	-	(263)	(13)	-	-	-	(117)	10,087	-	-	(144)	(42,068)
Accumulated retained earnings	3,590	28,110	1,350	7,030	2,718	(26,187)	-	-	2,570	(86)	(9,708)	(2,252,841)	1,789	-	(53,154)	211	(5,960)	(3,894)	(380)	2,050	3,083	3	(13,712)	-	(1,279)	(46,802)	2,697,350
Equity attributable to owners of the parent	3,671	31,717	1,350	130,696	4,903	(4,552)	-	-	3,080	914	6,267	1,423,454	34,385	-	5,474	211	(2,343)	(3,476)	(22)	2,923	4,327	(98)	(3,460)	-	3,349	58,274	3,896,018
Non-controlling interests	365	-	-	-	-	-	-	-	7	-	(4)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EQUITY	4,036	31,717	1,350	130,696	4,903	(4,552)	-	-	3,087	914	6,263	1,423,454	34,385	-	5,474	211	(2,343)	(3,476)	(22)	2,923	4,327	(98)	(3,460)	-	3,349	58,274	3,896,018

RELEVANT EVENTS

As of December 31, 2017

The Corporation has reported to the Chilean Financial Market Commission (CMF) formerly – the Chilean Superintendence of Securities and Insurance (SVS) the following relevant events occurred during the periods between January and December 2017 and 2016:

1. Changes in the Board of Directors, Executives and the Organizational Structure

- On March 29, 2016, Codelco communicated as an essential event that Mr. Cristián Quinzio Santelices, Codelco's Legal Advisor ceased to provide services to Codelco starting from April 1, 2016.

- Mr. Diego Ruidíaz Gómez, Legal Advisor for El Teniente Division, assumed as the Interim Legal Advisor starting from April 1, 2016.

- On April 1, 2016, Codelco communicated as an essential event that with the purpose of improving the answer of Codelco's operating challenges and taking advantage of the existing operating and territorial synergies, Codelco has made the decision to restructure the organization of the Northern and Central-Southern Vice Presidencies, which were structured as follows:

- Vice Presidency of Northern Operations: Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral and Salvador Divisions led by Mr. Alvaro Aliaga Jobet.

- Vice Presidency of Central-Southern Operations: Andina, Ventanas and El Teniente Divisions led by Mr. Octavio Araneda Oses.

  These organizational changes and appointments are effective starting from May 1, 2016.

- On May 11, 2016, Codelco communicated as an essential event that through Supreme Decree No. 82, of April 14, 2016 issued by the Ministry of Mining, Mr. Raimundo Espinoza Concha has been appointed as member of Codelco's Board of Directors during a period of 4 years starting from May 12, 2016.

- On June 3, 2016, Codelco communicated as an essential event that Mr. Ricardo Palma Contesse, the General Manager of the Andina Division ceased to provide his services to Codelco starting from June 15, 2016.

  The current Operations Manager of such Division Mr. Alejandro Cuadra Pesce assumed as the Interim General Manager of such Division starting from June 15, 2016.

- On July 1, 2016, Codelco communicated as an essential event that Mr. Alejandro Cuadra Pesce has been appointed as the General Manager of the Andina Division.

- On August 3, 2016, Codelco communicated as an essential event that Mr. Nicolai Bakovic Hudig has been appointed as the Legal Advisor of Codelco starting from October 1, 2016.

- Starting on such same date, Mr. Diego Ruidíaz Gómez ceased to be the Interim Legal Advisor who continues to be the Legal Advisor of El Teniente Division.

- On March 07, Codelco communicated as essential event that Mr. Mauricio Larraín Medina, the General Manager of El Teniente, has resigned to Codelco starting from April 1, 2017.

- On March 13, 2017, Codelco communicated as an essential event that Mr. André Sougarret Larroquete has been appointed as General Manager of El Teniente Division starting from April 1, 2017.

- On April 20, 2017, Codelco communicated as essential event that the Vice President of the Republic has appointed Mr. Ghassan Dayoub Pseli as member of the Board of Directors of Codelco starting from March 27 of the present year.

- On April 28, 2017, Codelco communicated as an essential event that Mr. Mauricio Barraza Gallardo has been appointed as General Manager of the Chuquicamata Division, starting from June 1, 2017. Likewise, starting from such date Mr. Lindor Quiroga Bugueño has been appointed as Interim General Manager of the Radomiro Tomic Division.

- On May 10, 2017, it has been communicated as an essential event that as reported by the Public Senior Management Counsel, the President of the Republic has appointed Messrs. Blas Tomic Errázuriz and Paul Schiodtz Obilinovich as members of Codelco's Board of Directors starting from May 11 of the present year.

- On May 23, 2017, it has been communicated as an essential event that Mr. Carlos Caballero Deramond, the General Manager of the Ministro Hales Division will cease to work for Codelco starting from May 31, 2017.

- On May 26, 2017, it has been communicated as an essential event that Mr. Jaime Rivera Machado, has been appointed as General Manager of the Ministro Hales Division, starting from June 1, 2017.

- On June 30, 2017, it has been communicated as an essential event that Mr. Lindor Quiroga Bugueño, has been appointed as the Regular General Manager of the Radomiro Tomic Division starting from July 1, 2017.

2. Shareholders' Meetings

- On April 7, 2016, Codelco informed that its Board of Directors opted to summon to an Ordinary Shareholders' Meeting for April 25, 2016 at 5:30 p.m. at Codelco's office located at Huérfanos 1270, piso 11 to address matters inherent to an Ordinary Shareholders' Meeting.

  At such meeting, the shareholders addressed the following topics:

  1. Conducting an analysis of Codelco's position, Report of the External Auditors, Annual Report, Balance Sheet and other financial statements for the year ended December 31, 2015;

  2. Appointment of Codelco's external auditors and risk raters for 2016.

  3. Determining a newspaper based in the legal domicile for legal publications.

  4. Information on transactions with related parties

  5. Report on Expenses incurred by the Board of Directors and Board of Directors' Committee during 2015.

  6. Follow-up of the 2014-2018 Business and Development Plan as established in Law 20.790, including the Financing and Capitalization required.

  7. Any other matter or topic of interest which is to be discussed by the shareholders at an ordinary shareholders' meeting and adopting the related agreements.

  The Company' financial statements as of December 31, 2015 and 2015 Annual Report have been published in Codelco's web site www.codelco.com

- On April 25, 2016, it has been communicated as an essential event that at Codelco's Ordinary Shareholders' Meeting conducted today with the attendance of Messrs. Ministers of Finance and Mining representing the President of Chile, the following agreements were reached:

  1. The shareholders approved the Annual Report, Balance Sheet and other financial statements as of

December 31, 2015 and the Report of External Auditors for that year.

2. The shareholders appointed Ernst & Young as Codelco's external auditors for 2016.

3. The shareholders appointed Feller Rate, Fitch Rating, Moody's, and Standard & Poor's as Codelco's risk raters for 2016.

4. The shareholders appointed La Segunda as the newspaper for publications Codelco has to perform, in conformity with that provided in the Public Company Act and the instructions issued by the Chilean Superintendence of Securities and Insurance (SVS).

5. The operations which the Corporation has conducted with related entities or parties were informed, in conformity with article 44 of Law No. 18.046, the Public Company Act.

6. The activities of the Board of Directors' Committee and expenses incurred by the Board of Directors and Board of Directors' Committee during 2015 were informed.

7. The Shareholders were informed of and analyzed the Annual Report on the Progress of the 2014-2018 Business and Development Plan, established by Law No. 20.790.

- On April 10, 2017, Codelco informed that its Board of Directors opted to summon to an Ordinary Shareholders' Meeting for April 25, 20157 at 5:30 p.m. at Codelco's office located at Huérfanos 1270, piso 11 to address matters inherent to an Ordinary Shareholders' Meeting.

At such meeting, the shareholders addressed the following topics:

1. Conducting an analysis of Codelco's position, Report of the External Auditors, Annual Report, Balance Sheet and other financial statements as of December 31, 2016;

2. Appointment of Codelco's external auditors and risk raters for 2017.

3. Determining a newspaper based in the legal domicile for legal publications.

4. Information on transactions with related parties

5. Report on Expenses incurred by the Board of Directors and Board of Directors' Committee during 2016.

6. Follow-up of the 2014-2018 Business and Development Plan as established in Law 20.790, including the Financing and Capitalization required.

7. Any other matter or topic of interest which is to be discussed by the shareholders at an ordinary shareholders' meeting and adopting the related agreements.

The Company' financial statements as of December 31, 2016 and 2016 Annual Report have been published in Codelco's web site www.codelco.com and https://www.codelco.com/memoria2016/

- On April 25, 2017, it has been communicated as an essential event that at Codelco's Ordinary Shareholders' Meeting conducted today with the attendance of Messrs. Ministers of Finance and Mining representing the President of the Republic of Chile, the following agreements were reached:

1. The shareholders approved the Annual Report, Balance Sheet and other financial statements as of December 31, 2016 and the Report of External Auditors for that year.

2. The shareholders appointed Deloitte as Codelco's external auditors for 2017.

3. The shareholders appointed Feller Rate, Fitch Rating, Moody's, and Standard & Poor's as Codelco's risk raters for 2017.

4. The shareholders appointed La Tercera as the

newspaper for publications Codelco has to perform, in conformity with that provided in the Public Company Act and the instructions issued by the Chilean Superintendence of Securities and Insurance (SVS).

5. The operations which the Corporation has conducted with related entities or parties were informed, in conformity with article 44 of Law No. 18.046, the Public Company Act.

6. The activities of the Board of Directors' Committee and expenses incurred by the Board of Directors and Board of Directors' Committee during 2016 were informed.

7. The Shareholders were informed of and analyzed the Annual Report on the Progress of the 2014-2018 Business and Development Plan, established by Law No. 20.790.

- On June 05, 2017, as established in Article 55 of Law No.18.046 the Public Company Act, it has been communicated as an essential event that Codelco's Board of Directors at the Extraordinary Meeting held on such same date has made the decision to empower the Chairman of the Board of Directors to summon to an Extraordinary Shareholders' Meeting as required by Codelco's needs.

  The date and venue of the summoning, as well as the detail of the matters to be addressed, because of the particular nature of Codelco's regulatory framework, will be included in the related summoning, which will be timely communicated to the Chilean Financial Market Commission (CMF) formerly the Chilean Superintendence of Securities and Insurance (SVS).

- On June 14, 2017, as established in Article 63 of Law No.18.046 the Pubic Company Act, it has been communicated as an essential event that Codelco's Board of Directors has made the decision to summon to an Extraordinary Shareholders' Meeting for Monday, June 19 at 6:30 p.m.., at the Company's offices located at Huérfanos 1270, piso 11, Santiago, to address the controversy that has arisen with the General Comptrollership of the Republic on the regulatory framework applicable to Codelco, for which the attendance of the Ministers of Mining and Finance has been confirmed as representatives of the President of the Republic as established in Articles 11A and 11B of Decree Law No. 1350.

- On June 19, 2017, as established in Article 63 of Law No.18.046 the Pubic Company Act, it has been communicated as an essential event that because of the requirement established in Article 11B of Decree Law No. 1.350, which requires that the powers of the shareholders delegated on the Ministers of Finance and Mining have to be exercised jointly and because the Minister of Mining is currently in the Region of Aysén involved in work arising from the accident occurred in deposit Delia II as publicly known, this hinders the performance of the Extraordinary Shareholders' Meeting summoned for today, which was communicated to the Chilean Financial Market Commission (CMF) formerly the Chilean Superintendence of Securities and Insurance (SVS) through Official Communication PE-118/17 of June 5, 2017 and PE-121/17 of June 14, 2017.

  Because of this, as coordinated with the Ministers as representatives of the Shareholders, the summoning has been amended with respect to its date, being summoned for Wednesday, June 21, 2017 at 4:00 p.m. at Codelco's offices located at Huérfanos 1270, piso 11, Santiago, maintaining the controversy with the General Comptrollership of the Republic on the regulatory framework applicable to Codelco as the single matter to be addressed at such meeting.

- On June 22, 2017, it has been communicated as an essential event that at Codelco's Extraordinary Shareholders' Meeting held on June 21, 2017, attended by the Ministers of Finance and Mining as representatives of the President of the Republic the shareholders agreed:

  Becoming aware of that presented by Codelco with respect to the background information related to management actions for the period between January and May 2017, the economic and operating impacts being generated by the controversy with the General Comptrollership of the Republic (CGR), the actions taken by Management to mitigate such effects and the assessment of different courses of actions to be followed to resolve such discrepancies with the General Controllership of the Republic.

Subsequent to analyzing the background information, the shareholders at the Extraordinary Shareholders' Meeting:

1. Valued as positive Codelco's management actions during the first five months of the year where it has additionally reduced costs, complied with production goals and by far exceeded commitments for obtaining surpluses for the benefit of Chile.

2. Acknowledged the economic effect that has implied on Codelco's operations and progress in the investment portfolio from the discrepancies with the General Comptrollership of the Republic, contained in the official communication sent to the Chilean Financial Market Commission formerly the Chilean Superintendence of Securities and Insurance of June 14 of the present year.

3. Highlighted the efforts and results achieved by Codelco's Board of Directors and Management for a reform on its integrity standards through a group of reforms on its operations including world class best practices with more demanding control systems and higher transparency standards.

4. Acknowledged Codelco's Board of Directors and Management for their commitment to comply with efficiency, effectiveness and probity principles at Codelco. Such principles are applicable to all public companies and are established as a priority for compliance as they relate to the assessment of the economic, financial and operating merits of Codelco's investment and operating management decisions.

5. Acknowledged the legal strategy which Codelco has designed for its competencies recognizing the judicialization as a possible method, fostered the Board of Directors to continue to collaborate in the search for an administrative solution through constructive and purposeful dialog making a contribution through its best efforts.

3. Financing

- On August 25, 2016, Codelco communicated as an essential event that on that same date, Codelco placed in the local market (Bolsa de Comercio de Santiago, the Santiago Stock Exchange) Series C Bonds (BCODE-C), which correspond to the first issuance of bonds with a charge to the line registered with the Securities Registry of the Chilean Superintendence of Securities and Insurance (SVS) under No. 608.

  The total amount of the placement was UF 10,000,000, composed of 20,000 debt securities which were issued with a par value of UF 500 each, at an annual placement rate of 2.09%. Series C bonds mature on August 24, 2026 at an annual the interest rate (cover) of 2.5% compound, due and calculated on the basis of equal semi-annual periods of 180 days, equivalent to semi-annual 1.2423%.

  Proceeds from the placement of such bonds will be destined by 50% to finance investments and by 50% to refinance Codelco's liabilities.

- On July 25, 2017, it has been communicated as an essential event that Codelco had access to international markets through the issuance of bonds in New York for US$ 1 million at 2027 and US$1,250 million at 2047 with rates of 3.839% and 4.674%, respectively and annual coupons of 3.625% and 4.5%, respectively.

  The issuance was led by HSBC Securities Inc, JP Morgan Securities LLC, Merryll Lynch, Pierce, Fenner & Smith and MUFG Securities Americas Inc.

Such funds are included in the financing program for Codelco's investment plan.

Codelco's bond issuance does not contemplate an increase in net debt and such transactions will allow Codelco to optimize its debt maturity profile and for such purposes, on July 25, 2017, Codelco launched in New York an offer for the purchase of its bonds issued in U.S. dollars maturing between 2019 and 2025. As a result of such transactions, with respect to the US$ 2,750 million, in nominal amount terms, 86% of the funds from the new issuance (US$ 2,355 over US$ 2,750 million of U.S. dollars) were used to refinance previous debt, the average coupon rate of the funds refinanced will decrease from 4.36% to 4.02%.

The effect recognized in profit or loss associated with such refinancing was a charge of US$ 42 million after taxes.

- On August 3, 2017, the detail of the issuance performed on August 1, 2017 was communicated as an essential event, in accordance with Circular No. 1.072, with respect to the financing transaction started on July 25, 2017.

4. Contingencies, strikes and disruption of activities

- On February 26, 2016, Codelco communicated as an essential event that as a result of the leakage of copper concentrate occurred on February 25, 2016 in the Saladillo sector in Region V of Chile, Codelco's Andina Division made maximum efforts to overcome this environmental incident focusing works on continue to monitor the quality of the waters and reestablishing the normal conditions in the copper concentrate conveyance system from the concentration plant to the filtration plant.

  Within this context, all operations for sending copper concentrate were suspended.

- On February 29, 2016, Codelco communicated as an essential event that SERNAGEOMIN allowed reestablishing operations for sending copper concentrate at the Andina Division as communicated on February 26.

- On April 16, 2016, Codelco communicated as an essential event that El Teniente Division had to suspend its operations in its plants and mine because of damages in the infrastructure for employee access and supply infrastructure, as well as the suspension of the ore conveyance system to the plants as a result of the unfavorable weather conditions that affected the O'Higgins Region of Chile.

- On April 22, 2016, Codelco communicated as an essential event that beginning on April 21, 2016, El Teniente Division gradually resumed production operations at mine and plants after the suspension of five days because of damages resulting from the severe bad weather conditions affecting the central zone of Chile during the last week-end.
  The decrease in production because of such suspension is expected to be recovered at Corporate level during the remaining part of the year through different mitigation actions. As a result, such situation will not result in a material or significant impact on Codelco's profit or loss.

- On September 5, 2016, Codelco communicated as an essential event that within the framework of the collective negotiation process, Union No. 2 of Salvador Division which mainly represents employees from Smelter and Refinery of such Division, started a legal strike after having rejected Codelco's last offer also preventing the work of employees members of Union No. 6. Finally, note that the effects of such strike in the production and profit or loss at the reporting date have not been quantified as they depend on the assessment of the scope and extension of such strike.

- On September 12, 2016, Codelco communicated as an essential event that employees members of Union No. 2 of Potrerillos, of the Salvador Division on Friday, September 9, 2016 agreed to end the legal strike they commenced on September 5, 2016 after accepting the proposal delivered within the framework of the collective negotiation.

Subsequent to this, the Salvador Division has started the smelter, refinery, mining and plant operations coordinating the entrance for employees and releasing the temporary suspension applied to contractor companies to ensure their gradual reinstatement.

Finally, note that Codelco made all efforts to recover the decrease in the production caused by such strike through different mitigation actions which were adopted in the Salvador Division. Accordingly, such strike did not result in a material or significant impact on Codelco's profit or loss.

5. Other

- On April 7, 2016, Codelco formalized its exit from the ownership in Copper Partners Investment Company Limited (CUPIC) on which prior to such date had ownership of 50% through the subsidiary Codelco International and that the same proportional percentage was shared with Album Enterprises Limited (a subsidiaries of Minmetals).

  To formalize the aforementioned exit of the ownership, Codelco entered into a number of agreements, which mainly formalized the following aspects:

  Amendment to the contract for the sale of copper from Codelco to CUPIC entered into in 2006 (described in Note 30, letter b), number ii) of the financial statements), which establishes the reduction of half the tonnage pending delivery to such company for which Codelco pays to CUPIC the amount of ThUS$ 99,330.

  A capital decrease at CUPIC equivalent to 50% of the shares of Codelco International in such company and for which CUPIC refunds to Codelco the amount of ThUS$ 99,330.

  Waiver of Codelco to the possible dividends associated with profit generated by CUPIC between January 1, 2016 and the date in which the agreement has been signed.

  Additionally, the end of the receipt of dividends as a result of Codelco not having an interest in CUPIC starting in 2016, generated that the aforementioned copper sales agreement entered into with CUPIC decreases the net estimated benefit for Codelco through the end of it (year 2021). This implied the contract to qualify as an Onerous Contract in accordance with the accounting standards currently in force, having an adverse impact on the profit or loss for financial purposes net of taxes of Codelco by ThUS$22,184 (negative effect net of taxes of ThUS$ 6,599) as of April 7, 2016.

- On December 1, 2016, the Board of Directors became aware that the Chilean Government through the Ministry of Finance, as Government Representative, owner of Codelco and in accordance with the legal powers conferred, resolved making an extraordinary capital contribution of US$500 million in conformity with article 1 of Law 20.790. Such capitalization will be financed through the sale of financial assets from the Public Treasury in domestic or foreign currency.

- On January 27, 2017, Law No. 20.989 the Capitalization Law was enacted, which contemplates the contribution of an additional amount, establishing a maximum annual amount of US$ 475 million for 2016 and 2017, focused on decreasing Codelco's indebtedness level, as a mitigation equivalent to the difference between the transfers made for the Reserved law and the surplus Codelco has.

- On Aril 13, 2017, an extraordinary capital contribution was received through Decree No. 322 issued by the Ministry of Finance, in conformity with Article 2 of Law No. No. 20.989 for US$ 475 million.

- On April 27, 2017, Anglo American Sur S.A. reported in its financial statements in the note on subsequent events that the Chilean Mining and Geology Service (Sernageomin) approved the update of the mining plan permit for El Soldado, subsequent to the review requested by Anglo American. Considering such resolution, Codelco immediately adopted the necessary actions to resume the operating activities in the mine site, complying with the requirements of the Sernageomin and the safety procedures in accordance with Codelco's standards.

- On August 2, 2017, it was communicated as an essential event that in the Ordinary Courts of Justice Codelco filed a complaint for Invalidity of Public Law against the Audit Report No. 900 of 2016, issued by the Comptrollership of the Republic on May 10, 2017.

Such action is framed within the actions that Codelco's Board of Directors has decided to conduct to obtain a resolution of the legal dispute between Codelco and the General Comptrollership of the Republic related to Codelco's applicable regulatory framework.

The presentation as reported has been conducted by Management fully convinced that its regulatory framework is that which has been executed through the present date and that up to before the date of the Audit report objected, such framework had been undoubtedly known by the General Comptrollership of the Republic from the enactment of the Corporate Governance Law of Corporación Nacional del Cobre de Chile (Law No. 20.392).

Codelco's Management is committed to continue to make all the administrative and legal actions within and outside its organization to resolve such dispute; indicating that its operations will continue to be conducted within the legal regulations that regulate its operations, fully respecting and supporting the efficiency, effectiveness and probity principles regulating such Management..

There are no other events that qualify as relevant occurred prior to December 31, 2017.

ADDITIONAL INFORMATION ON THE BOARD DIRECTORS AND BOARD OF DIRECTOR'S COMMITTEE

As of December 31, 2017
Expressed in thousands of U.S. dollars - ThUS$

1. Advisory services engaged by the Board of Directors.

During 2017, expenses for advisory services provided to the Board of Directors are as follows:

Company	Purpose	Amount
		ThUS$
Ferrada Nehme Ltda.	Advisory services for the dispute with the General Comptrollers-hip of the Republic	68
Balbontín, Linazasoro y Cía. Ltda.	Advisory services for the dispute with the General Comptrollers-hip of the Republic	18

2. Composition of the Board of Directors' Committee

In accordance with letter d) of Article 9 of Decree Law No. 1350 the Board of Directors' Committee will be composed of the four directors appointed by the President of the Republic of Chile from the three candidates proposed for the position by the Senior Public Management Council.

In line with this, as of December 31, 2017, the following individuals are the members of the Board of Directors' Committee:

- Mr. Blas Tomic Errázuriz, ID No. 5.390.891-8, Chairman.
- Mr. Isidoro Palma Penco, ID No. 4.754.025-9, Vice-Chairman.
- Mr. Juan Morales Jaramillo, ID No. 5.078.923-3.
- Mr. Paul Schiodtz Obilinovich, ID No. 7.170.719-9.

3. Board of Directors' Committee's Compensation

Fees for the years ended December 31, 2017 and 2015 are available in the Chilean Superintendence of Securities and Insurance (SVS) web site as part of the 2017 Annual Report in the section Consolidated Financial Statements in Note 3 to such consolidated financial statements referred to Balances and transactions with related parties, letter b) Key management personnel.
Transactions addressed by Title XVI of Law No. 18.046 are available in the web site of the Chilean Financial Market Commission (CMF) formerly the Chilean Superintendence of Securities and Insurance (SVS), as part of the 2017 Annual Report in the section Consolidated Financial Statements in Note 3 to such consolidated financial statements referred to Balances and transactions with related parties, letter a) Related transactions through persons.
For letter b), number v) of No. 5) of General Standard No. 30, referred to expenses in advisory engaged by the Board of Directors' Committee, we may indicate that no expenses other than those reported in the preceding point exist.

BOARD OF DIRECTORS AND MANAGEMENT COMPENSATION

As of December de 2017 and 2016
Expressed in thousands of U.S. dollars - ThUS$

During 2017 and 2016, the members of the Board of Directors have received the amounts indicated in the chart in transactions with related parties associated with the allowance for attending meetings and remuneration.

1. Directors' allowances and fees

Name	2017	2016
	ThUS$	ThUS$
Raimundo Espinoza Concha	95	91
Gerardo Jofré Miranda	38	91
Blas Tomic Errázuriz	118	114
Laura Albornoz Paulman	95	91
Oscar Landerretche Moreno	142	137
Dante Contreras Guajardo	95	91
Isidoro Palma Penco	95	91
Juan Morales Jaramillo	95	91
Paul Schiodtz Obilinovich	64	-
Ghassan Dayoub Psele	71	-

2. Compensation

Name	2017	2016
	ThUS$	ThUS$
Raimundo Espinoza Concha	53	44
Ghassan Dayoub Psele	72	-

The remuneration of the Company's main executives for 2017 amount to THUS$ 10.899. This amount includes a performance bonus of ThUS$ 2.156.
Criteria for determining remuneration were established by the Board of Directors on the basis of that proposed by the Board of Directors' Audit, Compensation and Ethics Committee:

a) The reference market for Executives' remuneration will be measured by a standard survey.

b) Market orientation will be agreed annually by the Board of Directors on the basis of the proposal by the Board of Directors' Audit, Compensation and Ethics Committee on the basis of the recommendation by the Executive President.

c) The basis for the payment of an annual management bonus for executives and officers will be the Unique Performance Agreement and compliance with the individual performance goals and commitments subject to: (1) pre-tax and law reserved surpluses are greater than 20% of capital and reserves and (2) that comparable net profit for accounting purposes be equal to or higher than 8% of capital and reserves; and the Individual Performance Agreement.

For severance indemnities, the main executives received in 2017 payments equivalent to ThUS$ 471.

SWORN STATEMENT OF RESPONSIBILITY
Annual Report 2017

The undersigned, as Directors of Corporación Nacional del Cobre de Chile, at its registered address in Santiago, Calle Huérfanos 1270, in conformity with General Regulation No. 30 of the Commission for the Financial Market, we hereby declare and certify, under oath and our sole responsibility, that all information provided by Codelco in the Annual Report 2017 is true and correct.

Oscar Landerretche Moreno
Chairman of the Board
8.366.611-0

Dante Contreras Guajardo
Director
9.976.475-9

Laura Albornoz Pollmann
Director
10.338.467-2

Blas Tomic Errázuriz
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